GPT Management Holdings Limited
ABN: 67 113 510 188

Annual Financial Report
31 December 2009

`

This financial report covers both GPT Management Holdings Limited as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities. The financial report is presented in Australian currency.

GPT Management Holdings Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 52, MLC Centre, 19 Martin Place, Sydney NSW 2000.

Through our internet site, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.gpt.com.au.

GPT Management Holdings Limited and its controlled entities

CONTENTS

DIRECTORS' REPORT
For the year ended 31 December 2009

The Directors of GPT Management Holdings Limited (the Company) present their report on the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities for the year ended 31 December 2009. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group).

1. OPERATIONS AND ACTIVITIES

1.1 Principal Activities
GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is MLC Centre, Level 52, 19 Martin Place, Sydney NSW 2000.

During the financial year, the Company announced its strategy to simplify the business and focus on high quality Australian retail, office and industrial/business park assets. As a result, the Company has divested the majority of its offshore positions with the exception of US Senior Housing and continues its program to divest non-core Australian assets.

The Company activities have changed significantly since 2008 with major changes being:
- the separation of the European component of the Company's global joint venture via an in specie dividend to GPT's stapled securityholders;
- the sale of the European funds management operation, GPT Halverton; and
- the sale of the property of GPT's hotel/tourism portfolio.

The principal activities of GPT Management Holdings Limited during the year were:
- investment in income producing retail, office, industrial and business parks and senior housing properties;
- development of office properties;
- management and administration of the General Property Trust; and
- property management.

The Company operates predominantly in Australia but also in the United States of America through the US Senior Housing Portfolio.

1.2 Review of Operations
The net loss of the Company for the financial year ended 31 December 2009 should be read in conjunction with the financial statements of the GPT Group.

	Consolidated entity	
	31 Dec 09	31 Dec 08
	$'000	$'000
Profit/(loss) from continued operations before income tax expense	**(37,700)**	2,898
Income tax expense	**(5,900)**	(19,112)
Loss from discontinued operations	**(90,012)**	(680,989)
Net loss for the financial year	**(133,612)**	(697,203)

Financial results – portfolio/operational highlights
The financial performance and total assets by portfolio are summarised below along with commentary on each portfolio's operational performance.

Portfolio/Segment	**Realised Operating Income 2009 $000**	Realised Operating Income 2008 $000	**Total Assets 2009 $000**	Total Assets 2008 $000
Core				
Funds Management - Australia	**6,662**	14,677	**11,526**	15,513
Property Management	**2,886**	(888)	**22,998**	25,702
Non-core				
US Senior Housing	**(9,175)**	(5,448)	**3,561**	13,906
Discontinued operation - Funds Management - Europe	**(35,769)**	(43,980)	**49,499**	599,631
Discontinued operation - Joint Venture	**(1,007)**	(20,106)	-	-
Discontinued operation - Hotel / Tourism	**(19,112)**	(21,151)	**37,871**	52,696
Financing and corporate overheads				
Corporate	**(9,409)**	(7,343)	**88,631**	110,459
Total	**(64,924)**	(84,239)	**214,086**	817,907

(a) Funds Management
Australian platform
Following completion of workplace[6], GWOF has ownership interests in 14 assets with a value of $2.9 billion. GWSCF has ownership interests in 9 assets with a value of $2 billion.

The performance across the Funds' assets continues to be stable, reflecting resilient retail performance and solid office occupancy of 85.9% across the Fund owned assets.

European platform
GPT's European funds management platform consisted of GPT Halverton and an 80% interest in Hamburg Trust. In August GPT sold its interest in Hamburg Trust and in December announced the sale of GPT Halverton. Both sales were completed prior to year end.

DIRECTORS' REPORT
For the year ended 31 December 2009

1.2 Review of Operations (continued)

(b) Joint Venture (with Babcock & Brown)

In August, the Company finalised its exit from the European component of its Joint Venture with Babcock & Brown by way of a dividend in specie of shares in BGP Holdings Limited to GPT stapled securityholders. The European Joint Venture comprised the Company's ordinary equity interests in BGP Investment Sàrl, a Luxembourg based company that indirectly owns the Joint Venture's European investments.

(c) Property Management

The property management division made a loss of $1,164,000 (Dec 2008: Loss of $5,030,000). Assets include management rights for Highpoint Shopping Centre and Norton Street Plaza.

(d) Developments

GPT retains a $2.2 billion pipeline of future development opportunities for the medium term, subject to approvals and pre-commitments.

(e) Capital Management

Capital raising

In order to further strengthen GPT's Balance Sheet, improve liquidity and allow GPT to accelerate its exit from the Babcock & Brown Joint Venture, GPT announced a $1.7 billion capital raising on 7 May 2009 at an offer price of 35 cents per stapled security. GPT successfully completed this capital raising in June 2009.

The capital raising comprised a $120 million institutional placement and a non-renounceable 1 for 1 pro-rata entitlement offer to eligible securityholders which had an institutional component of $1,270.8 million and a retail component of $292.8 million, total transaction costs related to the capital raising were $53.9 million. The proceeds were used to reduce GPT's debt and by doing so reduce the Group's covenant and refinancing risks. As a result, GPT has no material refinancing needs until 2012.

1.3 Dividends

During the year, the Company declared an In Specie Dividend in BGP Holdings Limited (formerly GPT MaltaCo 1 Limited) to GPT securityholders for €10,000 (AUD $16,000) out of current year profits.

1.4 Significant Changes in State of Affairs

Significant changes in the state of the affairs of the Company during the financial year were as follows:

- **Operations**
  The divestment of non-core assets as discussed in Section 1.2 of this Report.

- **Capital Management**
  As discussed in Section 1.2 of this Report.

- **Board and Management Changes**
  Mr Michael Cameron was appointed as GPT's new Chief Executive Officer and Managing Director 1 May 2009.

  Three additional non-executive directors have also been appointed. Mr Lim Swe Guan was appointed on 21 April 2009, Mr Rob Ferguson (Deputy Chairman) was appointed on 25 May 2009 and Mr Brendan Crotty was appointed on 22 December 2009.

  In December, Dr Ken Moss, who was appointed Chairman on 25 May 2009, announced his intention to step down at the 2010 Annual General Meeting. It is intended that Rob Ferguson will step in as Chairman, subject to his election at the Annual General Meeting.

  In line with the needs of a simplified business as the Company concentrates on the core portfolios of Australian Retail, Office and Industrial, the Company announced in July 2009 the management departures of Kieran Pryke (Chief Financial Officer) and Neil Tobin (Head of Joint Venture) and the appointment of Michael O'Brien as Chief Financial Officer.

1.5 Likely Developments and Expected Results of Operations

Likely developments and commentary on the expected results of operations are included in Section 1.2 of this Report.

In addition, the Company announced its intention to undertake a 1 for 5 consolidation of the Group's stapled securities in 2010. The two significant capital raisings over the past 14 months has resulted in over 9 billion GPT securities on issue (pre exchangeable security conversion). The consolidation of the Group's securities on issue will be voted on at the Annual General Meeting in 2010.

Further information on likely developments and expected results of operations have not been included in this annual financial report because the Directors believe it would likely result in unreasonable prejudice to the Company.

1.6 Environmental Regulation

The Company has policies and procedures in place that are designed to ensure that where operations are subject to any particular and significant environmental regulation under a law of Australia (for example property development and property management), those obligations are identified and appropriately addressed. This includes obtaining and complying with conditions of relevant authority consents and approvals and obtaining necessary licences. The Company is not aware of any breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

The Company is also subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007. The Energy Efficiency Opportunities Act 2006 requires the Company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result. As required under this Act, the Company has registered with the Department of Resources, Energy and Tourism as a participant entity and reported the results from its initial assessments within the legislative deadline of 31 December 2009.

DIRECTORS' REPORT
For the year ended 31 December 2009

1.6 Environmental Regulation (continued)
The National Greenhouse and Energy Reporting Act 2007 requires the Company to report its annual greenhouse gas emissions and energy use. The first measurement period for this Act ran from 1 July 2008 to 30 June 2009. The Company has implemented systems and processes for the collection and calculation of the data required and submitted its report to the Greenhouse and Energy data Officer within the legislative deadline of 31 October 2009.

More information about the GPT Group's participation in the Energy Efficiency Opportunities program is available at www.gpt.com.au

1.7 Events Subsequent to Reporting Date
The Directors are not aware of any matter or circumstance occurring since 31 December 2009 not otherwise dealt with in the financial report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

1.8 Going Concern
The directors believe it is appropriate to present the financial statements on a going concern basis as they have received an undertaking from General Property Trust (Trust) that the Trust will provide sufficient financial assistance to the Company as and when it is needed.

2. DIRECTORS AND SECRETARY

2.1 Directors
The Directors of GPT Management Holdings Limited at any time during or since the end of the financial year are:

(i) Chairman - Non-Executive Director

Peter Joseph	(retired 25 May 2009)
Ken Moss	(an existing director, was appointed Chairman on 25 May 2009)

(ii) Non-Executive Directors

Brendan Crotty	(appointed 22 December 2009)
Rob Ferguson	(appointed 25 May 2009, Deputy Chairman)
Eric Goodwin	
Lim Swe Guan	(appointed 21 April 2009)
Malcolm Latham	(retired 25 May 2009)
Anne McDonald	
Ian Martin	

(iii) Executive Director

Michael Cameron	(appointed 1 May 2009)

2.2 Information on Directors

Ken Moss – Chairman
Dr Moss is Chairman of Boral Limited and Centennial Coal Company Limited and is a board member of the Australian Brandenburg Orchestra. Prior to August 2000, Dr Moss was Managing Director of Howard Smith Limited. Dr Moss is a member of the Nomination and Remuneration Committee and was appointed to the Board in August 2000.

Rob Ferguson – Deputy Chairman
Mr Ferguson was Managing Director and Chief Executive of Bankers Trust Australia for 15 years. During his 30 year career with Bankers Trust Mr Ferguson held a number of senior executive positions including Head of Corporate Finance and Investment Management. Mr Ferguson was also an independent non executive director of Westfield for 10 years.

Mr Ferguson is currently the Non-Executive Chairman of IMF (Australia) Limited; Non Executive Chairman of Primary Health Care Limited and Chairman of MoneySwitch Limited. Prior Board positions include Chairman of Vodafone Australia, Nexgen Limited and Bankers Trust Australia Limited.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson is a member of the Nomination and Remuneration Committee and was appointed to the Board in May 2009.

Brendan Crotty
Mr Crotty was appointed to the Board on 22 December 2009. He brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Mr Crotty is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust, a director of the Barangaroo Delivery Authority, a member of the National Housing Supply Council and one of the NSW Government's representatives on the Central Sydney Planning Committee.

Mr Crotty holds tertiary qualifications in Surveying, Town Planning and Business Administration and is a Fellow of the Royal Institute of Chartered Surveyors, the Australian Institute of Company Directors, and the Australian Property Institute as well being a member of the Planning Institute of Australia.

2. DIRECTORS AND SECRETARY (continued)

2.2 Information on Directors (continued)

Eric Goodwin

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and AMPCI Macquarie Infrastructure Management No 2. Limited (responsible entity of Diversified Utility and Energy Trust No. 2). Mr Goodwin joined Lend Lease in 1963 as a cadet engineer and during his 42 year career with Lend Lease held a number of senior executive and subsidiary board positions in the Australian operation, the US and he was the inaugural manager of the Group's Asian operations. Eric has experience in design construction and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio during the 1980s and he was the founding Fund Manager of the Australian Prime Property Fund. Mr Goodwin is a member of the Audit and Risk Management Committee and was appointed to the Board in November 2004.

Lim Swe Guan

After graduating with an honours degree in Estate Management in 1979, Mr Lim was employed as Lands Officer for the Urban Redevelopment Authority of Singapore ("URA"). He left URA in 1980 to work as a securities analyst, initially for Kim Eng Securities (1980 - 1982) and later for Alfa-Pacific Securities (1982 - 1983).

Swe Guan obtained an MBA from the Colgate Darden Graduate School of Business, The University of Virginia in 1985 and returned to Singapore where he worked as a property consultant with Knight Frank, Cheong Hock Chye & Bailieu. In June 1986, Mr Lim was recruited by Jones Lang Wootton in Sydney, Australia to the position of Senior Research Analyst. He was appointed Manager in October 1987 and Director in 1989. Mr Lim obtained the Chartered Financial Analyst (CFA) certification in 1991. In November 1995, Mr Lim joined SUNCORP Investments in Brisbane, Australia as Portfolio Manager, Property Funds.

Mr Lim returned to Singapore in December 1997 to assume the position of Regional Manager for the Government of Singapore Investment Corporation and is currently a Managing Director of GIC Real Estate. In that role he is Global Head of the Corporate Investments Group that invests in public REITs and property companies.

Mr Lim sits on the boards of Land & Houses in Thailand, Thakral Holdings Group in Australia and Sunway City Berhad in Malaysia.

Mr Lim is a member of the Audit and Risk Management Committee and was appointed to the Board in April 2009.

Anne McDonald

Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. Ms McDonald is also a Non-Executive Director of Westpac's Life and General Insurance business, Health Super and St Vincent's Healthcare.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for fifteen years specialising as a company auditor and advising multinational and Australian companies on governance, risk management and accounting issues. Previous roles include Board Member of Ernst & Young Australia and a Director of the Private Health Insurance Administration Council, St Vincent's and Mater Health Sydney.

Ms McDonald is Chair of the Audit and Risk Management Committee and was appointed to the Board in August 2006.

Ian Martin

Mr Martin is currently a Non-Executive Director of Argo Investments Limited, St Vincent's and Mater Health Sydney Limited, Chairman of the Wayside Chapel Foundation, and a Panel Member of the Superannuation System Review (the Cooper Review). Mr Martin is a former Chief Executive Officer of the BT Financial Group and Global Head of Investment Management and Member of the Management Committee of Bankers Trust Corporation.

Mr Martin spent eight years as an economist with the Australian Treasury, Canberra, and was the inaugural Chairman of the Investment and Financial Services Association. Mr Martin is the Chair of the Nomination and Remuneration Committee and was appointed to the Board in June 2005.

Michael Cameron

Mr Cameron joined The GPT Group as CEO and Managing Director in May 2009 and has over 30 years' experience in Finance and Business.

His past experience includes 10 years with Lend Lease where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business. On returning to Sydney in 1996 Michael was appointed to the role of Chief Financial Officer, MLC Limited before moving to the role of Chief Financial Officer, then Chief Operating Officer of the NAB Wealth Management Division following the sale of MLC.

Mr Cameron joined the Commonwealth Bank of Australia in 2002 as Deputy Chief Financial Officer and was appointed to the role of Group Chief Financial Officer soon after in early 2003.

In 2006, Mr Cameron was appointed to the position of Group Executive of the Retail Bank Division of the Commonwealth Bank of Australia, leading a team of 20,000 staff servicing eight million customers.

Mr Cameron was Chief Financial Officer at St.George Bank Limited from mid 2007 until the sale to Westpac in December 2008.

Mr Cameron is a fellow of the Australian Institute of Chartered Accountants, a fellow of CPA Australia and a fellow of the Australian Institute of Company Directors.

Mr Cameron was appointed to the Board in May 2009.

James Coyne - Company Secretary

James is responsible for the legal, compliance, risk management and company secretarial activities of GPT. He was appointed the General Counsel/Company Secretary of GPT in 2004. Previous experience includes company secretarial and legal roles in construction, infrastructure and the real estate funds management industry (listed and wholesale).

James holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Sydney.

DIRECTORS' REPORT
For the year ended 31 December 2009

2. DIRECTORS AND SECRETARY (continued)

2.3 Attendance of Directors at Board Meetings and Board Committee Meetings
The number of Board meetings, including meetings of Board Committees, held during the financial year and the number of those meetings attended by each Director is set out below:

	Board			Audit and Risk		Nomination and Remuneration Committee		Corporate Responsibility Committee	
	Number of meetings attended		Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
	Scheduled	Unscheduled							
Brendan Crotty	-	-	-	-	-	-	-	-	-
Michael Cameron	5	5	10	-	-	-	-	-	-
Robert Ferguson	4	3	8	-	-	4	4	-	-
Eric Goodwin	9	8	19	8	8	-	-	1	1
Peter Joseph	4	7	11	-	-	2	2	-	-
Malcolm Latham	4	6	11	-	-	2	2	1	1
Lim Swe Guan	6	4	10	4	4	-	-	-	-
Ian Martin	9	6	19	-	-	6	6	-	-
Anne McDonald	9	9	19	8	8	-	-	-	-
Ken Moss	9	10	19	4	4	4	4	-	-

2.4 Directors' Relevant Interests
The relevant interests of each Director in GPT stapled securities as at the date of this Report are shown below:

	Number of GPT Stapled Securities
Michael Cameron	Nil
Brendan Crotty	Nil
Rob Ferguson	1,020,409
Eric Goodwin	77,918
Lim Swe Guan	Nil
Ian Martin	230,585
Anne McDonald	47,250
Ken Moss	118,085

2.5 Directors' Directorships of Other Listed Companies
Details of all directorships of other listed entities held by each Director during the 3 years preceding 31 December 2009 and the period for which each directorship has been held are set out below:

Director	Directorship of Listed Entity	Period Held
Michael Cameron	Nil	N/A
Brendan Crotty	Brickworks Limited	Since 2008
	Trafalgar Corporate Group	2007 to 2009
	Australand Property Group	1997 to 2007
Rob Ferguson	IMF (Australia) Limited	Since 2004
	Primary Health Care Limited	Since 2009
Eric Goodwin	AMPCI Macquarie Infrastructure No 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No 2 (one of the stapled entities within the DUET Group)	Since 2004
Lim Swe Guan	Thakral Holdings Limited	Since 2004
Ian Martin	Argo Investments Limited	Since 2004
	Babcock & Brown Limited	2004 to 2009
Anne McDonald	Speciality Fashion Group Limited	Since 2007
	Spark Infrastructure Group	Since 2009
Ken Moss	Adsteam Marine Limited	2001 to 2007
	Macquarie Capital Alliance Group (including Macquarie Capital Alliance Limited and Macquarie Capital Alliance Management Limited)	2005 to 2008
	Boral Limited	Since 1999
	Centennial Coal Company Limited	Since 2000

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT

2009 Remuneration in brief
The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2009 Remuneration In Brief, outlines the key remuneration decisions taken by GPT during the year, and discloses the actual value of remuneration paid to GPT's senior executives. The full Remuneration Report for 2009, starting on page 10, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2009 in accordance with statutory obligations and accounting standards.

The Board was active on a number of fronts in 2009, including:

- Maintaining restraint on executive salaries commensurate with GPT's performance and the prevailing economic conditions;
- Simplifying and improving GPT's approach to employee share schemes; and
- Managing significant change and renewal of the Board and management, including the appointment of Michael Cameron as Managing Director and Chief Executive Officer with effect from 1 May 2009.

Each of these actions is outlined below and in greater detail in the Remuneration Report.

Key remuneration drivers and actions in 2009

Base Pay & Short Term Incentives
While the Board is pleased with progress in the implementation of GPT's corporate strategy in 2009, it is also mindful that the returns to security holders in recent years have been poor. Against this background, the Board has continued to adopt a very restrained approach to executive remuneration. Specifically the Board decided:

- To implement a 'freeze' on base salaries in 2009 for all GPT employees (except for adjustments due to changes in roles and responsibilities) followed by only a modest review of 3% for 2010;
- To maintain the freeze on Non-Executive Director fees for 2009 and 2010;
- In 2008, GPT's senior executives elected to forego any Short Term Incentive (STI) payment for that year. In 2009, the Board elected to restrict the 2009 STI pool to a modest level; and
- In 2010, reduce the overall STI opportunity for all employees.

Employee Ownership
The Board terminated several broad-based employee security schemes during the year that were either too complex, no longer effective, or no longer appropriate in light of recent changes in the laws regarding employee share schemes.

In place of these schemes, in March 2010 the Board will introduce a basic scheme whereby an amount equivalent to 10% of an individuals STI will (after the deduction of income tax) be invested in GPT securities which must be held for a minimum of 1 year. The Board believes this is a simple means of rebuilding a culture of employee ownership of the business at a modest cost.

Long Term Incentives
Following approval of GPT security holders at the 2009 Annual General Meeting, the Board implemented a new long-term incentive (LTI) scheme.

The new LTI scheme is a Performance Rights based LTI designed to better align the remuneration of Senior Executives with the long-term performance of the Group, and to be simpler and more consistent with current market practice.

As foreshadowed in last year's Remuneration Report, as market conditions continue to stabilise, the Board is now moving to introduce additional performance measures for the purpose of better aligning the scheme with GPT's new strategy. These measures will be outlined in the Notice of Meeting for GPT's forthcoming Annual General Meeting in May 2010 and will be subject to security holder approval.

External environment
In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, including market practice and prevailing regulatory and governance standards. In 2009, the Board sought external advice in relation to its remuneration practices from Ernst & Young and Freehills.

The Board is actively monitoring the tax, regulatory and governance activities impacting remuneration that commenced in 2009, and in particular, the Productivity Commission's inquiry into the regulation of director and executive remuneration in Australia. The Board of GPT supports many of the Productivity Commission's recommendations (contained in the Commission's final report released on 19 December 2009) and has already adopted a number of those recommendations – for example:

- GPT's Nomination and Remuneration Committee comprises three non-executive directors, with the chair and a majority of members being independent;
- Executives are prohibited from hedging unvested equity remuneration under GPT's policy on personal dealing;
- The 2009 Remuneration in Brief is a plain English summary outlining actual levels of remuneration received (see the table on page 9); and
- Independent of management, the Board has sought advice from remuneration advisors Ernst & Young to ensure that GPT's remuneration framework remains both competitive and compliant in what has been a rapidly changing regulatory landscape.

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

2009 Remuneration in brief (continued)

CEO, Management and Board Transition
At the start of 2009, an extensive external search was underway for a new Chief Executive Officer. That search resulted in the appointment of Michael Cameron as Managing Director and Chief Executive Officer (CEO) on 1 May 2009. Mr Cameron's remuneration package is set out in detail in the Remuneration Report.

In addition to the appointment of the new CEO, as part of the simplification of GPT's business strategy to refocus on high quality Australian Retail, Office and Industrial real estate, a number of changes were made in the Senior Executive team and to the Board with a number of key appointments and retirements in 2009 (the details of these may be found on page 10).

Remuneration outcomes for the CEO and Senior Executives
The disclosed remuneration of the CEO and Senior Executives, contained on page 23 of the Remuneration Report, is calculated in accordance with statutory obligations and accounting standards, and is theoretical. To make the information more meaningful to security holders (and in addressing the Productivity Commission's recommendation in relation to disclosure of actual levels of executive remuneration), the following table discloses the cash and other benefits actually received by GPT's CEO and Senior Executives during 2009 in a clear and concise way.

The cash and other benefits actually received by Senior Executives in 2009 are different to the amounts shown in the remuneration table on page 23 of the Remuneration Report. This is because the table on page 23 includes amounts in respect of a number of benefits which did not deliver value to Senior Executives in 2009. For example, it includes accounting values for current and prior years' LTI grants which have not been and may never be realised as they are dependent on the performance hurdles being met.

Senior Executive's Remuneration – Cash Accounting Basis

A$'000s	*Fixed remuneration*	*STI*	*LTI*	*Other* [1]	*Total*
Executives					
Michael Cameron (from 1 May 2009)	800.0	933.3	0	5.4	1,738.7
Donna Byrne	368.5	72.1	0	2.1	442.7
Tony Cope	540.0	294.7	0	2.8	837.5
James Coyne	470.0	89.3	0	6.3	565.6
Mark Fookes	700.0	310.0	0	4.4	1,014.4
Victor Georos	450.0	173.0	0	2.4	625.4
Nicholas Harris	600.0	405.2	0	3.0	1,008.2
Jonathan Johnstone	817.9	625.0	0	2.6	1,445.5
Michael O'Brien	800.0	465.0	0	3.8	1,268.8
Phil Taylor	330.0	62.7	0	2.0	394.7
Former Executives					
Richard Croft (until 14 April 2009)	177.9	0	0	171.7	349.6
Kieran Pryke (until 1 September 2009)	504.0	125.3	0	1,377.3	2,006.6
Hadyn Stephens (until 31 December 2009)	500.0	500.0	0	571.4	1,571.4
Neil Tobin (until 31 August 2009)	466.7	116.5	0	1,011.2	1,594.4

[1] Other includes Death & Total/Permanent disablement insurance premiums, superannuation administration fees, and termination payments (as applicable).

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.1 Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2009, which forms part of the Directors Report and has been audited in accordance with the Corporations Act 2001.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's disclosable executives who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives), and the five highest paid executives in 2009.

For the purposes of the 2009 Remuneration Report, the Board has taken the decision to exceed the minimum disclosure requirements applicable to the Group and provide disclosures on GPT's entire Senior Executive Committee (collectively, the Executives).

GPT's KMP and other Executives are listed in the tables below.

Executive	
Name	*Position*
Michael Cameron	Managing Director and Chief Executive Officer (appointed 1 May 2009)
Donna Byrne	Head of Corporate Affairs & Communications
Tony Cope	Head of Office
James Coyne	General Counsel/Secretary
Mark Fookes	Head of Retail
Victor Georos	Head of Industrial & Business Parks
Nicholas Harris	Head of Wholesale
Jonathon Johnstone	Head of Europe
Michael O'Brien	Chief Financial Officer
Phil Taylor	Head of People & Culture
Former Executive	
Richard Croft	CEO GPTHalverton (resigned 14 April 2009)
Kieran Pryke	Chief Financial Officer (resigned 1 September 2009)
Hadyn Stephens	Head of Corporate Transactions (resigned 31 December 2009)
Neil Tobin	Head of Joint Venture (resigned 31 August 2009)

Non-executive Director	
Ken Moss	Chairman (appointed 25 May 2009)
Brendan Crotty	Director (appointed 22 December 2009)
Rob Ferguson	Deputy Chairman (appointed 25 May 2009)
Eric Goodwin	Director
Lim Swe Guan	Director (appointed 22 April 2009)
Ian Martin	Director
Anne McDonald	Director
Former Non-Executive Director	
Peter Joseph	Chairman (retired 25 May 2009)
Malcolm Latham	Director (retired 25 May 2009)

During 2009, the Nomination & Remuneration Committee (the Committee) comprised 3 Non-Executive Directors:

- Ian Martin (Chairman)
- Ken Moss
- Rob Ferguson

The composition of the Committee changed during 2009 with former Committee members Peter Joseph and Malcolm Latham retiring at GPT's Annual General Meeting in May 2009.

The Committee makes recommendations to the Board on:

- remuneration policies (including performance management and short and long term incentive schemes) applicable to GPT employees;
- the CEO's performance and remuneration; and
- remuneration policies and packages applicable to Board members.

Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).

3. REMUNERATION REPORT (continued)

3.2 Key Issues and Changes for 2009

Remuneration Outcomes in an Uncertain Economy

In 2009, the Board progressed in a number of key areas, including the implementation of its new Group strategy, renewal of the Board and management team, restoration of GPT's balance sheet and increasing investor confidence in the business. However, market conditions in 2009 continued to be challenging. Against that background the Board made a number of significant remuneration decisions during the year aimed at:

- responding to the concerns of shareholders and other stakeholders in relation to GPT's executive remuneration structures;
- demonstrating significant restraint on executive remuneration; and
- preserving security holder value in the difficult economic climate.

The major changes that were made as a result of these decisions are outlined in the table below:

Change	Who is affected?	Explanation
Freeze on base (fixed) remuneration	Senior Executives and other employees	There were no increases in base (fixed) remuneration for the 2009 financial year for: • Senior Executives; and • other employees, except in exceptional circumstances or where there was a change in the role or responsibilities of the employee. Base remuneration increases for 2010 were capped at 3% for the entire business, a cost increase of $1.7 million. Michael Cameron's base remuneration for 2010 was maintained at the 2009 level.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees for the 2009 financial year for Non-executive Directors. Furthermore, the fees for 2010 will not increase.
Reduction in 2009 STI pool	Senior Executives and other employees	In response to the extraordinary economic circumstances, the Board took steps to limit the STI budget with the result that – generally speaking – most employees would receive only half the STI that they may have received in more normal economic conditions.
Reduction in 2010 STI Opportunity	Senior Executives and other employees	To match GPT's simpler business model and reduced leverage, the Board & Management decided to reduce the maximum STI levels for all employees, substantially reducing 'upside' STI potential in 2010.
Simplification of employee security ownership	All employees eligible for STI (excluding LTI participants)	In 2008 GPT was criticised for having too many employee security schemes. To address these concerns, in 2009, the Board took steps to terminate several schemes that the Board considered were no longer effective. The Board believes in the long term benefits to security holders of creating an ownership culture among employees and, as a result, in 2010 a basic scheme will be introduced for employees who do not participate in the LTI.
Additional LTI Performance Measures	CEO Senior Executives Other executives (limited to the top 25 in total)	In the 2008 Remuneration Report the Board noted its intention to implement additional performance measures into GPT's LTI plan. Work subsequently undertaken to determine appropriate additional hurdles has been completed, and the proposed 2010 LTI will have 3 performance measures. A summary of these measures is set out on page 16, and further details will be provided in the Notice of Meeting for GPT's 2010 AGM, where the proposed changes to the LTI plan will be subject to security holder approval.

3. REMUNERATION REPORT (continued)

3.2 Key Issues and Changes for 2009 (continued)

CEO Remuneration Structure and Contract Terms
On 1 May 2009, Mr Michael Cameron was appointed as GPT's Managing Director and Chief Executive Officer.

The Board sought advice from Ernst & Young with regard to benchmarking the quantum of Mr Cameron's package to ensure that it was:
- fair in the context of market circumstances
- sufficient to ensure market competitiveness; and
- effectively structured between fixed and at risk remuneration components.

The Board also sought advice from Freehills to ensure Mr Cameron's contract terms were consistent with best practice. The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of CEOs in businesses with comparable market capitalisation and/or revenue, but gives the greatest weight to comparable roles within the ASX A-REIT index.
Remuneration mix	In 2009, Mr Cameron's remuneration mix was as follows (with actual amounts received pro-rated for only 8 months employment): Base: $1,200,000 STI: $0 to $1,500,000 based on performance. Half of any STI received will be deferred into equity, half of which will vest 2 years after receipt, and the other half three years after receipt, subject to ongoing employment. Further details on STI terms (including performance measures) are set out on pages 14 to 15 of this Remuneration Report. LTI: $0 to $900,000 ($1,200,000 in a full year) based on performance and continued service. Further details on LTI terms (including performance measures) are set our on pages 16 to 17 of this Remuneration Report Mr Cameron's 2009 Total Remuneration package is less than his predecessor Mr Lyons. In 2010, the Board elected to demonstrate restraint on Mr Cameron's Base and STI elements but decided to increase his LTI opportunity as follows: LTI: $0 to $1,800,000 In the Board's view this adjustment to the LTI potential would result in a more optimal overall mix of rewards and provide greater incentive for sustained performance over the longer term.
Contract duration	A rolling 12 month contract
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) remuneration
Sign-on payment	Mr Cameron received a sign on payment equivalent to $300,000 in the form of Performance Rights that will convert to GPT securities at no cost. If Mr Cameron is still employed on 30 June 2011, 288,406 Performance Rights will vest. If Mr Cameron is still employed on 30 June 2012, a further 288,406 rights will vest. The Board felt it was important that Mr Cameron be aligned with security holder interests from the commencement of his employment, and hence offered the sign on payment. To balance the reward mix, Mr Cameron's 2009 LTI potential was reduced by an amount equivalent to the sign-on payment value.

Key terms of employment agreements of other Senior Executives are contained under section 3.3 of the Remuneration Report.

Implementation of LTI program

At the 2009 AGM, security holders approved the introduction of a new LTI scheme (the scheme). The new scheme is a Performance Rights based LTI which is more consistent with current market practice, far simpler and more appropriately adapted to the long-term goals of the Group and its security holders, than previous Group LTI programs.

At the end of 2008, the Board determined to launch the 2009 LTI plan subject to a single performance measure, Total Shareholder Return (TSR). The Board noted that the use of a single performance measure was a transitory step and that when market conditions stabilised, and GPT's revised strategy was fully implemented, additional performance measures would be introduced.

In August 2009, Michael Cameron announced GPT's new strategy and, in his presentation to the market, set out a comprehensive vision of GPT's business. Mr Cameron articulated a number of measures by which GPT, and real estate assets more broadly should be measured, including:
- Growth of funds from operations in excess of CPI
- Total return in excess of through the cycle weighted average cost of capital (WACC).

3. REMUNERATION REPORT (continued)

As a result, to ensure that GPT's 2010 LTI is aligned to the new strategy, the following equally weighted measures of performance will be proposed to security holders at the 2010 AGM:

- Relative TSR;
- Earnings per security (EPS) in excess of inflation (as measured by the Consumer Price Index); and
- Total Return in excess of WACC.

Page 16 of the Remuneration Report contains details of the new LTI scheme.

3.3 Remuneration – CEO and Senior Executives

GPT's Remuneration Strategy
The Board is conscious of the need to set a remuneration strategy that not only supports but drives the achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The diagram below shows the key objectives of GPT's remuneration policy for Executives and how these are implemented through our remuneration structures.

GPT's Strategic Business Objectives			
• Sustainable, consistent investment returns that are superior to our competition	• In the near term, achieve growth in Funds from operations in excess of the CPI annually from the core portfolio	• In the long term, deliver a Total Return in excess of GPT's through the cycle WACC	• Create and sustain environments that enrich people's lives

Total Remuneration Components		
Base (Fixed) Remuneration	**Short Term Incentive**	**Long Term Incentive**
• Base level of reward • Set at Australian market median using external benchmark data • Varies based on employee's experience, skills and performance • External & internal relativities considered	• Set at market median for Target performance with potential to approach top quartile for Stretch outcomes • Determined by performance against a mix of Financial & Non-Financial measures • Financials include Group (Realised Operating Income) and (if applicable) Portfolio (Net Return to Owner) • Non-Financial focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives • Delivered in cash annually	• Set at market median for Target performance with potential to approach top quartile for Stretch outcomes • Determined by GPT performance against Financial performance measures • Tested over a 3 year performance period – no re-test • No value derived unless GPT meets or exceeds performance measures • Delivered in equity to align shareholder and executive interests

Attract, retain, motivate and reward high calibre executives to deliver superior performance by:	**Align executive rewards to GPT's performance and security holder interests by:**
• Providing competitive rewards • Opportunity to achieve further incentives based on performance	• Assessing incentive against multiple financial and non-financial business measures that are aligned with GPT strategy, with an equity component • Putting significant components of Total Remuneration at risk

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Total Remuneration Mix
As depicted above, GPT's Executive remuneration is structured as a mixture of Base (fixed) remuneration and variable remuneration, through "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base remuneration is designed to provide for predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance conditions are met or exceeded.

The Total Remuneration mix of components for those Executives with ongoing employment at the end of 2009 are set out in the following table.

Senior Executives	Position	Fixed Remuneration	Variable or "At Risk" Remuneration [1]	
		Base Pay	STI	LTI
Michael Cameron [2]	Chief Executive Officer	**39%**	**39%**	**22%**
Donna Byrne	Head of Corporate Affairs & Communications	**53%**	**21%**	**26%**
Tony Cope	Head of Office	**50%**	**25%**	**25%**
James Coyne	General Counsel/Secretary	**53%**	**21%**	**26%**
Mark Fookes	Head of Retail	**50%**	**25%**	**25%**
Victor Georos	Head of Industrial & Business Parks	**50%**	**25%**	**25%**
Nicholas Harris	Head of Wholesale	**44%**	**34%**	**22%**
Jonathan Johnstone	Head of Europe	**44%**	**34%**	**22%**
Michael O'Brien	Chief Financial Officer	**43%**	**35%**	**22%**
Phil Taylor	Head of People & Culture	**53%**	**21%**	**26%**

[1] The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.
[2] M. Cameron's percentages in 2009 reflect the fact that he received a component of his remuneration in the form of a Sign-on grant of Performance Rights. The Board believes his 2010 percentage structure of 36% / 36% / 28% (Base / STI / LTI) is a more optimal structure.

Base (fixed) Remuneration
Base remuneration is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, responsibility and general performance. This process involves market-based reviews conducted by independent experts benchmarking GPT executives against comparable peers in companies in the A-REIT and broader ASX 200 sectors. GPT generally aims to pay around market median base salary.

What is included in Base (fixed) remuneration?	Base remuneration includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base remuneration reviewed?	Base remuneration is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are restrained and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of CEO and Executive salaries annually by Ernst & Young, much of it focussed on publicly available data from annual reports. More broadly, the business relies on benchmarking relevant to the property sector including the Avdiev survey. For more specialist functional roles management will source multiple benchmarks from recruitment agencies and other informed sources.

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Short Term Incentives (STI) (variable component)
GPT employees have an opportunity to receive an STI based on calendar year performance. STI levels are set as part of the process of benchmarking the Total Remuneration opportunity for each role. GPT generally aims to set STI opportunity at market median for Target performance with potential to approach top quartile for Stretch outcomes.

<table>
<tr><td>What is the STI plan?</td><td>The STI is an 'at-risk' incentive awarded annually in the form of cash (or a mixture of cash & GPT securities in the case of the CEO) subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).</td></tr>
<tr><td>Who participates in the STI plan?</td><td>A uniform performance management system is used across GPT. The system provides all permanent GPT employees with the opportunity to receive an STI.</td></tr>
<tr><td>Why does the Board consider the STI an appropriate incentive?</td><td>Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.</td></tr>
<tr><td>Are both target and stretch performance conditions set?</td><td>Yes. Stretch performance conditions can reward exceptional performance beyond the acceptable Target outcomes, and can motivate individuals to strive for the mutual benefit of themselves and the business.</td></tr>
<tr><td>What is the value of the STI opportunity?</td><td>The STI opportunity is expressed as a percentage of Base (fixed) remuneration, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges:
<table>
<tr><th>Level</th><th>Target Incentive Range</th><th>Stretch Incentive Range*</th></tr>
<tr><td>CEO</td><td>100%</td><td>125%</td></tr>
<tr><td>Executives</td><td>50-75%</td><td>62.5-100%</td></tr>
<tr><td>General employees</td><td>12-30%</td><td>15-37.5%</td></tr>
</table>
If a minimum or Threshold level of objective achievement is not delivered the STI could be of zero value.

(*In 2009, the Stretch Incentive Range could be up to 100% of the Target Incentive Range; in 2010 the Board has reduced the maximum STI incentive to 25% more than Target).</td></tr>
<tr><td>What are the performance conditions?</td><td>While all employees have a common Group financial performance condition, whether there are other additional performance conditions depends on the individual role, as does the (indicative) mix between financial and non financial measures:
<table>
<tr><th>Level</th><th>Financial Measures</th><th>Non-Financial Measures</th></tr>
<tr><td>CEO</td><td>70%</td><td>30%</td></tr>
<tr><td>Executives</td><td>60%</td><td>40%</td></tr>
<tr><td>General employees</td><td>20%</td><td>80%</td></tr>
</table>
Financial measures are applied at the Group, Portfolio, and even Asset level. Non-Financial measures focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives</td></tr>
<tr><td>Why were these conditions chosen?</td><td>The STI performance conditions were chosen at the end of 2008 for the 2009 calendar year because at the time they were assessed by Management and the Board as the most accurate representation of GPT's short term strategic objectives at that time. To ensure internal alignment with GPT's business strategy, the CEO's performance objectives are set by the Board first and are then cascaded into the business via the performance objectives of all executives and employees.</td></tr>
<tr><td>How is performance measured?</td><td>Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal performance agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.</td></tr>
<tr><td>Who assesses performance against targets?</td><td>The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Executive team.</td></tr>
</table>

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component)
GPT Executives who have the most ability to influence the long term commercial performance of the Group are invited by the Board to participate in an equity-based LTI scheme under which awards may vest if specified performance conditions are achieved over a 3 year performance period. Combined with the Base remuneration and STI potential, the LTI provides a further opportunity to achieve Total Remuneration around market median for Target performance, with potential to approach top quartile for Stretch performance outcomes.

2009 LTI Scheme
At the May 2009 Annual General Meeting GPT stapled securityholders approved the introduction of a new Performance Rights LTI Plan (the 2009 LTI scheme) which was subsequently implemented.

What is the purpose of the LTI plan?	The purpose of the LTI plan is to align Senior Executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, Executives and a limited number of other employees. In 2009, 26 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2009 LTI is based on a percentage of the participants' Base remuneration with the maximum (Stretch) opportunity in 2009 as follows: • for the CEO it was 100% (full year equivalent), in 2010 it will be 150% • for the Senior Executives it was 100% • for all other participants it was 75%
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. The number of Rights granted was determined by dividing GPT's first quarter 2009 volume weighted average security price (VWAP) of 52cps into the grant value. Rights vest subject to satisfaction of performance and service conditions.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive dividends, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise.
What is the performance hurdle?	In 2009 the performance hurdle was the Total Shareholder Return (TSR) performance of the GPT Group compared to the TSR performance of the individual entities that comprise the S&P ASX 200 A-REIT Index (excluding the GPT Group) at the beginning of the performance period. On a relative TSR basis, if GPT's performance over the 2009-2011 calendar year period is: • Below the 51st percentile - no Rights will vest; • At the 51st percentile - 50% of Rights will vest; • Between the 51st and 75th percentile - there is pro-rata straight line vesting between 50% and 100% of Rights; • At or above the 75th percentile - 100% of Rights vest.
Are Rights subject to retesting if they do not vest on initial testing?	No. There is no retesting of Rights that do not vest after being first tested for satisfaction against the performance conditions at the end of the 3 year period.
Will there be any additional performance hurdles for subsequent LTI grants?	Additional performance measures for the 2010 LTI grants will be proposed to security holders at the 2010 AGM as follows: • Relative TSR; • Adjusted Earnings per security (EPS) in excess of inflation (as measured by the Consumer Price Index); and • Total Return in excess of Weighted Average Cost of Capital (WACC) The Board is of the view that the additional performance measures will better align executive remuneration with GPT's strategy and security holder interests.

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component) (continued)

2009 LTI Scheme (continued)
The table below summarises the grants of Performance Rights made to Executives under the 2009 LTI scheme.

Senior Executives	Position	LTI Scheme	Performance Rights Granted in 2009	Grant Date	Fair Value per Performance Right	Vesting Date [1]	Maximum Value Recognised in Future Years [2]
Executives							
Michael Cameron	Chief Executive Officer	2009	1,730,436	30-Jun-09	$ 0.17	31-Dec-11	217,439
Donna Byrne	Head of Corporate Affairs & Communications	2009	711,402	30-Jun-09	$ 0.20	31-Dec-11	111,365
Tony Cope	Head of Office	2009	1,038,262	30-Jun-09	$ 0.20	31-Dec-11	162,532
James Coyne	General Counsel/Secretary	2009	903,672	30-Jun-09	$ 0.20	31-Dec-11	141,463
Mark Fookes	Head of Retail	2009	1,345,895	30-Jun-09	$ 0.20	31-Dec-11	210,690
Victor Georos	Head of Industrial & Business Parks	2009	865,218	30-Jun-09	$ 0.20	31-Dec-11	135,444
Nicholas Harris	Head of Wholesale	2009	1,153,624	30-Jun-09	$ 0.20	31-Dec-11	180,591
Jonathan Johnstone	Head of Europe	2009	961,354	30-Jun-09	$ 0.20	31-Dec-11	150,493
Michael O'Brien	Chief Financial Officer	2009	1,538,166	30-Jun-09	$ 0.20	31-Dec-11	240,789
Phil Taylor	Head of People & Culture	2009	634,493	30-Jun-09	$ 0.20	31-Dec-11	99,325
Former Executives							
Kieran Pryke [3]	Chief Financial Officer	2009	1,442,030	30-Jun-09	$ 0.20	-	-
Hadyn Stephens [4]	Head of Corporate Transactions	2009	961,354	30-Jun-09	$ 0.20	-	-
Neil Tobin [5]	Head of JV	2009	1,345,895	30-Jun-09	$ 0.20	-	-

[1] Vesting date notes the date that marks the end of the 3-year LTI period. At this point the Performance Condition will be assessed against the performance hurdle to see if any Performance Rights vest.
[2] This represents the maximum value of the rights yet to be vested which have been determined by the amount of the grant date fair value that is yet to be expensed.
[3] K. Pryke's employment ended on 1 September 2009 and the Board determined that his Performance Rights lapsed.
[4] H. Stephen's employment ended on 31 December 2009 and the Board determined that his Performance Rights lapsed.
[5] N. Tobin's employment ended on 31 August 2009 and the Board determined that his Performance Rights lapsed.

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component) (continued)

Pre 2009 Legacy LTI Schemes
GPT's 2008 Remuneration Report described significant changes that were made to the 2006, 2007 and 2008 LTI schemes (collectively, the legacy schemes). Broadly, grants under the LTI legacy scheme consisted of loans provided to certain executives to acquire GPT securities.

The 2007 LTI scheme concluded at the end of 2009 and no performance conditions were satisfied, hence no LTI awards were made under the 2007 LTI scheme. The 2008 LTI scheme is the last of the legacy schemes and will conclude at the end of 2010.

The performance conditions and current participant positions are summarised in the tables below:

LTI Scheme	LTI Performance Measurement Period	Performance Condition	Performance Condition Hurdle	Weighting
2007	2007-2009	Growth in Earnings per GPT stapled security (EPS) measured as the percentage increase in the base earnings per GPT stapled security. EPS is the base earnings per security adjusted for significant items and other items determined by the Board and as disclosed in GPT's Income Statement for the financial years ended 31 December 2007, 2008 and 2009.	If EPS growth is below 4% on average over the three year period, no part of LTI available for this performance measure will be awarded. If EPS growth is above 4%, pro-rated awards will occur up to a stretch outcome of 6%.	50%
		Return on contributed equity (RoE) measures the total return on equity employed and takes into account both capital appreciation of the assets of GPT and cash distributions of income.	If RoE is below 8.5% on average over the three year period, no part of the LTI available for this performance measure will be awarded. If RoE is above 8.5%, pro-rated awards will occur up to a stretch outcome of 12.5%.	30%
		Performance relative to Listed Property Trust Index (LPT Index). A LPT Index award may be granted if GPT outperforms against the S&P ASX 200 Listed Property Trust Index. Due to the size of GPT within this Index, GPT and its performance is excluded for the purpose of calculating the LPT Index and its performance.	Below Index performance, no part of the total LTI available for this performance measure will be awarded. Above Index performance, pro-rated awards will occur up to the stretch outcome of 2% out performance. The Board may substitute another Index if there is a material change in the composition of the LPT Index during the measurement period.	20%
2008	2008-2010	Growth in Earnings per GPT stapled security (EPS) measured as the percentage increase in the base earnings per GPT stapled security. EPS is the base earnings per security adjusted for significant items and other items determined by the Board and as disclosed in GPT's Income Statement for the financial years ended 31 December 2008, 2009 and 2010.	If EPS growth is below 4% on average over the three year period, no part of LTI available for this performance measure will be awarded. If EPS growth is above 4%, pro-rated awards will occur up to a stretch outcome of 6%.	50%
		Return on contributed equity measures the total return on equity employed and takes into account both capital appreciation of the assets of GPT and cash distributions of income.	If RoE is below 8.5% on average over the three year period, no part of the LTI available for this performance measure will be awarded. If RoE is above 8.5%, pro-rated awards will occur up to a stretch outcome of 12.5%.	30%
		Performance relative to Listed Property Trust Index (LPT Index). A LPT Index award may be granted if GPT outperforms against the S&P ASX 200 Listed Property Trust Index. Due to the size of GPT within this Index, GPT and its performance is excluded for the purpose of calculating the LPT Index and its performance.	Below Index performance, no part of the total LTI available for this performance measure will be awarded. Above Index performance, pro-rated awards will occur up to the stretch outcome of 2% out performance. The Board may substitute another Index if there is a material change in the composition of the LPT Index during the measurement period.	20%

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component) (continued)

Pre 2009 Legacy LTI Schemes (continued)

Senior Executives	Year of LTI Loan [1]	Loans granted under LTI scheme	GPT stapled security purchase price	Number of securities acquired under LTI scheme	2009 Opening Loan Balance [2]	Interest Costs [3]	GPT stapled security price at	Total net value of employee equity at	2008 LTI Scheme award accrual [4]	2009 Closing Loan Balance
					1-Jan-09	31 Dec 2009	31 Dec 2009	31 Dec 2009	31 Dec 2009	31 Dec 2009
D. Byrne	2007	$138,134	$5.11	27,108	$845,950	$9,673	$0.605	($733,575)	$0	$845,950
Head of Corporate Affairs & Communications	2006	$666,663	$4.20	158,635						
T. Cope	2007	$165,568	$5.11	32,384	$1,025,453	$11,729	$0.605	($889,252)	$0	$1,025,453
Head of Office	2006	$809,998	$4.20	192,742						
J. Coyne	2007	$209,302	$5.11	40,938	$817,910	$9,186	$0.605	($711,244)	$0	$817,910
General Counsel/ Co. Secretary	2006	$568,888	$4.20	135,369						
M. Fookes	2007	$484,347	$5.11	94,735	$1,595,071	$17,746	$0.605	($1,388,996)	$0	$1,595,071
Head of Retail	2006	$1,033,331	$4.20	245,885						
V. Georos	2007	$166,519	$5.11	32,570	$973,885	$11,119	$0.605	($844,770)	$0	$973,885
Head of Industrial & Business Parks	2006	$759,997	$4.20	180,844						
N. Harris	2007	$256,742	$5.11	50,217	$1,211,868	$12,548	$0.605	($1,066,157)	$0	$1,211,868
Head of Wholesale	2006	$888,887	$4.66	190,627						
J. Johnstone	2007	$218,453	$5.11	42,728	$1,023,764	$11,593	$0.605	($889,142)	$0	$1,023,764
Head of Europe	2006	$755,555	$4.20	179,787						
M. O'Brien	2007	$1,301,977	$5.11	254,658	$2,664,129	$28,558	$0.605	($2,332,508)	$0	$2,664,129
CFO	2006	$1,233,333	$4.20	293,476						
P. Taylor	2007	$126,625	$5.11	24,767	$562,861	$6,359	$0.605	($489,013)	$0	$562,861
Head of People & Culture	2006	$408,886	$4.20	97,296						
Total		**$10,193,204**		**2,274,766**	**$10,720,891**	**$118,511**		**(9,344,658)**	**$0**	**$10,720,891**

[1] Year of LTI loan means the year in which a loan was made to the individual to acquire GPT stapled securities under the LTI scheme. No additional loans were made to any of the key management personnel from calendar year 2008 onwards.

[2] 2009 Opening Loan Balance reflects the balance of the loan less net distributions for the period 2006-2008 plus capitalised interest costs for the period 2006-2008.

[3] Interest costs for 2009 were set at a level equivalent to the net distributions received. This was a change in scheme design for 2009 recognising that with employee equity positions substantially 'underwater' and with the loans converted to limited recourse there was no sense charging a commercial rate of interest which would further exacerbate the negative equity position.

[4] As a result of GPT's performance to date and the fact that no LTI award in the form of a loan waiver had been achieved or is likely to be achieved for the remaining 2008 LTI (which runs to the end of 2010) no award accrual is applicable.

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Service Agreements
All employees have service agreements in place that set out the basic terms and conditions of employment. In 2009 the Board took steps to increase the notice periods for all Senior Executives to a minimum of 3 months. No notice provisions apply where termination occurs as a result of misconduct or serious or persistent breach of the agreement.

Remuneration arrangements for early termination of an Executive's contract for reasons outside the control of the individual or where the Executive is made redundant may give rise to a severance payment at law. In the absence of any express entitlement, these payments would vary between individuals.

The Board has approved a policy with respect to severance entitlements specifically capping the maximum severance payment that would be made to twelve months base remuneration. In addition the executive may be entitled to any STI and LTI at the end of the relevant period subject to the achievement of key performance indicators that had been set.

In response to the passing of the *Corporations Amendment (Improving Accountability on Terminations Payments) Act* 2009 (Cth) into law on 16 November 2009 the Board is currently taking steps to ensure that GPT executive entitlements to termination benefits (as defined by the Act) do not exceed the new limits put in place.

The terms of Michael Cameron's contract were outlined on page 12. Set out below is a summary of the terms of the service agreements for Executives (other than the CEO) who were employed by the Group at 31 December 2009:

	D. Byrne	T.Cope	J. Coyne	M. Fookes	V.Georos	N. Harris	J. Johnstone	M. O'Brien	P.Taylor
Date of agreement	1 June 2005	1 June 2005	1 June 2005	1 June 2005	1 June 2005	25 July 2006	16 June 2005	1 June 2005	10 June 2005
Term of agreement	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended
Non-solicitation of other personnel	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Termination notice (employee)	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months
Termination notice (GPT)	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months

DIRECTORS' REPORT
For the year ended 31 December 2009

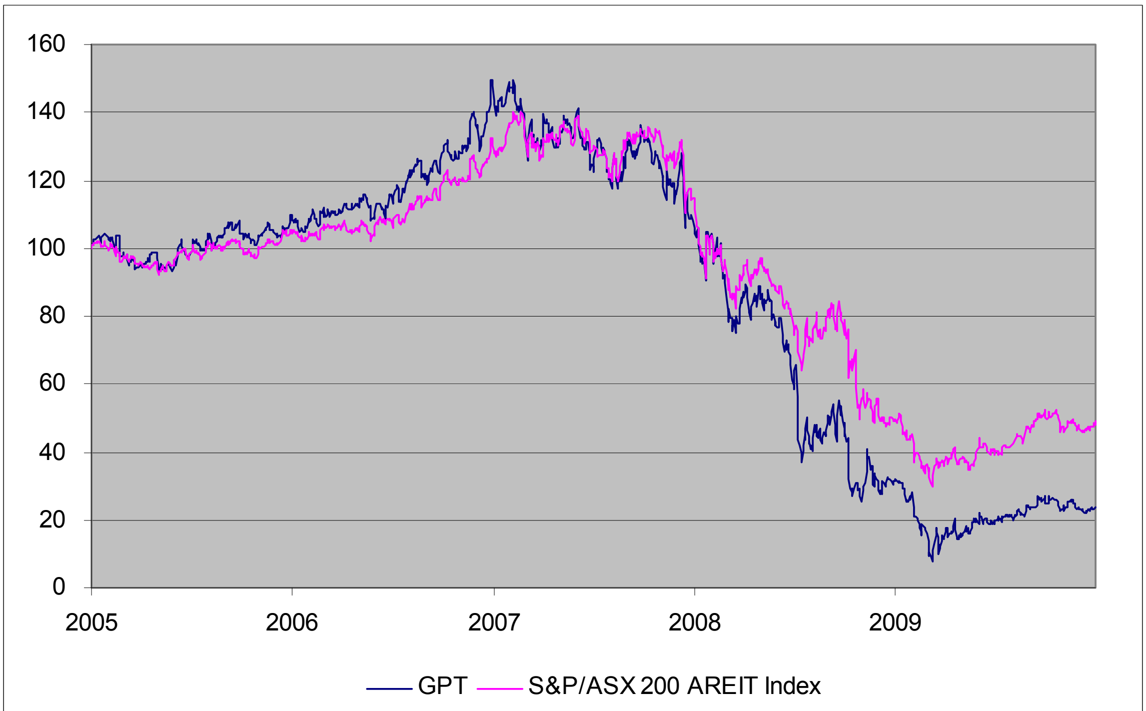
3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

GPT Performance Outcomes
In 2009, economic conditions continued to be extremely challenging and GPT's returns to security holders were unsatisfactory. The table below shows GPT's performance against a number of key metrics over the last 5 years, with GPT's TSR performance versus the ASX 200A-REIT index depicted in the following chart.

		2009	2008	2007	2006	2005
Realised operating income	($ millions)	375.8	468.8	605.1	558.6	492.3
Total securityholder return (TSR)	%	(17.9%)	(64.8%)	(22.8%)	43.2%	15.9%
Annualised three year TSR[1]	%	(35.1%)	(14.8%)	12.1%	30.5%	18.7%
Underlying earnings per security (EPS)[2]	cents	4.8	17.7	29.4	27.5	24.4
EPS growth	%	(72.9%)	(39.8%)	6.9%	12.7%	10.9%
Underlying adjusted earnings per security (EPS)[2]	cents	4.8	15.4	19.9	18.6	16.5
Adjusted EPS growth	%	(68.8%)	(22.7%)	6.9%	12.7%	10.9%
Distributions per security (DPS)[2]	cents	4.5	17.7	28.9	27.5	24.4
NTA (per security)[2]	$	0.69	1.43	3.86	3.60	3.16
3 year average total return[3]	$	(23.5%)	(2.9%)	16.9%	18.0%	14.9%
Security price at beginning of calendar year	$	$0.92	$4.04	$5.60	$4.10	$3.74
Security price at end of calendar year	$	$0.61	$0.92	$4.04	$5.60	$4.10

[1] Three year average annual return
[2] Unadjusted per security figures
[3] Three year arithmetic average measured as (Adjusted DPS plus change in adjusted NTA)/Opening adjusted NTA



As noted elsewhere in this report, to address the Group's performance, the Board and Management implemented a program of renewal which commenced in 2008 and continued into 2009, and launched GPT's new strategy under new CEO Michael Cameron in August 2009.

Accountability for the less-than-desirable performance of the Group has been reflected in the remuneration actions implemented by the Board in 2009, including:

- No increase in Executive base remuneration in 2009, and only a modest review of 3% for 2010
- No increase in Non-Executive Director fees in 2009 and 2010
- Executive's electing to forego any STI in 2008, which would have been payable in 2009, and the Board restricting the 2009 STI pool to a modest level
- Reducing the overall STI opportunity for employees in 2010
- No LTI being paid to Executives in the period 2006-2009.

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Short-term incentive outcomes
In 2009, GPT was able to exceed forecast Realised Operating Income targets for 2009. This resulted directly from the implementation of the new Group strategy as communicated to the market in August 2009, the efforts of the new CEO and Executive team over the course of the year, and the dedication and commitment of GPT's employees, the vast majority of whom are employed in activities relating to the core portfolio of high quality Australian Retail, Commercial and Industrial real estate.

Ensuring that GPT employees are retained and motivated to perform is critical not only to the process of recovery, but the day-to-day operations of the business. As a result, the Board felt it appropriate to provide for a modest level of STI incentive for 2009. The Board is of the view that this award recognises the substantial efforts to restore GPT's balance sheet and implement the new strategy, and hence provide a strong, unified platform for further recovery in 2010. In providing an award, the table below outlines the degree of restraint exhibited by the Board by depicting the percentage of maximum STI award forfeited by GPT Executives:

A$'000s	*Actual STI Awarded ($)*	*Actual STI Awarded as a % of Maximum STI*	*% of Maximum STI Award Forfeited*
Executives			
Michael Cameron (from 1 May 2009)	933.3	93.3%	6.7%
Donna Byrne	72.1	24.4%	75.6%
Tony Cope	294.7	54.6%	45.4%
James Coyne	89.3	23.7%	76.3%
Mark Fookes	310.0	44.0%	56.0%
Victor Georos	173.0	38.0%	62.0%
Nicholas Harris	405.2	45.0%	55.0%
Jonathan Johnstone	625.0	83.3%	16.7%
Michael O'Brien	465.0	36.3%	63.7%
Phil Taylor	62.7	23.7%	76.3%

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Senior Executive Remuneration Disclosures – Statutory Accounting Basis
The following table provides a breakdown of GPT's senior executive remuneration in accordance with statutory requirements and accounting standards. The Board considers that the table on page 9 of the 2009 Remuneration in Brief is more meaningful because it shows cash remuneration actually received by GPT's executives.

	Fixed Pay			Variable or "At Risk	Variable or "At Risk Pay" - Long Term					
	Salary & Fees	Superannuation	Non-Monetary [1]	STI Bonus	LTI Award Accrual [2]	Grant of Performance Rights [3]	Accounting (non-cash) Limited recourse amendment [4]	Cash Payment on Termination	Waiver of Full Recourse Loan on Termination [5]	Total
Executives										
M. Cameron [6]										
Chief Executive Officer										
31 December 2009	**$837,589**	**$9,521**	**$5,445**	**$933,333**	**-**	**$50,346**	**-**	**-**	**-**	**$1,836,234**
31 December 2008	-	-	-	-	-	-	-	-	-	-
D. Byrne										
Head of Corporate Affairs & Communications										
31 December 2009	**$355,684**	**$14,103**	**$2,125**	**$72,150**	**-**	**-**	**-**	**-**	**-**	**$444,062**
31 December 2008	$382,228	$13,437	$1,641	-	($86,000)	-	$675,149	-	-	$986,455
T. Cope										
Head of Office										
31 December 2009	**$510,811**	**$14,103**	**$2,805**	**$294,657**	**-**	**-**	**-**	**-**	**-**	**$822,376**
31 December 2008	$490,882	$13,437	$8,848	$208,111	($86,400)	-	$818,337	-	-	$1,453,215
J. Coyne										
General Counsel/Co. Secretary										
31 December 2009	**$461,519**	**$14,103**	**$6,329**	**$89,347**	**-**	**-**	**-**	**-**	**-**	**$571,298**
31 December 2008	$486,770	$13,437	$2,346	-	($42,533)	-	$655,708	-	-	$1,115,728
M. Fookes										
Head of Retail										
31 December 2009	**$665,314**	**$14,103**	**$4,421**	**$310,000**	**-**	**-**	**-**	**-**	**-**	**$993,838**
31 December 2008	$748,977	$13,437	$2,822	-	($80,000)	-	$1,281,701	-	-	$1,966,937
V. Georos										
Head of Industrial & & Business Parks										
31 December 2009	**$434,557**	**$14,103**	**$2,445**	**$173,016**	**-**	**-**	**-**	**-**	**-**	**$624,121**
31 December 2008	$418,361	$13,437	$2,572	$237,375	($92,400)	-	$777,544	-	-	$1,356,889
N. Harris										
Head of Wholesale										
31 December 2009	**$593,323**	**$14,103**	**$3,045**	**$405,180**	**-**	**-**	**-**	**-**	**-**	**$1,015,651**
31 December 2008	$610,470	$13,437	$1,202	-	($69,333)	-	$990,292	-	-	$1,546,068
J. Johnstone [7]										
Head of Europe										
31 December 2009	**$852,900**	**$14,103**	**$2,645**	**$625,000**	**($32,000)**	**-**		**-**	**-**	**$1,462,648**
31 December 2008	$1,038,331	$13,437	$5,331	-	$32,000	-	$819,051	-	-	$1,908,150
M. O'Brien										
Chief Financial Officer										
31 December 2009	**$813,689**	**$14,103**	**$3,845**	**$465,000**	**($24,000)**	**$64,450**	**-**	**-**	**-**	**$1,337,087**
31 December 2008	$894,795	$13,437	$1,897	-	$24,000	-	$2,159,845	-	-	$3,093,974
P. Taylor										
Head of People & Culture										
31 December 2009	**$322,305**	**$14,103**	**$1,965**	**$62,700**	**-**	**-**	**-**	**-**	**-**	**$401,073**
31 December 2008	$331,732	$13,437	$1,353	-	($32,133)	-	$450,563	-	-	$764,952
Former Executives										
R. Croft [8]										
CEO GPT Halverton										
31 December 2009	**$169,442**	**$8,472**	**$606**	**-**	**-**	**-**	**-**	**$171,112**	**-**	**$349,632**
31 December 2008	$761,520	$32,566	-	-	-	-	-	-	-	$794,086
N. Lyons [9]										
Chief Executive Officer										
31 December 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2008	$1,155,148	$11,146	$3,053	-	($1,297,333)	-	-	$975,000	$8,290,281	$9,137,295
K. Pryke [10]										
Chief Financial Officer										
31 December 2009	**$533,630**	**$10,488**	**$5,866**	**$125,342**	**-**	**-**	**-**	**$770,000**	**-**	**$1,445,326**
31 December 2008	$878,334	$13,437	$2,083	-	($73,333)	-	$1,229,598	-	-	$2,050,119
H. Stephens [11]										
Head of Corporate Transactions										
31 December 2009	**$483,388**	**$14,103**	**$7,629**	**$500,000**	**-**	**-**	**-**	**$539,231**	**-**	**$1,544,351**
31 December 2008	$503,326	$13,437	$975	-	($33,333)	-	$816,837	-	-	$1,301,242
N. Tobin [12]										
General Manager - JV										
31 December 2009	**$492,588**	**$9,283**	**$3,445**	**$116,507**	**-**	**-**	**-**	**$720,000**	**-**	**$1,341,823**
31 December 2008	$700,678	$13,437	$2,219	-	($58,666)	-	$1,282,866	-	-	$1,940,534
Total										
31 December 2009	**$7,526,739**	**$178,794**	**$52,616**	**$4,172,232**	**($56,000)**	**$114,796**	**$0**	**$2,200,343**	**$0**	**$14,189,520**
31 December 2008	$9,401,552	$204,956	$36,342	$445,486	($1,895,464)	$0	$11,957,491	$975,000	$8,290,281	$29,415,644

[1] The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums and/or the taxable value of the benefit of discounted staff rates at Voyages Hotels & Resorts.

[2] The purpose of the LTI Award Accrual column is to record the status of accruals for LTI awards under the 2007, 2008, and 2009 LTI plans based on GPT performance against the respective award conditions. As a result, the numbers noted in the table generally represent the reversals of any remaining historical accruals for the 2007 LTI (which at the end of the 3 year performance period 2007-2009 did not reach threshold performance levels) or the 2008 and 2009 LTI's (neither of which are presently tracking above threshold levels of performance, hence no accrual for a potential LTI award is recorded).

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.3 Remuneration – CEO and Senior Executives (continued)

Senior Executive Remuneration Disclosures (continued)

[3] One off grants of Performance Rights were made in 2009 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights (calculated by dividing the initial value of the grant by GPT's first quarter 2009 volume weighted average price of 52.01cps)	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	$300,000	576,812	Service; 50% of performance rights will convert to GPT securities for nil consideration on 30 June 2011, with the remaining 50% converting to GPT securities on 30 June 2012
Michael O'Brien	Recognition of 7 month's service as Acting CEO	$200,000	384,541	Service; 50% of performance rights will convert to GPT securities for nil consideration on 1 July 2010, with the remaining 50% converting to GPT securities on 1 July 2011

[4] The Accounting (non-cash) Limited Recourse Amendment refers to the accounting implications of the change from full recourse to limited recourse loans in GPT's Legacy LTI schemes which occurred on 31 December 2008. As such, it should be noted that it did not represent a cash payment to participants.

[5] The loss on termination of full recourse loan was as a result of exiting the GPT Employee Incentive Scheme – Long Term Incentive, and did not represent a cash payment to Mr Lyons. It comprised a shortfall arising because the value of his equity was accepted in full satisfaction of the outstanding loan giving rise to a loss realised on the loan principal of $3,867,043 plus accumulated interest of $568,211 and the Fringe Benefits Tax paid ($3,855,026).

[6] M. Cameron joined GPT on 1 May 2009.

[7] The salary & fees amount for J. Johnstone in 2009 includes a significant component associated with his expatriate assignment to the United Kingdom, including rental accommodation, school fees, and cost of living adjustments. This assignment concluded at the end of 2009 with the divestment of GPT Halverton.

[8] R. Croft's employment ended on 14 April 2009.

[9] N. Lyons' employment was discontinued on 23 October 2008.

[10] K. Pryke's employment ended on 1 September 2009.

[11] H. Stephen's employment ended on 31 December 2009.

[12] N. Tobin's employment ended on 31 August 2009.

3. REMUNERATION REPORT (continued)

3.4 Remuneration – Non-Executive Directors

Remuneration Policy
The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Nomination and Remuneration Committee. The principal features of this policy are as follows:

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
  - Main Board fees
  - Committee fees
  - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is rewarded via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any incentive or performance based arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on reasonable remuneration for Non-Executive Directors is sought at least every 3 years. Between such reviews, remuneration is monitored against market movements as is the time being spent by Directors in performing their duties. Any increase resulting from this review is effective from the 1st of January each year and advised in the ensuing Remuneration Report.

Remuneration arrangements
As note above, the Board determined that there would be no increase in Non-Executive Director fees for 2009. The Board has also determined that this policy will extend to Non-Executive Director fees for 2010.

The Chairman is paid a main board fee which is 250% more than the other Non-Executive Directors to reflect additional workload and responsibility, however does not receive Committee fees.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of $1,500,000 per annum which was approved by GPT securityholders at the Annual General Meeting on 9 May 2007. As an executive director, Michael Cameron did not receive fees from this pool but was remunerated as one of GPT's Senior Executives. As noted above, there will be no increase in Non-Executive Director fees for 2010.

Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2009 are as follows:

		Board	Audit and Risk Management Committee	Nomination and Remuneration Committee	Corporate Responsibility Committee [2]
Chairman [1]	**2009**	$346,500	$34,650	$23,100	$23,100
	2008	$346,500	$34,650	$23,100	$23,100
Members	**2009**	$138,600	$17,325	$11,550	$11,550
	2008	$138,600	$17,325	$11,550	$11,550

[1] 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee.
[2] The Corporate Responsibility Committee was discontinued in 2009 and it's function assumed by the Board.

In addition to the above fees, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the current financial and comparative year are as follows:

DIRECTORS' REPORT
For the year ended 31 December 2009

3. REMUNERATION REPORT (continued)

3.4 Remuneration – Non-Executive Directors (continued)

	Fixed Pay			
	Salary & Fees	Superannuation [1]	Non-Monetary [2]	Total
Directors				
K. Moss [3]				
Chairman				
31 December 2009	**$270,834**	**$14,103**	**-**	**$284,937**
31 December 2008	$155,925	$13,437	-	$169,362
B. Crotty [4]				
31 December 2009	**$3,038**	**$273**	**-**	**$3,311**
31 December 2008	-	-	-	-
R. Ferguson [5]				
31 December 2009	**$90,475**	**$8,143**		**$98,618**
31 December 2008	-	-	-	-
E. Goodwin				
31 December 2009	**$167,475**	**$14,103**	**-**	**$181,578**
31 December 2008	$167,475	$13,437	-	$180,912
L.S. Guan [6]				
31 December 2009	**$107,795**	**$9,702**	**-**	**$117,497**
31 December 2008	-	-	-	-
I. Martin				
31 December 2009	**$161,700**	**$14,103**	**-**	**$175,803**
31 December 2008	$161,700	$13,437	-	$175,137
A. McDonald				
31 December 2009	**$173,250**	**$14,103**	**$1,393**	**$188,746**
31 December 2008	$173,250	$13,437	$2,641	$189,328
Former Directors				
P. Joseph [7]				
31 December 2009	**$138,156**	**$5,480**	**-**	**$143,636**
31 December 2008	$346,500	$13,437	-	$359,937
M. Latham [8]				
31 December 2009	**$69,078**	**$5,480**	**$650**	**$75,208**
31 December 2008	$173,250	$13,437	$1,192	$187,879
E. Nosworthy [9]				
31 December 2009	**-**	**-**	**-**	**-**
31 December 2008	$100,100	$8,817	$4,381	$113,298
Total				
31 December 2009	**$1,181,801**	**$85,490**	**$2,043**	**$1,269,334**
31 December 2008	$1,278,200	$89,439	$8,214	$1,375,853

No termination benefits were paid during the financial year.

1 Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.
2 The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums (A. McDonald & E. Nosworthy) or Parking (M. Latham).
3 K. Moss was appointed Chairman effective 25 May 2009.
4 B. Crotty was appointed to the Board on 22 December 2009.
5 R. Ferguson was appointed to the Board in the role of Deputy Chairman on 25 May 2009.
6 L.S. Guan was appointed to the Board on 21 April 2009.
7 P. Joseph retired from the role of Chairman of the Board on 25 May 2009.
8 M. Latham retired as a Director on 25 May 2009.
9 E. Nosworthy resigned as a Director on 21 August 2008.

DIRECTORS' REPORT
For the year ended 31 December 2009

4. OTHER DISCLOSURES

4.1 Indemnification and Insurance of Directors and Officers
GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Secretary of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. The Auditors are in no way indemnified out of the assets of GPT.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

4.2 Proceedings on behalf of the Company
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

4.3 Non-Audit Services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amount paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 29 to the financial statements.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit and Risk Management Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit & Risk Management Committee reviewed the non-audit services and other assurance services at the time of appointment to ensure that they did not impact upon the integrity and objectivity of the auditor
- the Board's own review conducted in conjunction with the Audit and Risk Management Committee, having regard to the Board's policy with respect to the engagement of GPT's auditor
- the fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

4.4 Rounding of Amounts
The GPT Group is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the Directors' Report have been rounded to the nearest tenth of a million dollars in accordance with the Class Order, unless stated otherwise.

4.5 Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

4.6 Auditors' independence declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.

Ken Moss	Michael Cameron
Chairman	Managing and Executive Director

Sydney
22 February 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GPT Management Holdings Limited and the entities it controlled during the period.

DH Armstrong
Partner
PricewaterhouseCoopers

Sydney
22 February 2010

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Revenue					
Fund management fees		**55,936**	71,063	**20,756**	27,191
Property management fees		**23,945**	23,741	**-**	-
Development management fees		**18,511**	19,716	**-**	-
Development project revenue		**-**	190,050	**-**	-
		98,392	304,570	**20,756**	27,191
Other income					
Share of after tax (losses) / profit of associates and joint ventures	10(c)	**(19,835)**	(9,967)	**-**	32,041
Management costs recharged		**6,859**	7,735	**57,495**	62,921
Interest revenue		**2,246**	8,875	**1,663**	3,112
Dividend revenue		**-**	500	**50,300**	155
Net foreign exchange gain		**1,132**	1,190	**340**	3,558
Net (loss) / gain on disposal of assets		**-**	6	**(12,403)**	6
Other		**-**	-	**-**	36
		(9,598)	8,339	**97,395**	101,829
Total revenue and other income		**88,794**	312,909	**118,151**	129,020
Expenses					
Remuneration expenses		**75,410**	83,778	**73,093**	80,769
Cost of sales attributable to development projects		**-**	137,838	**-**	-
Property rent and outgoings		**5,994**	5,453	**2,449**	1,804
Repairs and maintenance		**1,673**	2,114	**(992)**	(649)
Professional fees		**8,126**	6,461	**6,790**	5,191
Advertising and promotion		**8**	14	**-**	-
Depreciation and amortisation expense	5(a)	**6,230**	5,998	**2,077**	1,846
Impairment expense - loan and receivables		**8,701**	30,374	**(24,029)**	128,655
Impairment expense - other	5(b)	**-**	3,747	**31,725**	369,943
Finance costs	5(c)	**11,786**	26,613	**13,149**	24,247
Other expenses		**8,566**	7,621	**6,540**	5,567
Total expenses		**126,494**	310,011	**110,802**	617,373
Net profit/(loss) from continuing operations before income tax expense		**(37,700)**	2,898	**7,349**	(488,353)
Income tax (expense)/benefit	6(a)	**(5,900)**	(19,112)	**(1,545)**	8,444
Profit/(loss) after income tax expense		**(43,600)**	(16,214)	**5,804**	(479,909)
Loss from discontinued operations	9(c)	**(90,012)**	(680,989)	**-**	-
Net profit/(loss) for the financial year		**(133,612)**	(697,203)	**5,804**	(479,909)
Other comprehensive income					
Net foreign exchange translation adjustments, net of tax		**31,053**	15,435	**-**	-
Effective portion of changes in fair value of cashflow hedges, net of tax		**-**	11,489	**-**	-
Total comprehensive profit/(loss) for the financial year		**(102,559)**	(670,279)	**5,804**	**(479,909)**
Net loss attributable to:					
- Members of the Company		**(119,122)**	(696,037)		
- External non-controlling interest		**(14,490)**	(1,166)		
Total comprehensive loss attributable to:					
- Members of the Company		**(88,057)**	(669,113)		
- External non-controlling interest		**(14,502)**	(1,166)		
Earnings per share per ordinary equityholders of the Company					
Basic loss per share (cents per share) from continuing operations	4	**(3.95)**	(4.31)		
Basic loss per share (cents per share)	4	**(16.18)**	(199.24)		

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
as at 31 December 2009

		Consolidated entity		Parent entity	
		31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current Assets					
Cash and cash equivalents	25(b)	**16,430**	60,060	**4,189**	5,354
Loans and receivables	7(a)	**20,261**	100,463	**1,024**	4,007
Inventories	8	**-**	454,174	**-**	-
Tax receivable		**3,229**	-	**3,443**	-
Prepayments		**2,305**	8,664	**1,652**	1,184
		42,225	623,361	**10,308**	10,545
Non-current assets classified as held for sale	9(b)	**87,370**	-	**-**	-
Total Current Assets		**129,595**	623,361	**10,308**	10,545
Non-Current Assets					
Investments in associates and joint ventures	10	**2,944**	87,222	**-**	-
Loans and receivables	7(b)	**15,241**	41,646	**-**	6,706
Property, plant & equipment	12	**21,272**	19,713	**21,272**	8,867
Intangible assets	13	**16,244**	20,396	**-**	-
Deferred tax assets	6(c)	**24,509**	18,448	**14,488**	15,577
Other assets	11	**4,281**	7,121	**48,035**	62,693
Total Non-Current Assets		**84,491**	194,546	**83,795**	93,843
Total Assets		**214,086**	817,907	**94,103**	104,388
LIABILITIES					
Current Liabilities					
Payables	14	**62,738**	157,434	**21,093**	71,343
Derivative liabilities	15	**-**	16,414	**-**	-
Provisions	16	**6,706**	12,369	**6,706**	7,355
Current tax liabilities		**-**	18,516	**-**	5,988
Borrowings	17	**160,971**	761,487	**-**	-
		230,415	966,220	**27,799**	84,686
Non-current liabilities classified as held for sale	9(b)	**18,380**	-	**-**	-
Total Current Liabilities		**248,795**	966,220	**27,799**	84,686
Non-Current Liabilities					
Provisions	16	**3,847**	5,226	**3,847**	4,256
Deferred tax liabilities	6(d)	**1,017**	-	**678**	-
Borrowings	17	**449,166**	233,512	**258,962**	219,304
Total Non-Current Liabilities		**454,030**	238,738	**263,487**	223,560
Total Liabilities		**702,825**	1,204,958	**291,286**	308,246
Net Assets		**(488,739)**	(387,051)	**(197,183)**	(203,858)
EQUITY					
Equity attributable to members of the Company (parent entity)					
Contributed equity	18	**324,771**	324,755	**324,771**	324,755
Reserves	19	**14,631**	(17,305)	**871**	-
Accumulated losses	20	**(836,353)**	(717,215)	**(522,825)**	(528,613)
Total equity of Company members		**(496,951)**	(409,765)	**(197,183)**	(203,858)
Equity attributable to non-controlling interests - external					
Contributed equity		**-**	-	**-**	-
Reserves	19	**-**	12	**-**	-
Retained profits	20	**8,212**	22,702	**-**	-
Total equity of non-controlling interests		**8,212**	22,714	**-**	-
Total Equity		**(488,739)**	(387,051)	**(197,183)**	(203,858)

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2009

		Consolidated entity									Parent entity			
		Attributable to Company members				Attributable to non-controlling interests - external					Attributable to Company members			
	Note	Contributed Equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Contributed Equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Total equity $'000	Contributed Equity $'000	Reserves $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 January 2008		317,576	9,456	(20,022)	307,010	-	12	19,137	19,149	326,159	317,576	(163)	(48,704)	268,709
Movement in foreign currency translation reserve		-	(15,435)	-	(15,435)	-	-	-	-	(15,435)	-	-	-	-
Movement in cash flow hedge reserve		-	(11,489)	-	(11,489)	-	-	-	-	(11,489)	-	-	-	-
Net income recognised directly in equity		-	(26,924)	-	(26,924)	-	-	-	-	(26,924)	-	-	-	-
Net loss for the financial year		-	-	(697,193)	(697,193)			(10)	(10)	(697,203)	-	-	(479,909)	(479,909)
Total recognised income and expenses for the financial year		-	(26,924)	(697,193)	(724,117)	-	-	(10)	(10)	(724,127)	-	-	(479,909)	(479,909)
Transactions with equity holders in their capacity as equity holders:														
Issue of share capital	18	7,179	-	-	7,179	-	-	-	-	7,179	7,179	-	-	7,179
Movement in treasury stock reserve		-	212	-	212	-	-	-	-	212	-	212	-	212
Movement in employee incentive share scheme reserve		-	(49)	-	(49)	-	-	-	-	(49)	-	(49)	-	(49)
Non-controlling interest in acquisition of controlled entity		-	-	-	-	-	-	3,575	3,575	3,575	-	-	-	-
Closing balance at 31 December 2008		324,755	(17,305)	(717,215)	(409,765)	-	12	22,702	22,714	(387,051)	324,755	-	(528,613)	(203,858)
Balance at 1 January 2009		**324,755**	**(17,305)**	**(717,215)**	**(409,765)**	**-**	**12**	**22,702**	**22,714**	**(387,051)**	**324,755**	**-**	**(528,613)**	**(203,858)**
Movement in foreign currency translation reserve	19	**-**	**31,065**	**-**	**31,065**	**-**	**(12)**	**-**	**(12)**	**31,053**	**-**	**-**	**-**	**-**
Net income recognised directly in equity		**-**	**31,065**	**-**	**31,065**	**-**	**(12)**	**-**	**(12)**	**31,053**	**-**	**-**	**-**	**-**
(Loss)/profit for the financial year	20	**-**	**-**	**(119,122)**	**(119,122)**		**-**	**(14,490)**	**(14,490)**	**(133,612)**	**-**	**-**	**5,804**	**5,804**
Total recognised income for the financial year		**-**	**31,065**	**(119,122)**	**(88,057)**	**-**	**(12)**	**(14,490)**	**(14,502)**	**(102,559)**	**-**	**-**	**5,804**	**5,804**
Transactions with equity holders in their capacity as equity holders:														
Issue of share capital	18	**16**	**-**	**-**	**16**	**-**	**-**	**-**	**-**	**16**	**16**	**-**	**-**	**16**
In specie dividend	20	**-**	**-**	**(16)**	**(16)**	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**(16)**	**(16)**
Movement in employee incentive share scheme reserve	19	**-**	**871**	**-**	**871**	**-**	**-**	**-**	**-**	**871**	**-**	**871**	**-**	**871**
Closing balance at 31 December 2009		**324,771**	**14,631**	**(836,353)**	**(496,951)**	**-**	**-**	**8,212**	**8,212**	**(488,739)**	**324,771**	**871**	**(522,825)**	**(197,183)**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOW
for the year ended 31 December 2009

		Consolidated entity		Parent entity	
		31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08
	Note	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Cash receipts in the course of operations (inclusive of GST)		**344,870**	422,059	**84,338**	90,953
Cash payments in the course of operations (inclusive of GST)		**(402,866)**	(423,997)	**(53,299)**	(79,754)
Dividends received		**4,950**	1,203	**-**	500
Income tax paid		**(22,739)**	(7,532)	**(21,027)**	898
Interest received		**3,297**	16,753	**586**	865
Payments for derivatives		**(2,310)**	-	**-**	-
		(74,798)	8,486	**10,598**	13,462
Finance costs		**(10,089)**	(62,546)	**-**	(24,247)
Net cash (outflows) / inflows from operating activities	25(a)	**(84,887)**	(54,060)	**10,598**	(10,785)
Cash flows from investing activities					
Payments for property, plant and equipment		**(15,226)**	(4,079)	**(15,116)**	(4,507)
Proceeds from the sale of property, plant and equipment		**154**	-	**10**	24
Payments for warehoused property investments		**-**	(109,985)	**-**	-
Proceeds from sale of warehoused property investments		**25,921**	13,614	**-**	-
Proceeds from sale of Dutch Active Fund		**-**	80,022	**-**	-
Payments for development inventories		**-**	(79,595)	**-**	-
Proceeds from workplace[6]		**-**	83,585	**-**	-
Cash at bank of the disposed entities		**(28,722)**	-	**-**	-
Investment in controlled entities		**-**	-	**(58,197)**	(44,858)
Proceeds from disposal of controlled entities		**(17,221)**	-	**-**	-
Capital repayment from associate		**4,235**	-	**-**	-
Capital repayment from joint venture		**-**	8,191	**-**	-
Capital repayment from investment		**-**	500	**-**	500
Investment in joint ventures and associates		**-**	(39,445)	**-**	8,191
Loan (to)/from joint ventures and associates		**(1,610)**	10,325	**-**	-
Net cash outflows from investing activities		**(32,469)**	(36,867)	**(73,303)**	(40,650)
Cash flows from financing activities					
Proceeds from the issue of shares		**-**	7,179	**-**	7,179
Repayment of employee incentive scheme loans, net of distributions		**1,895**	1,989	**1,819**	2,964
Proceeds from related party borrowings		**83,523**	238,034	**59,721**	41,660
Repayment of net banking facilities		**(1,020)**	(144,090)	**-**	-
Net cash inflows from financing activities		**84,398**	103,112	**61,540**	51,803
Net increase/(decrease) in cash and cash equivalents		**(32,958)**	12,185	**(1,165)**	368
Cash and cash equivalents at the beginning of the year		**60,060**	47,875	**5,354**	4,986
		27,102	60,060	**4,189**	5,354
Less: Cash balance classified as Non-current assets held for sale		**(10,672)**	-	**-**	-
Cash and cash equivalents at the end of the financial year	25(b)	**16,430**	60,060	**4,189**	5,354

The above Consolidated Statements of Cash Flow should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for GPT Management Holdings Limited (the Company) as an individual entity and the consolidated entity consisting of the Company and its controlled entities.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Going Concern

As at 31 December 2009, the Company reported a net loss of $133,612,000 (2008: $697,203,000) and a deficiency of net assets of $488,739,000 (2008: $387,051,000). The Company has reported operating cash outflows during the period of $84,887,000 (2008: $54,060,000).

An intercompany loan amount of $610,137,000 (2008: $621,706,000) is owing to the General Property Trust (Trust). The Directors of the Trust have given an undertaking that repayment of this loan amount will be subordinated in favour of all other creditors and have also accepted the responsibility of providing and undertake to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all its financial obligations now and in the future. The undertaking has been provided for a minimum period of 14 months from 22 February 2010.

Accordingly, the financial report has been prepared on a going concern basis in the belief that the Company will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, apart from the adoption of the following Standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 January 2009:

- Australian Accounting Standards newly released or existing standards to which amendments have been made in the past year are: 1, 2, 4, 5, 7, 8, 101, 102, 107, 108, 110, 111, 116, 118, 119, 120, 121, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023, 1038, 1039 and 1049.
- UIG Interpretations newly released or amended are: 1, 12, 13, 15 and 16.

The adoption of the Standards and Interpretations above that have a significant impact on the financial statements or performance of the Company in the financial year are:

- AASB 8 *Operating Segments* – refer to note 1(h)
- AASB 7 Financial *Instruments: Disclosures*

The amended Standard requires additional disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a three-level fair value measurement hierarchy. It also requires disclosure of remaining contractual maturities of derivatives if the maturities are essential for an understanding of the timing of the cashflows. The entity has to also disclose a maturity analysis of financial assets it holds for managing liquidity risk if relevant to evaluate the nature and extent of liquidity risk. The adoption of this amendment does not impact on profit but results in additional disclosures presented in note 28.

- AASB 101 *Presentation of Financial Statements*

The revised Standard has resulted in the Company renaming the Income Statement to the Statement of Comprehensive Income. This revised Standard also separates owner and non-owner changes in equity. The Statement of Changes in Equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the Statement of Comprehensive Income. The Company has elected to present all items of recognised income and expense in one Statement of Comprehensive Income. The adoption of this standard impacts only presentation aspects and has no impact on profit.

The Company has not elected to early adopt any new or amended standards that are not mandatory for the financial year ended 31 December 2009. A preliminary assessment indicates they are unlikely to significantly impact the Company's current financial performance or position ecept for.

- AASB 9 *Financial Instruments* simplifies the classification of financial assets into those to be carried at amortised cost and those to be carried at fair value and replaces the recognition and measurement requirements of financial assets in AASB 139. This standard is required for application from the 1 January 2013. The Company is still currently assessing the impact of this standard however some financial assets carried at amortised cost may need to be fair valued.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation for financial assets and liabilities (including derivatives) at fair value through profit and loss, certain classes of property, plant and equipment and investment property.

The financial statements were approved by the Board of Directors on 22 February 2010.

(b) Accounting for the GPT Management Holdings Limited
The shares of GPT Management Holdings Limited are quoted on the Australian Stock Exchange under the stapled entity code 'GPT' and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited. The unit and share are stapled together and cannot be traded separately. Each entity forming part of GPT continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards.

As a result of the stapling, investors in GPT will receive distributions from each component of the stapled security comprising distributions from the Trust and dividends from the Company.

(c) Principles of consolidation
(i) Controlled entities
The consolidated financial statements comprise the assets and liabilities of all controlled entities and the results of all controlled entities for the financial year then ended. The Company and its controlled entities are collectively referred to in this financial report as the consolidated entity or Company.

Controlled entities are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Controlled entities are fully consolidated from the date control commenced and de-consolidated from the date that control ceased.

The purchase method of accounting is used to account for the acquisition of controlled entities by the Company (refer to note 1(d)). All inter-entity transactions, balances and unrealised gains on transactions between the Company's entities have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Non-controlling interests (previously referred as Minority interest) not held by the Company are allocated their share of net profit after income tax expense in the Statements of Comprehensive Income and are presented within equity in the Statements of Financial Position, separately from the Company's equity.

(ii) Associates
Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the Parent entity's Statement of Financial Position as a financial asset held fair value through profit and loss and in the Consolidated Statement of Financial Position using the equity method. Under this method, the Company's share of the associates' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves, including cash flow hedge reserves, is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from associates are recognised in the Parent entity's Statement of Comprehensive Income while in the consolidated financial statements they reduce the carrying amount of the investment. The Company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 13).

Where the Company's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

All balances and effects of transactions between each associate and the Company have been eliminated to the extent of the Company's interest in the associate.

(iii) Joint Ventures
Joint venture operations
The Company has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Company's proportionate share of revenues, expenses, assets and liabilities in property interests held as tenants in common are included in their respective items of the Consolidated Statement of Financial Position and Statement of Comprehensive Income.

Joint venture entities
Investments in joint venture entities are accounted for in the Company's Statement of Financial Position as financial assets held at fair value through profit and loss. Investments in joint venture entities are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, the Company's share of the joint ventures' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves, including cash flow hedge reserves, is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from joint ventures are recognised in the Company's Statement of Comprehensive Income while in the consolidated financial statements they reduce the carrying amount of the investment.

All balances and effects of transactions between joint ventures and the Company have been eliminated to the extent of Company's interest in the joint venture.

Where controlled entities, associates or joint ventures adopt accounting policies which differ from the parent entity, adjustments have been made so as to ensure consistency within the Company.

1. Summary of significant accounting policies (continued)

(d) Accounting for acquisitions and business combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Transaction costs arising on the issue of equity instruments are recognised directly in equity. The excess of the cost of acquisition over the fair value of the Company's share of the net identifiable assets acquired represents goodwill (refer note 1(s)(i)). If the cost of acquisition is less than the Company's share of the fair value of the net assets of the entity acquired, the difference is recognised directly in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of net assets acquired.

Where settlement of any part of cash consideration is deferred, the amount payable in the future is discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial statements are presented in Australian Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(iii) Foreign operations

Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken to the Statement of Comprehensive Income in the parent entity and against a foreign currency translation reserve on consolidation. Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint venture entities, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Statement of Comprehensive Income.

(f) Income tax

Income tax expense/benefit for the financial year is the tax payable/receivable on the current year's taxable income based on the national income tax rate for each jurisdiction. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation – Australia

GPT Management Holdings Limited (the head entity) and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 January 2006. Each member in the tax consolidated group continues to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default of the head entity, GPT Management Holdings Limited.

The Company has also entered into a tax funding agreement under which the wholly owned entities fully compensate GPT Management Holdings Limited for any current tax payable assumed and are compensated by GPT Management Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to GPT Management Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the financial statements.

Assets and liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable or payable and these amounts are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments and the funding amounts are recognised as intercompany receivables or payables. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

1. Summary of significant accounting policies (continued)

(g) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis in the Statements of Cashflows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Segment reporting
An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other segments. Each segment is reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, investment properties, inventory, property, plant and equipment and intangible assets, net of related provisions. Assets used jointly by two or more different segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade creditors and accruals. Segment assets and liabilities do not include income taxes.

Operating segments are identified based on the information provided to the chief operating decision makers – being the Chief Executive Officer (CEO) and also with consideration to other factors including the existence of a Portfolio Head/Manager and the level of segment information presented to the Board of Directors.

Operating segments that meet the quantitative criteria prescribed by AASB 8 are reported separately. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

Change in accounting policy effective in the financial year
The Company has adopted AASB 8 Operating Segments from 1 January 2009. AASB 8 replaced AASB 114 Segment Reporting and requires a 'management approach' under which segment information is presented on a similar basis to that used for internal reporting purposes. The Company concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. The AASB 8 disclosures are shown in note 2.

(i) Revenue recognition
Rental revenue from hotel operations is recognised on an accruals basis. Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale. Revenue from property investments is earned on warehoused property investments (refer to note 1(n)) and recognised on an accruals basis. Acquisition fee revenue is recognised once external equity raisings are complete or substantially complete and the sale of the fund is unconditional.

Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale.

Revenue from dividends and distributions are recognised when they are declared. Interest income is recognised on an accruals basis using the effective interest method.

Interest revenue is recognised on an accrual basis.

Gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statement of Comprehensive Income in the year of disposal. Where revenue is obtained from the sale of properties or assets, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts.

If not received at reporting date, revenue is included in the Statement of Financial Position as a receivable and carried at fair value.

(j) Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of and ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, financing costs incurred for the construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete and prepare the asset for its intended use or sale. As all funds are borrowed by the GPT, the capitalisation rate used to determine the amount of finance costs capitalised is the weighted average interest applicable to the Company's outstanding borrowings during the year.

(k) Expenses
Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Company and are recognised on an accruals basis.

(l) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, at bank and short term money market deposits with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

1. Summary of significant accounting policies (continued)

(m) Receivables

Trade and sundry debtors are recognised at amortised cost, which in the case of the Company is the original invoice amount less a provision for doubtful debts. Trade debtors are due within thirty days. Collectability of trade debtors is reviewed regularly and bad debts are written of when identified. A specific provision for doubtful debts is made when there is objective evidence that the Company will not be able to collect the amounts due according to the original terms of the receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other loans and receivables
Loans and receivables are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans and receivables are recognised in the Statement of Comprehensive Income over the expected life of the loans and receivables. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

(n) Inventory

Inventory is stated at the lower of cost and net realisable value. Hotel merchandise costs are assigned on the basis of weighted average costs and net realisable value is the estimated selling price in the ordinary course of business. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the inventory.

Warehoused investment property is investment property which has been acquired for a proposed fund by entities in the Company to ultimately sell to external investors once the final portfolio has been identified and the terms have been agreed. Costs on the warehoused investment property include the costs of acquisition. Gains and losses on the sale of the fund is recognised in the Statement of Comprehensive Income when the significant risks and rewards of the fund have transferred to external investors.

(o) Non-current assets held for sale and discontinued operations

Non current assets are classified as held for sale and, except for investment properties, measured at the lower of their carrying amount or fair value less costs to sell. They will also be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for use, it must be available for immediate use in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a part of the Company's business that:
- it has disposed or has classified as held for sale and that represents a major line of its business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Statement of Financial Position.

(p) Property, plant and equipment

Property under development is carried at historical cost until development is complete. All costs of development are capitalised against the property and are not depreciated. Upon completion of development, the assets are classified as investment property.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to its acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation and amortisation
Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their expected useful lives, as follows:

- Motor Vehicles 4 – 7 years
- Office fixtures, fittings and operating equipment 5 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in Statement of Comprehensive Income. When revalued assets are sold, any amount in the asset revaluation reserve in respect of those assets is transferred to retained earnings.

(q) Leases

Leases are classified at their inception as either operating or finance leases based on their economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Net rental payments, excluding contingent payments, are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the period of the lease.

(r) Lease incentives

Incentives such as cash, rent free periods, lessee or lessor owned fitouts may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental revenue. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

1. Summary of significant accounting policies (continued)

(s) Intangible assets

(i) Goodwill

Goodwill on acquisition represents the excess of purchase consideration, including incidental expenses associated with the acquisition, over the fair value of the Company's share of the identifiable net assets of the acquired. Goodwill on acquisition of controlled entities is included in intangible assets and goodwill on acquisition of associates/joint ventures is included in investments in associates/joint ventures.

Goodwill is not amortised, instead it is tested for impairment annually, whenever there is an indication that the carrying value may be impaired, and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash generating units (CGUs) that are expected to benefit from the acquisition. The Company has determined that each operating segment set out in note 2 is a CGU. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

(ii) Other intangible assets

Property management rights have been assessed to have a maximum useful life of 28 years respectively. They are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of the operating lease rights and property management rights over their useful life.

Intangible assets are tested for impairment annually (refer to note 1(u))

(t) Other investments

Other investments, excluding investments in controlled entities, are classified as available for sale assets. Unlisted investments are stated at the fair value of the Company's interest in the underlying assets which approximate fair value. Gains or losses on available-for-sale investments are recognised in the asset revaluation reserve in the Statement of Financial Position until the investment is sold or impaired, at which time the cumulative changes in fair value recognised in the asset revaluation reserve are recognised in the Statement of Comprehensive Income. Investments in controlled entities are held at the lower of cost or recoverable amount.

(u) Impairment

Goodwill, which has an indefinite useful life, is not subject to amortisation and is tested annually for impairment. All other assets, including financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

(v) Financial assets and liabilities

Classification of financial assets and liabilities depends on the purpose for which the assets and liabilities were acquired.

The Company's classification is set out below:

Financial asset/liability	**Classification**	**Valuation basis**	
Cash	Fair value through profit and loss	Fair value	Refer to note 1(l)
Receivables	Loans and receivables	Amortised cost	Refer to note 1(m)
Derivative assets	Fair value through profit and loss	Fair value	Refer to note 1(w)
Other assets Investment in unlisted entities	Available for sale financial assets	Fair value	Refer to note 1(t)
Payables	Financial liability at amortised cost	Amortised cost	Refer to note 1(x)
Borrowings	Financial liability at amortised cost	Amortised cost	Refer to note 1(z)
Derivative liabilities	Fair value through profit and loss	Fair value	Refer to note 1(w)

Derecognition of financial instruments

Financial assets are recognised on the date the Consolidated or Parent Entity commits to purchase or sell the asset and derecognised when the Company no longer controls the contractual rights that comprise the financial instrument which is normally the case when the instrument is sold or all risks and rewards of ownership have transferred to an independent third party.

(w) Derivatives

The Company uses derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign currency rates and the volatility of financial outcomes that arise as part of normal business operations. The GPT Group's treasury and risk management policy sets out the policies, limits, monitoring and reporting requirements on the use of financial instruments, including derivatives, to hedge the exposures and these are discussed in detail at note 28.

Derivatives (including those embedded in other contractual arrangements) are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value.

The Company is exposed to changes in interest rates and foreign exchange rates and uses interest rate swaps, forward interest rate swaps, options, and forward foreign exchange contracts to hedge these risks. Such derivative financial instruments are carried in the Statement of Financial Position at fair value and classified according to their contractual maturity. Changes in the fair value of any derivative instruments are recognised immediately in the Statement of Comprehensive Income. All derivatives are disclosed as assets when fair value is positive and disclosed as liabilities when fair value is negative.

Gains and losses on maturity or close-out of derivatives are recognised in the Statement of Comprehensive Income.

1. Summary of significant accounting policies (continued)

(x) Payables

Trade payables are unsecured liabilities for goods and services provided to the Company prior to the end of the financial year but which remain unpaid at reporting date. They are recognised at amortised cost, which in the case of the Company, is the fair value of consideration to be paid in the future for the goods and services received.

Loans payable

Loans payable to related parties are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. Interest payable is recognised on an accruals basis. All loans payable with maturities greater than 12 months after reporting date are classified as non-current liabilities.

(y) Provisions

Provisions are recognised when the Company has a present legal, equitable or constructive obligation as a result of past transactions or events, It is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Refer to note 1(ac) for provisions for dividends.

(z) Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method or at their fair value at the time of acquisition in the case of assumed liabilities in a business combination. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. All loans and receivables with maturities greater than twelve months after reporting date are classified as non-current liabilities. Refer to note 1(j) on finance costs.

(aa) Employee benefits

(i) Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries (including non monetary benefits) and annual leave are recognised in the provisions for employee benefits and measured at the amounts to be expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when leave is taken and measured at the rates paid or payable.

The employee benefit liability expected to be settled within 12 months from balance date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from balance date and are measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(ii) Retirement benefit obligations

All employees of the Company are entitled to benefits on retirement, disability or death from the GPT Group Superannuation Plan. The GPT Group Superannuation Plan has a defined contribution section within its plan. The defined contribution section receives fixed contributions and the Company's legal and constructive obligation is limited to these contributions. The employees of the Company are all members of the defined contribution section of the GPT Group Superannuation Plan.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Profit sharing and bonus plans

The Company recognises a liability and expense for profit sharing and bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. A provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation

Share based payments

Information relating to the Employee Incentive Scheme (EIS) is set out in note 23.

Employee incentive scheme

Security based compensation benefits are provided to employees via the schemes comprising the Employee Incentive Scheme.

(i) General Scheme

The non-recourse loans, which are used to acquire GPT stapled securities on market, create a synthetic option. The notional fair value of the implied option in respect of the loans is recognised as an employee benefit expense with a corresponding increase/decrease in the employee incentive scheme reserve in equity. The fair value at grant date is calculated using the Monte Carlo pricing model and recognised over the period during which the employees become unconditionally entitled to the GPT stapled securities.

(ii) Stapled Security Rights Plan

Performance rights (rights) are issued to employees under the Stapled Security Rights Plan ("Plan"). Under the Plan, each participating employee will be granted a certain number of rights which will vest into GPT stapled securities at no cost, if all vesting conditions are satisfied.

The fair value of the rights is recognised as an employee benefit expense with a corresponding increase/decrease in the employee incentive scheme reserve in equity. Fair value is measured at grant date, recognised over the period during which the employees become unconditionally entitled to the rights and is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to become vested. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value is independently determined using Monte Carlo and Binomial tree pricing models. These models take into account the expected life of the rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the rights.

1. Summary of significant accounting policies (continued)

(ab) Contributed equity

Ordinary units and shares are classified as equity and recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary securities are recognised directly in equity as a reduction, net of tax, of the proceeds received.

(ac) Dividends

A provision for dividend is made for the amount of any dividend declared on or before the end of the financial year but not paid at reporting date.

(ad) Earnings per share (EPS)

Basic earnings per share is calculated as net profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year. Diluted earnings per share is calculated as net profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue. Where there is no difference between basic earnings per share and diluted earnings per share, the term basic and diluted earnings per share is used.

(ae) Rounding of amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the financial report have been rounded to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

(af) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgments and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. The resulting accounting estimates may differ from the actual results under different assumptions and conditions.

The key estimates and assumptions that have a significant risk of causing a material adjustment within the next financial period to the carrying amounts of assets and liabilities recognised in these financial statements are:

(i) Valuation of property investments

Critical judgements are made by the Company in respect of the fair values of investments in associates and joint ventures, warehoused investment properties and property under development. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations and market conditions existing at reporting date, using generally accepted market practices. The critical assumptions underlying management's estimates of fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, discount rates that reflect current market uncertainties and current and recent property investment prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of property investments may differ.

(ii) Valuation of assets acquired in business combinations

The fair value of assets acquired and liabilities assumed in a business combination as well as the goodwill and intangible assets arising from the business combination requires significant estimates and assumptions particularly concerning the future performance of the assets and business(es) purchased and the fair values for contingent liabilities (if any) which had not been previously required to be recognised or valued by the seller.

(iii) Valuation of indemnities and guarantees included in contracts of sale

Fair value of indemnities and guarantees provided by entities in the Group are estimated based on future events which are reasonably likely, but which may not occur. The critical assumptions underlying management's estimates of the disclosure and/or recognition of the indemnities and guarantees relate to the likelihood of the whether the guarantee or indemnity will be drawn on. The amount of the liability recognised in the Statement of Financial Position may differ if the assumptions or the market conditions used differ over the time period when the indemnity or guarantee are applicable.

(iv) Impairment of loans and receivables

Assets are assessed for impairment each reporting date by evaluating whether any impairment triggers exist. Where impairment triggers exist, management assess the expected cash flows of those assets discounted using the original effective interest rates. Critical judgements are made by the Company in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

(v) Share based payment transactions

The Group measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo method which includes a number of assumptions. The related assumptions are detailed in note 23. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact, the share based payment expense and equity.

(ag) Other Comprehensive Income

Other comprehensive income in the Statement of Comprehensive Income reflects the remeasurements of certain assets or balances as a result of movements in price or valuation. In the case of the Company, these items will commonly include foreign exchange translation adjustments on foreign subsidiaries, changes in the fair value of available for sale financial assets and in prior years, changes in the fair value of financial instruments in a cash flow hedge. Where the underlying item giving rise to the foreign currency translation adjustments is sold or realised, the foreign currency translation adjustments recognised in other comprehensive income are then recognised again in earnings (or comprehensive income) in the Statement of Comprehensive Income.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

2. Segment reporting

(a) Financial Performance by Segment
The segment information provided to the CEO for the reportable segments (discussed at note 2(c)) for the year ended 31 December 2009 is below:

31 December 2009

	Funds Management Australia	Property Management	US Senior Housing	All other segments	Total continuing operations	Discontinued operation - Funds Management Europe	Discontinued operation - Joint Venture	Discontinued operation - Hotel/ Tourism	Total Discontinued operation	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000
Revenue										
Revenue from hotel operations	-	-	-	-	**-**	-	-	181,392	**181,392**	**181,392**
Revenue from property investments	-	-	-	-	**-**	24,770	-	-	**24,770**	**24,770**
Fund management fees	23,235	-	-	32,120	**55,355**	2,991	10	-	**3,001**	**58,356**
Property management fees	-	23,945	-	-	**23,945**	23,034	-	-	**23,034**	**46,979**
Development management fees	-	13,428	-	5,083	**18,511**	-	-	-	**-**	**18,511**
Total segment revenue	23,235	37,373	-	37,203	**97,811**	50,795	10	181,392	**232,197**	**330,008**
Other income										
Share of after tax (losses) / profits of associates and joint ventures	-	-	(6,710)	-	**(6,710)**	4,787	-	520	**5,307**	**(1,403)**
Management costs recharged	-	4,814	-	2,045	**6,859**	-	-	-	**-**	**6,859**
Interest revenue	324	9	64	1,849	**2,246**	1,809	-	319	**2,128**	**4,374**
	324	4,823	(6,646)	3,894	**2,395**	6,596	-	839	**7,435**	**9,830**
Total segment revenue and other income	23,559	42,196	(6,646)	41,097	**100,206**	57,391	10	182,231	**239,632**	**339,838**
Expenses										
Remuneration expenses	(3,531)	(33,754)	-	(32,137)	**(69,422)**	(31,814)	(657)	(72,073)	**(104,544)**	**(173,966)**
Rental expense attributable to hotel operations	-	-	-	-	**-**	-	-	(52,946)	**(52,946)**	**(52,946)**
Cost of sales attributable to hotel operations	-	-	-	-	**-**	-	-	(36,365)	**(36,365)**	**(36,365)**
Property rent and outgoings	(165)	(2,953)	-	(2,876)	**(5,994)**	(16,170)	(33)	(31,375)	**(47,578)**	**(53,572)**
Repairs and maintenance	(141)	(2,205)	-	673	**(1,673)**	-	(38)	(7,096)	**(7,134)**	**(8,807)**
Professional fees	(49)	(835)	-	(7,242)	**(8,126)**	(11,334)	(153)	(2,578)	**(14,065)**	**(22,191)**
Advertising and promotion	-	-	-	(8)	**(8)**	(282)	-	(2,093)	**(2,375)**	**(2,383)**
Depreciation and amortisation expense	-	-	-	(2,078)	**(2,078)**	(955)	-	-	**(955)**	**(3,033)**
Finance costs	-	-	-	(11,786)	**(11,786)**	(26,674)	-	(3,875)	**(30,549)**	**(42,335)**
Other expenses - internal recharges	(9,507)	3,008	(2,482)	8,981	**-**	-	-	-	**-**	**-**
Other expenses	(143)	(1,180)	-	(7,243)	**(8,566)**	(4,860)	(136)	(1,343)	**(6,339)**	**(14,905)**
Income tax (expense) / benefit	(3,361)	(1,391)	(47)	3,210	**(1,589)**	(1,071)	-	8,401	**7,330**	**5,741**
Segment result for the financial year *	6,662	2,886	(9,175)	(9,409)	**(9,036)**	(35,769)	(1,007)	(19,112)	**(55,888)**	**(64,924)**
Fair value and other adjustments to investments in joint ventures and associates	-	-	(970)	(12,155)	**(13,125)**	(20,901)	-	(592)	**(21,493)**	**(34,618)**
Net loss on fair value of derivatives	-	-	-	-	**-**	(6,787)	-	-	**(6,787)**	**(6,787)**
Net foreign exchange gain	-	-	-	1,132	**1,132**	3,628	-	-	**3,628**	**4,760**
Net loss on disposal of assets	-	-	-	-	**-**	(42,822)	(556)	(55)	**(43,433)**	**(43,433)**
Gain on loan forgiveness	-	-	-	-	-	131,907	-	-	**131,907**	**131,907**
Impairment expenses	-	-	-	(8,701)	**(8,701)**	(63,369)	(33,120)	(118)	**(96,607)**	**(105,308)**
Depreciation and amortisation expense	-	(4,152)	-	-	**(4,152)**	(190)	-	(924)	**(1,114)**	**(5,266)**
Redundancy	-	-	-	(2,088)	**(2,088)**	-	(2,080)	-	**(2,080)**	**(4,168)**
									-	**-**
Tax impact on reconciling items from segment result to net loss for the year	13	102	-	(4,426)	**(4,311)**	2,584	(422)	458	**2,620**	**(1,691)**
Share based payment expense	-	-	-	(3,900)	**(3,900)**	-	-	-	**-**	**(3,900)**
Other - non-operating	-	-	581	-	**581**	391	(1,156)	-	**(765)**	**(184)**
Net (loss) / profit for the financial year	6,675	(1,164)	(9,564)	(39,547)	**(43,600)**	(31,328)	(38,341)	(20,343)	**(90,012)**	**(133,612)**

* The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standard. The adjustments that reconcile the Segment Result to the Net loss for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

2. Segment reporting (continued)

(a) Financial Performance by Segment (continued)

The segment information provided to the CEO for the reportable segments (discussed at note 2(c)) for the year ended 31 December 2008 is below:

31 December 2008

	Funds Management Australia	Property Management	US Senior Housing	All other segments	Total continuing operations	Discontinued operation - Funds Management Europe	Discontinued operation - Joint Venture	Discontinued operation - Hotels/ Tourism	Total Discontinued operation	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'001	$'000
Revenue										
Revenue from hotel operations	-	-	-	-	**-**	-	-	209,343	**209,343**	**209,343**
Revenue from property investments	-	-	-	-	**-**	39,635	-	-	**39,635**	**39,635**
Fund management fees	31,656	-	-	39,407	**71,063**	9,256	-	-	**9,256**	**80,319**
Property management fees	-	23,741	-	-	**23,741**	22,849	-	-	**22,849**	**46,590**
Development management fees	-	15,423	-	4,293	**19,716**	-	-	-	**-**	**19,716**
Proceeds from sale of Warehoused Property Investments	-	-	-	-	**-**	13,614	-	-	**13,614**	**13,614**
Development project revenue	-	-	-	83,585	**83,585**	-	-	-	**-**	**83,585**
Total segment revenue	31,656	39,164	-	127,285	**198,105**	85,354	-	209,343	**294,697**	**492,802**
Other income										
Share of after tax (losses) / profit of associates and joint ventures	-	-	(4,500)	(1,851)	**(6,351)**	6,950	(18,773)	209	**(11,614)**	**(17,965)**
Management costs recharged	-	4,438	-	3,297	**7,735**	-	-	-	**-**	**7,735**
Interest revenue	682	6	56	8,131	**8,875**	5,630	-	774	**6,404**	**15,279**
Dividend revenue	-	-	-	-	**-**	358	-	-	**358**	**358**
	682	4,444	(4,444)	9,577	**10,259**	12,938	(18,773)	983	**(4,852)**	**5,407**
Total segment revenue and other income	32,338	43,608	(4,444)	136,862	**208,364**	98,292	(18,773)	210,326	**289,845**	**498,209**
Expenses										
Remuneration expenses	(4,189)	(35,933)	-	(32,859)	**(72,981)**	(32,276)	(1,224)	(84,318)	**(117,818)**	**(190,799)**
Rental expense attributable to hotel operations	-	-	-	-	**-**	-	-	(58,523)	**(58,523)**	**(58,523)**
Cost of sales attributable to hotel operations	-	-	-	-	**-**	-	-	(40,966)	**(40,966)**	**(40,966)**
Cost of sales attributable to Warehoused Property Investments	-	-	-	-	**-**	(12,624)	-	-	**(12,624)**	**(12,624)**
Cost of sales attributable to development projects	-	-	-	(81,708)	**(81,708)**	-	-	-	**-**	**(81,708)**
Property rent and outgoings	(193)	(2,959)	-	(2,301)	**(5,453)**	(13,124)	(20)	(36,360)	**(49,504)**	**(54,957)**
Repairs and maintenance	(148)	(2,292)	-	326	**(2,114)**	(484)	(16)	(6,930)	**(7,430)**	**(9,544)**
Professional fees	(226)	(797)	-	(5,438)	**(6,461)**	(18,884)	(23)	(2,015)	**(20,922)**	**(27,383)**
Advertising and promotion	-	-	-	(14)	**(14)**	(1,266)	-	(3,798)	**(5,064)**	**(5,078)**
Depreciation and amortisation expense	-	-	-	(1,846)	**(1,846)**	(1,348)	-	-	**(1,348)**	**(3,194)**
Finance costs	-	-	-	(26,613)	**(26,613)**	(41,517)	-	(6,110)	**(47,627)**	**(74,240)**
Net gain on fair value of derivatives	-	-	-	-	**-**	(840)	-	-	**(840)**	**(840)**
Other expenses - internal recharges	(6,391)	-	(1,004)	7,395	**-**	-	-	-	**-**	**-**
Other expenses	(308)	(1,134)	-	(6,179)	**(7,621)**	(17,536)	(50)	(1,710)	**(19,296)**	**(26,917)**
Income tax (expense) / benefit	(6,206)	(1,381)	-	5,288	**(2,299)**	(3,027)	-	9,253	**6,226**	**3,927**
Minority interest	-	-	-	(256)	**(256)**	654	-	-	**654**	**398**
Segment result for the financial year *	14,677	(888)	(5,448)	(7,343)	**998**	(43,980)	(20,106)	(21,151)	**(85,237)**	**(84,239)**
Interest income	-	-	-	-	**-**	-	3,721	-	**3,721**	**3,721**
Fair value and other adjustments to investments in joint ventures and associates	-	-	(3,616)	-	**(3,616)**	(34,163)	(261,630)	(1,842)	**(297,635)**	**(301,251)**
Net gain on fair value of derivatives	-	-	-	-	**-**	(15,613)	-	-	**(15,613)**	**(15,613)**
Net foreign exchange gain / (loss)	-	-	-	1,190	**1,190**	(4,352)	-	-	**(4,352)**	**(3,162)**
Impairment expenses	-	-	(3,747)	(30,374)	**(34,121)**	(256,159)	(25,402)	(974)	**(282,535)**	**(316,656)**
Net (gain) / loss on disposal of assets	-	-	-	6	**6**	-	-	-	**-**	**6**
Depreciation and amortisation expense	-	(4,152)	-	-	**(4,152)**	(713)	-	(1,000)	**(1,713)**	**(5,865)**
Reversal of development profit adjustment included in Segment result	-	-	-	50,335	**50,335**	-	-	-	**-**	**50,335**
Redundancy costs	-	-	-	(9,739)	**(9,739)**	-	-	-	**-**	**(9,739)**
Impact of external minority interest	-	-	-	256	**256**	(654)	-	-	**(654)**	**(398)**
Tax impact on reconciling items from segment result to net loss for the year	-	10	-	(16,823)	**(16,813)**	-	2,530	970	**-** **3,500**	**(13,313)**
Share based payment expense	-	-	-	(1,058)	**(1,058)**	-	-	(166)	**(166)**	**(1,224)**
Other non-operating	-	-	-	500	**500**	-	-	(305)	**(305)**	**195**
Net profit/loss for the financial year	14,677	(5,030)	(12,811)	(13,050)	**(16,214)**	(355,634)	(300,887)	(24,468)	**(680,989)**	**(697,203)**

* The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standard. The adjustments that reconcile the Segment Result to the Net loss for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

2. Segment reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income

This reconciliation relates only to revenue and expense items from continuing operations and excludes any amounts comprising the net loss from discontinued operations.

	Consolidated entity	
	31 Dec 09	31 Dec 08
	$'000	$'000
Revenue		
Reportable segments	**60,608**	70,820
All other segments	**37,203**	127,285
All segments	**97,811**	198,105
Reversal of development revenue adjustment	**-**	106,465
Other - non-operating	**581**	-
Revenue - continuing operations	**98,392**	304,570
Share of after tax losses of associates and joint ventures		
Reportable segments	**(6,710)**	(4,500)
All other segments	**-**	(1,851)
All segments	**(6,710)**	(6,351)
Fair value and other adjustments to investments in joint ventures and associates (i)	**(13,125)**	(3,616)
Share of after tax losses of associates and joint ventures - continuing operations	**(19,835)**	(9,967)
Cost of sales attributable to development projects		
Reportable segments	**-**	-
All other segments	**-**	(81,708)
All segments	**-**	(81,708)
Reversal of development cost of sales adjustment included in segment result	**-**	(56,130)
Cost of sales attributable to development projects - continuing operations	**-**	(137,838)
Remuneration expense		
Reportable segments	**(37,285)**	(40,122)
All other segments	**(32,137)**	(32,859)
All segments	**(69,422)**	(72,981)
Share based payment expense (ii)	**(3,900)**	(1,058)
Redundancy costs (iii)	**(2,088)**	(9,739)
Remuneration expense - continuing operations	**(75,410)**	(83,778)
Depreciation and amortisation expense		
Reportable segments	**-**	-
All other segments	**(2,078)**	(1,846)
All segments	**(2,078)**	(1,846)
Amortisation expense (iv)	**(4,152)**	(4,152)
Depreciation and amortisation expense - continuing operations	**(6,230)**	(5,998)
Income tax expense		
Reportable segments	**(4,799)**	(7,587)
All other segments	**3,210**	5,288
All segments	**(1,589)**	(2,299)
Tax impact on reconciling items from segment result to net loss for the year	**(4,311)**	(16,813)
Income tax expense - continuing operations	**(5,900)**	(19,112)

2. Segment reporting (continued)

(c) Description of adjustments from the Segment Result ("ROI") to Net Loss for the financial year
The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at Net Loss shown in the financial statements are set out below:

(i) **Fair value and other adjustments to investments in associates and joint ventures** comprise the movements in the value of the Company's investments in joint ventures and associates as required by IFRS (refer to note 1(c)(ii) and (iii)) but do not reflect the cash distributions received from these investments. As such, the Company has excluded these amounts from the ROI to better reflect a cash basis in ROI.

(ii) **Share based payment expense** comprises of a notional cost arising from the GPT Employee Incentive Scheme. In October 2009, the General Scheme (refer to note 23(a)(i)) was terminated. As this is a notional cost required by IFRS (refer to note 1(af)(v)) the Company has excluded this amount from ROI.

(iii) **Redundancy costs** comprise the redundancy payments for senior executives. For the 2009 financial year, these costs relate to Kieran Pryke and Neil Tobin who departed the Company as a result of the simplification of the business. As these costs are one-off and non-recurring in nature, the Company has excluded this amount from ROI.

(iv) **Amortisation expense** is required for IFRS and is a non-cash transaction. The Company has therefore excluded this amount from the ROI to better reflect a cash basis in ROI.

The accounting policies used by the Company in reporting segments internally are the same as those in note 1 to the financial statements and in the prior period.

(d) Reconciliation of Segment Assets and Liabilities to the Statements of Financial Position

The amounts provided to the CEO in respect of total assets are measured in a manner consistent with that of the financial statements and allocated based on the operations of the segment and physical location of the assets. Given some of the assets and liabilities relate mainly to Corporate activities and have not been allocated to a reportable segment, a reconciliation of the reportable segments' assets to total assets for the years ended 31 December 2008 and 31 December 2009 is set out below:

	Funds Management Australia	Property Management	US Senior Housing	All other segments	Total continuing operations	Discontinued operation - Funds Management Europe	Discontinued operation - Joint Venture	Discontinued operation - Hotel/ Tourism	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2009									
Total assets	11,526	22,998	3,561	88,631	**126,716**	49,499	-	37,871	**214,086**
Total liabilities	10,886	37,667	-	635,892	**684,445**	-	-	18,380	**702,825**
31 December 2008									
Total assets	15,513	25,702	13,906	110,459	**165,580**	599,631	-	52,696	**817,907**
Total liabilities	8,001	11,216	-	323,921	**343,138**	760,083	-	101,737	**1,204,958**

(e) Identification of Reportable Segments
The Company's operating segments as described in note 1(h) and which are based on internal reports reviewed by the Chief Executive Officer are:

Segment	Types of products and services which generate segment revenues
Funds Management Australia	Asset and funds management of Australian wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Property Management	Property management of Australian retail assets including the retail assets in the GPT Wholesale Shopping Centre Fund.
US Senior Housing	Investments in a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets.
All other segments	Costs associated with the funds management of the General Property Trust, foreign exchange gains and losses, finance costs and Company operating costs.

2. Segment reporting (continued)

(e) Identification of Reportable Segments (continued)

Segment	Types of products and services which generate segment revenues
Discontinued operation - Funds Management Europe	Asset and fund management in Europe through a number of small funds and also GPT Halverton and Hamburg Trust up until their sale in 2009.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture which are invested in shopping centres and retail formats, light industrial assets, residential assets and office assets in Europe, the United States of America, New Zealand and Australia. GPT has divested many of its investments in the Joint Venture during 2009 and management intends to exit this segment in the next twelve months.
Discontinued operation – Hotel/ Tourism	Nature-based resorts and hotel assets which the Company has divested all resorts with the exception of the Ayers Rock Resort as at 31 December 2009. Management intends to exit this segment in the next twelve months.

(f) Segment Revenues and Assets by geographic location
The Company now operates predominantly in Australia but also in the United States of America through the US Seniors Housing portfolio and during the 2009 financial year in Europe. Revenues from external customers by geographical location along with an analysis of the location of total assets is as follows:

	Segment revenues		Segment assets	
	31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	$'000	$'000	**$'000**	$'000
Australia	**279,213**	407,448	**161,026**	204,370
Europe	**50,795**	85,354	**49,499**	599,631
United States of America	**-**	-	**3,561**	13,906
Total	**330,008**	492,802	**214,086**	817,907

Location	Products and services by location
Australia	Retail, office, industrial and hotel operations of the main operating entity, General Property Trust and the hotel & tourism business, urban communities as well as the Australian funds management operations of GPT Management Holdings Limited.
Europe	Operations carried out throughout Europe but predominantly in the Czech Republic, Denmark, Finland, France, Germany, Poland, the Netherlands, Sweden and the United Kingdom by the Joint Venture as well GPT Halverton being the European platform of the European funds management operations. With GPT announcing the sale of the European Joint Venture and GPT Halverton during the second half of the year, the segment consist of a preferred loan in a residential portfolio.
United States of America	Senior Housing and up until the sale of the Joint Venture in 2009, retail and residential businesses.

3. Dividends paid and payable

In July 2009 the Company declared an In Specie Dividend of BGP Holdings Limited (formerly GPT MaltaCo 1 Limited) for €10,000 (AUD $16,000) out of current year profits (refer to note 18(e) for further details). No other dividends have been paid or declared for the financial year (Dec 08: nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

4. Earnings / (loss) per share

	Note	31 Dec 09 Cents	31 Dec 08 Cents
(a) Basic loss per share			
Basic and diluted earnings per share - loss from continuing operations		**(3.95)**	(4.31)
Basic and diluted earnings per share - loss from discontinued operations		**(12.23)**	(194.93)
Total basic and diluted earnings per share		**(16.18)**	(199.24)

	Note	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares used in calculating basic and diluted loss per share		**7,360,542**	3,493,587
Adjustments for calculation of diluted earnings per share:			
Performance rights	(d)	**-**	-
securities used as the denominator in calculating diluted earnings per ordinary stapled		**7,360,542**	3,493,587

(c) The losses used in the calculations of the basic loss per share are as follows:

Losses reconciliation - basic and diluted	31 Dec 09 $'000	31 Dec 08 $'000
Loss from continuing operations	**(29,110)**	(15,048)
Loss from discontinued operations	**(90,012)**	(680,989)
Loss attributed to external non-controlling interest	**(14,490)**	(1,166)
	(133,612)	(697,203)

* Prior period weighted average number of securities and EPSs have been adjusted for the bonus factor effect of the securities issued during the year at a price lower than the market value as required by the AASB 133 *Earning per Share*.

(d) Information concerning the classification of securities
Performance Rights
22,783,839 Performance Rights were granted to certain Senior Executives under the Stapled Security Rights Plan during 2009. Details relating to these Rights are set out in note 23(a)(ii)(2). Only 305,041 Rights have met the vesting conditions and are considered dilutive. As such, only 305,041 Rights have been included in the determination of diluted earnings per security. The remaining 22,478,798 Performance Rights have not been included in the calculation of diluted earnings per security because their vesting conditions are not satisfied for the financial year ended 31 December 2009. These Rights could potentially dilute basic earnings per share in the future. No Performance Rights have been included in the determination of basic earnings per share.

5. Expenses

		Consolidated entity		Parent entity	
	Note	31 Dec 09 $'000	31 Dec 08 $'000	31 Dec 09 $'000	31 Dec 08 $'000
(a) Depreciation and amortisation					
Amortisation of management rights	13	**4,152**	4,153	**-**	-
Depreciation of plant and equipment	12	**4,146**	4,570	**2,077**	1,846
Depreciation of plant and equipment - Discontinued operations		**(2,068)**	(2,725)	**-**	-
Total depreciation and amortisation		**6,230**	5,998	**2,077**	1,846
(b) Impairment expense - other					
Impairment of investments		**-**	3,747	**31,725**	369,943
Total impairment expense - other		**-**	3,747	**31,725**	369,943
(c) Finance costs					
Related parties		**11,786**	26,613	**13,149**	24,247
Total finance costs		**11,786**	26,613	**13,149**	24,247

6. Tax

	Consolidated entity		Parent entity	
	31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Current income tax expense/(benefit)	**(2,074)**	14,635	**222**	(898)
Deferred income tax expense/(benefit)	**(1,976)**	(5,249)	**1,767**	(7,546)
Income tax expense/(benefit) in the Statements of Comprehensive Income	**(4,050)**	9,386	**1,545**	(8,444)
Income tax expense/(benefit) attributable to:				
Profit/loss from continuing operations	**5,900**	19,112	**1,545**	(8,444)
Loss from discontinued operations	**(9,950)**	(9,726)	**-**	-
Aggregate income tax expense/(benefit)	**(4,050)**	9,386	**1,545**	(8,444)
(b) Reconciliation of income tax expense to prima facie tax payable				
(Loss)/profit from continuing operations before income tax expense	**(37,700)**	2,898	**7,349**	(488,353)
Loss from discontinued operations before income tax expense	**(99,962)**	(690,715)	**-**	-
	(137,662)	(687,817)	**7,349**	(488,353)
Prima facie income tax expense/(benefit) at 30% tax rate	**(41,299)**	(206,345)	**2,205**	(146,506)
Tax effect of amounts which are not deductible in calculating income tax expense:				
Share of after tax losses of associates and joint ventures	**10,785**	104,332	**-**	-
Controlled Foreign Company Attribution tax	**850**	5,936	**850**	5,936
Amortisation of intangibles	**1,246**	1,246	**-**	-
Impairment expense	**32,736**	37,676	**3,488**	130,879
Gain on loan forgiveness	**(39,572)**	-	**-**	-
Dividend income	**-**	(1,389)	**(15,090)**	(47)
Foreign subsidiary losses not deductible for tax	**2,668**	11,121	**-**	-
Deferred tax losses not recognised	**14,353**	54,158		
Expenses and losses arising on disposal of foreign assets	**7,843**	-	**3,736**	-
Other	**6,340**	2,651	**6,356**	1,294
Income tax expense/(benefit)	**(4,050)**	9,386	**1,545**	(8,444)
(c) Deferred tax asset				
The balance comprises temporary differences attributable to:				
Employee benefits	**10,705**	12,169	**9,673**	12,105
Overhead costs	**7,853**	3,655	**3,690**	-
Other accruals and provisions	**1,332**	1,330	**837**	1,330
Other	**1,551**	1,294	**288**	2,142
Tax losses	**3,068**	-	**-**	-
Total deferred tax assets	**24,509**	18,448	**14,488**	15,577
Movement in temporary differences during the financial year:				
Opening balance at the beginning of the financial year	**18,448**	13,199	**15,577**	8,031
Credited to the Statement of Comprehensive Income	**2,993**	5,249	**(1,089)**	7,546
Unutilised tax losses	**3,068**	-	**-**	-
Closing balance at the end of the financial year	**24,509**	18,448	**14,488**	15,577
(d) Deferred tax liability				
The balance comprises temporary differences attributable to:				
Depreciation	**785**	-	**678**	-
Other	**232**	-	**-**	-
Total deferred tax liabilities	**1,017**	-	**678**	-
Movement in temporary differences during the financial year:				
Opening balance at beginning of the financial year	**-**	-	**-**	-
Charged to the Statement of Comprehensive Income	**1,017**	-	**678**	-
Closing balance at the end of the financial year	**1,017**	-	**678**	-

7. Loans and receivables

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
(a) Current assets					
Trade receivables		**10,865**	40,268	**392**	304
less: impairment of trade receivables		**-**	(604)	**-**	-
		10,865	39,664	**392**	304
Loan to Babcock & Brown Residential Operating Partnership LP	(i)	**-**	46,962	**-**	-
Other debtors		**9,396**	13,837	**632**	3,703
Total current loans and receivables		**20,261**	100,463	**1,024**	4,007

(b) Non-Current assets

The Company's investment in joint ventures and associates comprise equity instruments (refer note 10) and also the following loans set out below:

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Loan to employees	(ii)	**-**	6,718	**-**	6,457
Loan to Benchmark Assisted Living LLC	(iii)	**691**	882	**-**	-
Loan to GPT MaltaCo 1 Limited		**-**	-	**-**	249
Loan to Lend Lease GPT (Rouse Hill) Pty Limited	(iv)	**14,550**	34,046	**-**	-
Total non-current loans and receivables		**15,241**	41,646	**-**	6,706

(i) This US dollar preferred capital of USD $52.5 million (AUD $68.1 million) has been provided for a portfolio of 22 residential properties and apartments. GPT is entitled to an 8% return. The loan has been impaired by USD $35.5 million (AUD $49.2 million) (Dec 2008: USD $17.0 million, AUD $21.1 million). As at 31 December 2009, this loan has been classified as 'Non-current assets held for sale" (refer to note 9(b) for details).

(ii) The LTI scheme loans were converted from full recourse to the employee to limited recourse as at 31 December 2009. As a result of this conversion the loans to employees have been classified as other assets.

(iii) The loan is provided to Benchmark entities as part of the funding of the Benchmark joint venture arrangement. Interest payable quarterly at 8%.

(iv) The loan is provided to Lend Lease GPT (Rouse Hill) Pty Limited as apart of the funding of the joint venture agreement. The loan has been impaired by $14,496,000 as at 31 December 2009 (Dec 2008: Nil). The loan is interest free with a term of 10 years.

8. Inventories

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Hotel merchandise:	(a)				
General supplies - at cost		**-**	1,114	**-**	-
Food and beverage - at cost		**-**	2,318	**-**	-
Retail - at cost		**-**	3,769	**-**	-
Other - at cost		**-**	293	**-**	-
Warehoused property investments:	(b)				
Hamburg Trust Alliance Fund		**-**	115,994	**-**	-
Hamburg Trust Bergedorf Objekt KG Fund		**-**	6,500		
H2O Fund		**-**	259,888	**-**	-
Scandinavian Active Fund		**-**	64,298	**-**	-
Total inventories		**-**	454,174	**-**	-

(a) Hotel merchandise of $4,405,000 has been included in non-current assets classified as held for sale (refer to note 9(a)).

(b) All warehoused property investments have been disposed of during 2009. Refer to note 9(d)).

9. Non-current assets held for sale and discontinued operations

(a) Details of discontinued operations

At 31 December 2009, there are three discontinued operations: Funds Management Europe, the Hotels/Tourism Portfolio and the Joint Venture. The disposals and remaining investments at 31 December 2009, along with their impact on the Statement of Comprehensive Income and Statement of Financial Position, for each discontinued operation is discussed in detail below.

(i) Funds Management Europe

On 6 August 2009, GPT refined its strategic direction announced it was ultimately focusing on Australian assets, with all overseas and non-core investments exited over time. As a result, a significant number of investments within the Funds Management Europe Portfolio have been disposed and settled during the year, including:

- GPT Halverton and its wholly owned subsidiaries
- Hamburg Trust
- H20 Portfolio (H20)
- Scandinavian Active Fund (SAF)

In addition, a sale agreement has been entered into to sell the investment in the Dutch Active Fund Propco BV (DAF).

Details of each of the disposals is set out below:

1. GPT Halverton

The European Funds Management platform comprising GPT Halverton and all its wholly owned subsidiaries was sold and settled on 11 December 2009 for a nominal sum. The acquirer purchased 100% of the shares and deferred shares in GPT Halverton along with the business including GPT Halverton's employees and working capital of approximately €7 million.

Given the acquirer already had an existing management and financial services company, the Group did not dispose of the following 3 entities: GPT Halverton Financial Services Limited, HBI Lux PropCo A Sarl and Woolomooloo Investments B.V (refer to note 21) and are currently preparing these entities for liquidation. As such, GPT has recognised the assets and liabilities of these entities in GPT's Statement of Financial Position and there were no fair value adjustments or contingencies recognised as liabilities on recognition.

2. Hamburg Trust

On 11 November 2009, GPT sold its 100% ownership interest in Hamburg Trust Alliance Fund (refer to note 8) for a nominal amount, based on the Fund's valuation of zero as at 31 December 2008.

Hamburg Trust Alliance Fund (Hamburg Trust) also owned an investment in Hamburg Trust Bergedorf Objekt KG Fund (the Fund) (refer to note 8). During the current financial year, Hamburg Trust successfully marketed the Fund to new investors which raised new capital. As a result, new shares were issued in the Fund during the current financial year with a value of €2,207,300 and this had the effect of significantly diluting Hamburg Trust's ownership interest in the Fund to negligible amount.

3. H20

On 7 May 2009, GPT sold its 100% ownership interest in the H20 Portfolio (previously warehoused within the GPT Halverton platform) for the carrying value of the debt secured against the portfolio ($231 million as at 31 December 2008) resulting in zero consideration.

4. SAF

On 7 August 2009, the 100% ownership interest in the SAF portfolio (previously warehoused within the GPT Halverton platform) comprising 7 assets located in Sweden was sold for $25,921,000. The sale resulted in a nominal gain on sale.

5. DAF

GPT Management Holdings Limited has issued an indemnity to 'qualifying' investors in DAF to indemnify them against any resulting tax loss arising from the loss of Dutch REIT status. This indemnity is up to a maximum aggregate liability of €20million over the eight year life of DAF, assuming REIT status is never achieved. GPT was granted until 8 August 2009 by the Dutch tax authorities to rebalance the mix of investors in DAF and have at least 75% of 'qualifying investors' to achieve REIT status.

Effective from 8 August 2009, GPT Europe 2 Sarl (a wholly owned entity of GPT) legally sold its 38.04% shareholding in DAF to two 'qualifying' investors (the purchasers) for a total consideration of €10 cash. The sale entitles the purchasers to unrestricted legal and beneficial rights of ownership including full voting rights and distributions from DAF.

In addition, GPT Europe 2 Sarl also provided the following to the purchasers:

- loans totalling €28 million with interest payable at 8% per annum. These loans are only repayable to GPT Europe 2 Sarl should the DAF shareholding be on-sold to a third party by the purchasers. These loans are in effect a facility to allow simultaneous settlement to occur by the purchasers in the event of any future sale of the DAF shareholding or by way of funding any breach of the Sale & Purchase agreement by GPT Europe 2 Sarl. As at 31 December 2009, the €28 million loan was not drawndown;
- an entitlement to 50% of any excess over a set price should the DAF investment be successfully on-sold to a third party and this sale was arranged by the investors.

It is the Director's expectation that the legal sale of the DAF shareholding to qualifying investors will enable DAF to achieve REIT status and by doing so remove or significantly reduce the amount potentially payable under the indemnity to the other 'qualifying' investors in DAF.

The sale transaction is subject to two regulatory consents, one of which is the Dutch tax authority. These are in progress but have not been received at the date of this report. Until these consents are received, the sale remains conditional. Therefore, at 31 December 2009, GPT Europe 2 Sarl continues to recognise a 38.04% investment in DAF for $30.6million (refer to note 9(c) as the transaction does not qualify as a sale under Australian Accounting Standards in accordance with note 1(i).

9. Non-current assets held for sale and discontinued operations (continued)

(a) Details of discontinued operations (continued)

(i) Funds Management - Europe (continued)

Funds Management Europe investments included as non-current assets classified as held for sale at 31 December 2009
As a result of the above, the following investments have been included as non-current assets classified as held for sale in the Statement of Financial Position at 31 December 2009:

- Dutch Active Fund Propco BV (DAF) (refer note 10(a)); and
- a loan to Babcock & Brown Residential Operating Partnership LP (refer note 7).

Note 21 sets out the details of entities which GPT lost control of during the financial year as a result of the divestments in the Discontinued Operations discussed above.

(ii) Hotels/Tourism

On 18 July 2008, GPT announced its intention to sell the Hotel/Tourism Portfolio consisting of the Voyages Hotels & Resorts, the Voyages hotel management business and the Four Points by Sheraton Hotel.

As a result :

- Kings Canyon (Watarrka) Resort Trust, a trust owned 46% by the Company, which held the Kings Canyon Resort until the Resort's sale on 11 November 2009
- the Voyages hotel management business

remain unsold as at 31 December 2009 and have been included as non-current assets classified as held for sale in the Statement of Financial Position.

(iii) Joint Venture

On 7 May 2009, GPT announced its intention to accelerate its exit from the Group's Joint Venture with Babcock & Brown and this involved the disposal of the European Joint Venture with the disposal of BGP Investment Sarl on 21 August 2009.

Disposal of BGP Investment Sarl
On 31 July 2009, GPT announced its exit of the European component of the Joint Venture with Babcock & Brown by way of an In Specie Dividend in BGP Holdings Limited (previously GPT MaltaCo 1 Limited) to GPT Securityholders. BGP Holdings Limited was the vehicle through which the Company held its ordinary equity interest in the European Joint Venture. In the financial statements, BGP Holdings Limited is included in the joint venture investment of BGP Investment Sarl, a Luxembourg based company that indirectly owns the Joint Venture's European investments.

In specie dividend
The in specie dividend of ordinary shares to GPT Securityholders for €10,000 (AUD $16,000) in BGP Holdings Limited (previously GPT MaltaCo 1 Limited) was made on 12 August 2009. This was equal to the value of the ordinary equity in BGP Holdings Limited. This dividend was paid out of the current year profits of GPT Management Holdings Limited and the value of shares issued to shareholders in specie represented 94.7% of the total capital, voting and dividend rights of BGP Holdings Limited. GPT Management Holdings Limited will hold the remaining 5.3% of the ordinary equity and also one non-participating and non-voting Class B share in BGP Holdings 2 Limited (formerly GPT MaltaCo2 Limited), a subsidiary of BGP Holdings Limited. Both these investments will be held at zero as the expectation to receive any dividends or capital returns from them is very remote.

The dividend provides GPT Securityholders from 12 August 2009 with a beneficial interest in BGP Holdings Limited on a 1 to 1 basis. The beneficial interest will be held through a bare trustee, Trustee Company Fiduciary Services Limited (Trustee). BGP Holdings Limited is an unlisted, public limited company incorporated in Malta, which owns GPT's interest in the European Joint Venture.

The dividend provided GPT with the opportunity to exit the European component of its Joint Venture with Babcock & Brown.

(iv) US Senior Housing does not qualify as Discontinued Operations

The US Senior Housing Portfolio is not classified as a discontinued operation at 31 December 2009 as it not actively marketed and therefore does not qualify in accordance with note 1(o).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

9. Non-current assets held for sale and discontinued operations (continued)

(b) Details of Assets and Liabilities of Discontinued Operations and Assets Classified as Held for Sale

The table below sets out the assets and liabilities that continue to be owned by the Company at 31 December 2009, as discussed in note 9(a)(i), 9(a)(ii) and 9(a)(iii). Note 2(d) shows these assets and liabilities as an aggregate amount on the lines "non-current assets and liabilities held for sale" in the Statement of Financial Position. As such, the table below splits out the major classes comprising the aggregate assets and liabilities.

		Consolidated entity				
	Note	Funds Management Europe 31 Dec 09 $000's	Hotel/ Tourism 31 Dec 09 $000's	Joint Venture 31 Dec 09 $000's	Total 31 Dec 09 $'000	Total 31 Dec 08 $'000
Non-current assets classified as held for sale						
Cash at bank and at call		-	10,672	-	10,672	-
Loans and receivables		18,946	16,967	-	35,913	-
Inventories		-	4,405	-	4,405	-
Investments in associates and joint ventures		30,553	588	-	31,141	-
Property, plant and equipment		-	5,200	-	5,200	-
Other assets		-	39	-	39	-
Total assets classified as held for sale	2(d)	49,499	37,871	-	87,370	-
Non-current liabilities classified as held for sale						
Trade payables and accruals		-	15,972	-	15,972	-
Provision for employee benefits		-	2,408	-	2,408	-
Total liabilities classified as held for sale	2(d)	-	18,380	-	18,380	-

(c) Financial performance and cashflow information relating to discontinued operations

The financial performance and cash flow information up to the date of disposal and for the financial year ended 31 December 2009 (where the operations remain at year end) is set out below. These results are shown at note 2(a) within the Discontinued Operations segments.
Prior year comparatives have been restated and are also included.

		Consolidated entity		Parent entity	
		31 Dec 09 $'000	31 Dec 08 $'000	31 Dec 09 $'000	31 Dec 08 $'000
Revenue		239,632	(4,069)	-	-
Expenses		(339,594)	(686,646)	-	-
Loss before income tax		(99,962)	(690,715)	-	-
Income tax benefit		9,950	9,726	-	-
Loss after income tax of discontinued operations	2(a)	(90,012)	(680,989)	-	-
Net cash outflow from operating activities		(25,446)	(58,613)	-	-
Net cash inflow/(outflow) from investing activities		11,371	(34,348)	-	-
Net cash outflow from financing activities		(1,020)	(40,165)	-	-
Net decrease in cash generated by the discontinued operations		(15,095)	(133,126)	-	-

(d) Details of all disposals in the Statements of Comprehensive Income and Statements of Financial Position

The net loss on sale of disposals in the discontinued operations and in the general course of business during the financial year were:

Details of disposals during the year:				
Cash consideration - net of transaction costs	8,700	-	-	-
Total consideration	8,700	-	-	-
Carrying amount of net assets sold	(51,522)	-	-	-
Loss on sale before income tax	(42,822)	-	-	-
Income tax expense	-	-	-	-
Loss on sale after income tax	(42,822)	-	-	-

9. Non-current assets held for sale and discontinued operations (continued)

(d) Details of all disposals in the Statements of Comprehensive Income and Statements of Financial Position (continued)

	Consolidated entity		Parent entity	
	31 Dec 09*	31 Dec 08	**31 Dec 09**	31 Dec 08
	$000's	$000's	**$'000**	$'000
The carrying amounts of assets and liabilities as at the date of disposal were:				
Cash at bank and at call	**28,722**	-	**-**	-
Trade receivables	**8,777**	-	**-**	-
Inventories	**380,337**	-	**-**	-
Other assets	**1,467**	-	**-**	-
Total assets	**419,303**	-	**-**	-
Trade payables and accruals	**30,013**	-	**-**	-
Derivative liabilities	**20,891**	-	**-**	-
Borrowings	**316,877**	-	**-**	-
Total liabilities	**367,781**	-	**-**	-
Net assets	**51,522**	-	**-**	-

* Disposals happened throughout the financial year and the table above shows the carrying value of assets and liabilities as at the date of disposals.

10. Investments in associates and joint ventures

	Note	**31 Dec 09** **$'000**	31 Dec 08 $'000
Investments in joint ventures	(a)(i)	**2,659**	12,683
Investments in associates	(a)(ii)	**285**	74,539
Total investments in associates and joint ventures		**2,944**	87,222

(a) Details of joint ventures and associates

Name	**Principal Activity**	**Ownership Interest** **2009** **%**	2008 %	**31 Dec 09** **$'000**	31 Dec 08 $'000
(a)(i) Joint ventures					
Entity incorporated in Australia					
DPT Operator Pty Limited [1]	Managing property	**50.00**	50.00	**75**	73
BGA Real Estate Finance Trust [b]	Mezzanine loan	**50.00**	50.00	**-**	-
Entities incorporated in the United States					
B&B GPT Alliance 1 LLC [b]	Property investment	**50.00**	50.00	**-**	-
B-VII Operations Holding Co LLC [2]	Property investment	**95.00**	95.00	**2,584**	12,610
Entity incorporated in Luxembourg					
BGP Investment SARL [b]	Property investment	**-**	50.00	**-**	-
Total investments in joint ventures				**2,659**	12,683

10. Investments in associates and joint ventures (continued)

(a) Details of joint ventures and associates (continued)

Name	Principal Activity	Ownership Interest 2009 %	2008 %	31 Dec 09 $'000	31 Dec 08 $'000
(a)(ii) Associates					
Entity incorporated in Australia					
Kings Canyon (Watarrka) Resort Trust [1 5]	Investment property	**46.00**	46.00	**-**	4,895
Lend Lease GPT (Rouse Hill) Pty Limited [3]	Investment property	**26.00**	26.00	**-**	10,281
Entity incorporated in The Netherlands					
Dutch Active Fund Propco BV [4]	Property investment	**38.04**	38.04	**-**	58,949
Entity incorporated in the United States					
Benchmark Assisted Living LLC [2]	Property management	**20.00**	20.00	**285**	414
Total investment in associates				**285**	74,539

1. The entity has a 30 June balance date.
2. The Company has a 95% economic interest in B-VII Operations Holding Co LLC and a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC. The Company has equal representation and voting rights on the Board of B-VII Operations Holding Co LLC with all major decisions regarding the joint venture requiring unanimous approval from both parties, resulting in joint control with BE Capital LLC. Accordingly, B-VII Operations Holding Co LLC has been accounted for as a joint venture.
3. The Company has consolidated 50% Lend Lease GPT (Rouse Hill) Pty Limited as it owns a 52% controlling interest in GPT Residential (Rouse Hill) Trust. Economically it owns 26% of the entity after taking into account non-controlling interest.
4. The investment in Dutch Active Fund Propco BV has been included in "Non-current assets classified as held for sale". Refer to note 9(a).
5. The investment in Kings Canyon (Watarrka) Resort Trust as at 31 December 2009 has been included in "Non-current assets held for sale". Refer to note 9(a).
6. The entities are within the joint venture arrangement with Babcock & Brown Limited. These investments have been included in "Non-current assets classified as held for sale."

10. Investments in associates and joint ventures (continued)

(b) Reconciliation of the carrying amount of equity accounted investments – consolidated entity

Reconciliations of the carrying amount of equity accounted investments at the beginning and end of the current financial year by the geographic segment they operate in are set out below:

	Australia		Europe		United States		Consolidated entity	
	31 Dec 09 $'000	31 Dec 08 $'000	**31 Dec 09 $'000**	31 Dec 08 $'000	**31 Dec 09 $'000**	31 Dec 08 $'000	**31 Dec 09 $'000**	31 Dec 08 $'000
Consolidated entity								
(i) Joint ventures								
Carrying amount at the beginning of the year	**73**	3,740	**-**	317,539	**12,610**	12,522	**12,683**	333,801
Disposals	**-**	-	**-**	(40,232)	**-**	6,262	**-**	(33,970)
Share of joint ventures' net profit/(loss)	**2**	(2,866)	**-**	(279,124)	**(7,725)**	(6,358)	**(7,723)**	(288,348)
Share of increment in joint ventures' reserves	**-**	-	**-**	(11,489)	**-**	-	**-**	(11,489)
Foreign exchange rate differences on translation	**-**	(124)	**-**	13,306	**(1,470)**	184	**(1,470)**	13,366
Dividends paid	**-**	(677)	**-**	-	**(831)**	-	**(831)**	(677)
Carrying amount at end of the financial year	**75**	73	**-**	-	**2,584**	12,610	**2,659**	12,683
(ii) Associates								
Carrying amount at the beginning of the year	**15,176**	18,440	**58,949**	49,043	**414**	4,351	**74,539**	71,834
Additions	**1,875**	219	**-**	33,183	**-**	-	**1,875**	33,402
Transfer to assets held for sale	**(4,895)**		**(58,949)**				**(63,844)**	-
Share of associates' net profit	**(12,156)**	(3,483)	**-**	(27,214)	**44**	(171)	**(12,112)**	(30,868)
Foreign exchange rate differences on translation	**-**	-	**-**	11,814	**(173)**	325	**(173)**	12,139
Dividends paid	**-**	-	**-**	(7,877)	**-**	(344)	**-**	(8,221)
Impairment expense	**-**	-	**-**	-	**-**	(3,747)	**-**	(3,747)
Carrying amount at end of the financial year	**-**	15,176	**0**	58,949	**285**	414	**285**	74,539

(c) Share of joint ventures and associates' net profits – consolidated entity

The Company's share of net profits after income tax from its equity accounted investments is set out below by the geographic segment they operate in:

	Australia 31 Dec 09	Australia 31 Dec 08	Europe 31 Dec 09	Europe 31 Dec 08	United States 31 Dec 09	United States 31 Dec 08	Consolidated entity 31 Dec 09	Consolidated entity 31 Dec 08
Revenue	**6,495**	8,468	**-**	219,000	**231,053**	199,038	**237,548**	426,506
Expenses	**29,554**	17,321	**-**	815,898	**239,276**	218,892	**268,830**	1,052,111
Profit/(loss) before income tax expense	**(23,059)**	(8,853)	**-**	(596,898)	**(8,223)**	(19,854)	**(31,282)**	(625,605)
Income tax expense/(benefit)	**(121)**	124	**-**	(4,162)	**-**	-	**(121)**	(4,038)
	(22,938)	(8,977)	**-**	(592,736)	**(8,223)**	(19,854)	**(31,161)**	(621,567)
Negative net assets not recognised*	**10,784**	2,628	**-**	286,398	**542**	13,325	**11,326**	302,351
Share of net profits of joint ventures and associate interests	**(12,154)**	(6,349)	**-**	(306,338)	**(7,681)**	(6,529)	**(19,835)**	(319,216)

* The Company has not reduced its equity interest below zero as there is no recourse back to the Company for its equity interest in these entities

10. Investments in associates and joint ventures (continued)

(d) Share of joint ventures and associates' assets and liabilities – consolidated entity

The Company's share of the balance sheet of its equity accounted investments by the geographic location they operate in are:

	Australia		Europe		United States		Consolidated entity	
	31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08	**31 Dec 09**	31 Dec 08	**31 Dec 09**	31 Dec 08
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	**2,137**	2,749	**-**	74,636	**4,609**	13,422	**6,746**	90,807
Other assets	**21,994**	33,804	**-**	179,462	**13,954**	10,593	**35,948**	223,859
Property investments and loans	**21,212**	53,751	**-**	2,642,571	**21,424**	39,982	**42,636**	2,736,304
Total assets	**45,343**	90,304	**-**	2,896,669	**39,987**	63,997	**85,330**	3,050,970
Other liabilities	**3,628**	32,708	**-**	271,558	**47,344**	48,862	**50,972**	353,128
Borrowings								
- The GPT Group	**29,928**	25,051	**-**	742,634	**13,193**	14,572	**43,121**	782,257
- External - current	**-**	-	**-**	697,632	**-**	-	**-**	697,632
- External - non-current	**22,496**	19,925	**-**	1,412,293	**-**	-	**22,496**	1,432,218
Total liabilities	**56,052**	77,684	**-**	3,124,117	**60,537**	63,434	**116,589**	3,265,235
Net assets	**(10,709)**	12,620	**-**	(227,448)	**(20,550)**	563	**(31,259)**	(214,265)
Negative net assets not recognised*	**10,784**	2,628	**-**	286,398	**23,419**	12,461	**34,203**	301,487
Net assets recognised	**75**	15,248	**-**	58,950	**2,869**	13,024	**2,944**	87,222

* The Company has not reduced its equity interest below zero as there is no recourse back to the Company for its equity interest in these entities.

(e) Share of joint ventures and associates' commitments

The Company's share of its equity accounted investments' capital expenditure commitments for the purchase, plant and equipment which have been approved but not provided for at 31 December 2009 and operating lease commitments are set out below:

	Australia 31 Dec 09	Australia 31 Dec 08	Europe 31 Dec 09	Europe 31 Dec 08	United States 31 Dec 09	United States 31 Dec 08	Consolidated entity 31 Dec 09	Consolidated entity 31 Dec 08
Capital expenditure commitments	-	-	**-**	1,243	**302**	-	**302**	1,243
Operating lease commitments	-	-	**-**	96,584	**73,808**	123,579	**73,808**	220,163
Other commitments	-	-	**-**	192	**-**	-	**-**	192
Total joint venture and associates' commitments	-	-	**-**	98,019	**74,110**	123,579	**74,110**	221,598

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
11. Other assets					
Available for sale investments					
Investments in unlisted entities - at cost		**4,281**	6,883	**4,136**	4,558
Total available for sale financial assets		**4,281**	6,883	**4,136**	4,558
Other assets					
Investments in controlled entities - at cost	21	**-**	-	**43,899**	58,135
Other		**-**	238	**-**	-
Total assets		**-**	238	**43,899**	58,135
Total non-current other assets		**4,281**	7,121	**48,035**	62,693
12. Property, plant and equipment					
Computers					
At cost		**24,431**	13,766	**24,431**	10,052
less: accumulated depreciation and impairment		**(5,047)**	(4,887)	**(5,047)**	(3,421)
Total computers		**19,384**	8,879	**19,384**	6,631
Office, fixtures and fittings					
At cost		**2,403**	15,686	**2,403**	2,675
less: accumulated depreciation and impairment		**(515)**	(4,852)	**(515)**	(439)
Total office, fixtures and fittings		**1,888**	10,834	**1,888**	2,236
Total property, plant and equipment		**21,272**	19,713	**21,272**	8,867

Reconciliations

Reconciliations of the carrying amount for each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Consolidated entity			
Year ended 31 December 2009			
Opening carrying value	**8,879**	**10,834**	**19,713**
Additions	**14,794**	**432**	**15,226**
Disposals	**(718)**	**(2,801)**	**(3,519)**
Depreciation charge	**(3,086)**	**(1,060)**	**(4,146)**
Assets held for sale	**(217)**	**(4,983)**	**(5,200)**
Foreign exchange movements	**(268)**	**(534)**	**(802)**
Closing carrying value	**19,384**	**1,888**	**21,272**
Year ended 31 December 2008			
Opening carrying value	6,930	13,604	20,534
Additions	4,550	10,243	14,793
Disposals	(24)	(9,131)	(9,155)
Depreciation charge	(1,727)	(2,843)	(4,570)
Foreign exchange movements	(850)	(1,039)	(1,889)
Closing carrying value	8,879	10,834	19,713

Hotel property, plant and equipment of $5,200,000 has been classified as non-current assets held for sale in 2009 as the Company announced the sale of the Hotel/Tourism Portfolio (refer to note 9(a)).

12. Property, Plant and Equipment (continued)

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Parent			
Year ended 31 December 2009			
Opening carrying value	**6,631**	**2,236**	**8,867**
Additions	**14,735**	**381**	**15,116**
Disposals	**(17)**	**(617)**	**(634)**
Depreciation charge	**(1,965)**	**(112)**	**(2,077)**
Closing carrying value	**19,384**	**1,888**	**21,272**
Year ended 31 December 2008			
Opening carrying value	4,624	1,606	6,230
Additions	3,750	757	4,507
Disposals	(24)	-	(24)
Depreciation charge	(1,719)	(127)	(1,846)
Closing carrying value	6,631	2,236	8,867

13. Intangibles

	Consolidated entity		Parent entity	
	31 Dec 09 $'000	31 Dec 08 $'000	**31 Dec 09 $'000**	31 Dec 08 $'000
Management rights				
At cost	**54,200**	54,200	-	-
Accumulated amortisation and impairment	**(37,956)**	(33,804)	-	-
Total management rights	**16,244**	20,396	-	-
Total intangibles	**16,244**	20,396	-	-

Reconciliations
Reconciliations of the carrying amount for each class of intangible at the beginning and end of the current financial year are set out below:

Consolidated entity

	Management rights $'000	Goodwill $'000	Total $'000
For the year ended 31 December 2009			
Balance at beginning of financial year	**20,396**	**-**	**20,396**
Amortisation charge	**(4,152)**	**-**	**(4,152)**
Carrying amount at the end of the financial year	**16,244**	**-**	**16,244**
For the year ended 31 December 2008			
Balance at beginning of financial year	24,549	121,841	146,390
Impairment charge	-	(121,841)	(121,841)
Amortisation charge	(4,153)	-	(4,153)
Carrying amount at the end of the financial year	20,396	-	20,396

Management rights
The management rights include asset, property and development management rights of retail shopping centres. The useful life of the rights range between 7.5 to 10 years. The rights are amortised over the useful life.

14. Payables

	Consolidated entity		Parent entity	
	31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**9,328**	54,501	**2,740**	6,789
Accruals	**52,405**	102,557	**14,249**	62,220
Other payables	**1,005**	376	**-**	523
Payable to related parties	**-**	-	**4,104**	1,811
Total Current Payables	**62,738**	157,434	**21,093**	71,343

15. Derivative financial instruments

Current liabilities				
Interest rate swaps	**-**	16,414	**-**	-
Total current derivative liabilities	**-**	16,414	**-**	-

GPT does not speculatively trade in derivative financial instruments and the terms and conditions of the derivative financial instruments are similar to the terms and conditions of the underlying items being economically hedged. Refer to note 28 for further details.

16. Provisions

Current				
Employee benefits	**4,092**	7,813	**4,092**	4,381
Other	**2,614**	4,556	**2,614**	2,974
Total Current Provisions	**6,706**	12,369	**6,706**	7,355
Non-current				
Employee benefits	**3,847**	5,226	**3,847**	4,256
Total Non-Current Provisions	**3,847**	5,226	**3,847**	4,256

17. Borrowings

	Note	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Current - unsecured					
Bank facilities					
Overdraft facility - Euro	(i)	-	11	-	-
Bridge facility - US dollar	(ii)	-	42,692	-	-
Related party borrowings	(iii)	**160,971**	388,194	-	-
Total current borrowings - unsecured		**160,971**	430,897	-	-
Current - secured					
Bank facilities					
US dollar	(v)(a)	-	97,417	-	-
Euro	(v)(b)	-	194,017	-	-
Danish Kroner	(v)(c)	-	32,802	-	-
Swedish Kroner	(v)(d)	-	6,354	-	-
Total current borrowings - secured		-	330,590	-	-
Total current borrowings		**160,971**	761,487	-	-
Non-Current - unsecured					
Related party borrowings	(iv)	**449,166**	233,512	**258,962**	219,304
Total non-current borrowings		**449,166**	233,512	**258,962**	219,304
Total borrowings		**610,137**	994,999	**258,962**	219,304

The maturity profile of the above current and non-current borrowings is:

	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Due within one year	**160,971**	761,487	-	-
Due between one and five years	-	76,153	-	-
Due after five years	**449,166**	157,359	**258,962**	219,304
	610,137	994,999	**258,962**	219,304

Financing Facilities

A summary of the Company's finance facilities is below:

	Note	31 Dec 2009 Total facility $'000	31 Dec 2009 Used facility $'000	31 Dec 2009 Unused facility $'000
Overdraft	(i)	-	-	-
Bank facilities	(v)	-	-	-
Related party	(iii)&(iv)	**1,027,681**	**610,137**	**417,545**
Total financing resources available at end of the period		**1,027,681**	**610,137**	**417,545**

Maturity profile of financing facilities

	Consolidated entity 31 Dec 09 $'000	Consolidated entity 31 Dec 08 $'000	Parent entity 31 Dec 09 $'000	Parent entity 31 Dec 08 $'000
Due within one year	**161,484**	803,736	-	-
Due between one and five years	-	89,916	-	-
Due after five years	**866,197**	607,559	-	-
Total financing facilities	**1,027,681**	1,501,211	-	-

Unsecured

(i) Overdraft facility

A EUR overdraft was repaid in January 2009 by GPT Halverton and is no longer available (Dec 2008: EUR €5,000 (AUD$9,944.31)).

(ii) Bridge facility

The USD $30,000,000 bridge facility was repaid by Hamburg Trust in May 2009 (Dec 2008: USD $30,000,000 million (AUD $42,692,472)). This facility is no longer available.

17. Borrowings (continued)

(iii) Related party borrowings - current

The following current unsecured borrowings were drawn at 31 December 2009 from the Trust and its subsidiaries;

- A EUR €60,811,653 (AUD $97,112,189) (Dec 2008: EUR €130,716,000 (AUD $259,976,134)) loan to GPT Europe 2 S.a.r.l. is at call with no fixed maturity. At 31 December 2009 this facility is fully drawn.
- A SEK 37,650,417 (AUD $5,862,725) (Dec 2008: SEK 192,928,318 (AUD $35,091,274)) loan to GPT Europe 2 S.a.r.l. is at call with no fixed maturity. At 31 December 2009 this facility is fully drawn.
- A EUR €774,757 (AUD $1,237,236) (Dec 2008: EUR €774,757 (AUD $1,540,885)) loan to GPT MaltaCo 2 Limited was repaid in August 2009.
- A USD $52,500,000 (AUD $58,508,860) (Dec 2008: USD $64,357,425 (AUD $91,585,919)) loan to GPT USA 3 GmbH & Co.KG which expires in December 2011. At 31 December 2009 this facility is drawn to USD $52,040,000 (AUD $57,996,211).
- A EUR €3,600,000 (AUD $5,748,962) facility to GPT Europe S.a.r.l. is no longer available.

(iv) Related party borrowings – non current

The following non current unsecured borrowings were drawn at 31 December 2009 from Trust and its subsidiaries;

- A loan facility to the Company of AUD $600,000,000 was reduced to $550,000,000 and is drawn to $221,143,432 (Dec 2008: AUD $150,796,991). This facility expires on 31 December 2015 and ensures the Company is able to pay its debts on and when they fall due.
- An AUD $50,000,000 loan facility to GPT Property Management Ltd has been provide following the reduction in loan facility to the Company and is drawn to $27,856,123 at 31 December 2009.
- A new loan facility of AUD $120,000,000 made during the year to GPT International Pty Limited was drawn to AUD $88,271,487 at 31 December 2009. This facility expires June 2017.
- An AUD $75,000,000 loan facility to Voyages Hotels & Resorts Pty Limited was drawn to $69,346,703 (Dec 2008: total facility available $75,000,000 and drawn to AUD $69,389,666). A new additional AUD $70,000,000 loan facility has also been made available and was drawn to $41,350,120.
- A EUR €750,000 loan (AUD $1,197,700) has been made to GPT UK Limited and is fully drawn at 31 December 2009.
- At 31 December 2009 a EUR facility of EUR €7,500,000 ($AUD 11,977,004) to HTBO Bergedorf Objekt GmbH & Co.KG is no longer available.

Secured

(v) Bank facilities

(a) The sale of GPT's interest in the Alliance portfolio (previously warehoused within the Hamburg Trust platform) was settled to a syndicate of private investors in November 2009 (refer to note 9(d) for further details). A USD $72,000,000 (AUD $80,240,722) (Dec 2008: USD $72,000,000 million (AUD $102,461,933)) bank facility was transferred to the purchasers upon settlement in November 2009.

(b) In May 2009, GPT sold its interest in the H20 portfolio to Sasori S.a.r.l (refer to note 9(d) for further details). GPT's obligation under the borrowings of EUR €99,300,000 (AUD $158,575,534.97) and DKK 124,500,000 (AUD $26,712,152) from the H20 facility was taken on by Sasori S.a.r.l. in May 2009 as part of the sale.

(c) In August 2009, GPT sold its interest in the Scandinavian Active Fund, a fund owned by GPT and managed by GPT Halverton (refer to note 9(d) for further details). The SEK 32,555,000 (AUD $5,069,293) facility was transferred with the sale.

(d) As part of the disposal of HTBO Bergedorf Objekt KG Fund in June 2009, an undrawn EUR €16,600,000 facility (AUD$26,509,103) is no longer available to the Hamburg Trust (Dec 2008: facility limit EUR €16,600,000 (AUD $33,015,115) which has also been sold (refer to note 9(d) for further details).

18. Contributed equity

		Note	Shares Numbers	Company $'000	Non-controlling Interest $'000	Total $'000
1 January 2008	Opening shares on issue		2,099,613,942	317,576	-	317,576
28 March 2008	Distribution reinvestment plan issue	(a)	9,059,869	651	-	651
28 March 2008	Issue of shares/stapled securities	(b)	40,613,601	2,920	-	2,920
27 May 2008	Distribution reinvestment plan issue	(a)	13,353,787	967	-	967
27 May 2008	Issue of shares/stapled securities	(b)	36,492,741	2,641	-	2,641
26 September 2008	Distribution reinvestment plan issue	(a)	18,599,258	-	-	-
11 November 2008	Issue of shares/stapled securities	(c)	1,697,973,421	-	-	-
28 November 2008	Issue of shares/stapled securities	(c)	551,657,181	-	-	-
31 December 2008	Closing shares on issue		4,467,363,800	324,755	-	324,755
1 January 2009	Opening shares on issue		**4,467,363,800**	**324,755**	**-**	**324,755**
27 May 2009	Issue of shares/stapled securities	(d)	**4,091,926,477**	**-**	**-**	**-**
16 Jun 2009	Issue of shares/stapled securities	(d)	**718,294,466**	**-**	**-**	**-**
12 August 2009	In specie dividend	(e)	**-**	**16**	**-**	**16**
31December 2009	Closing shares on issue		**9,277,584,743**	**324,771**	**-**	**324,771**

(a) Dividend/Distribution Reinvestment Plan

GPT introduced a Distribution Reinvestment Plan (DRP) to eligible securityholders in March 2007. The DRP was suspended from the September 2008 quarter with the announcement of the $1.6 billion equity raising.

(b) Underwriting the Distribution Reinvestment Plan

GPT entered into an underwriting agreement on 17 October 2007. Under this agreement GPT has the option to elect before each quarterly distribution payment whether to have that distribution underwritten. The terms of the agreement provide that the underwriter fully underwrites distribution payments in exchange for GPT stapled securities of the securityholders who had not elected to participate in the DRP.

(c) Equity raising - 2008

The continued deterioration of capital markets and the sharp depreciation of Australian dollars have adversely affected GPT's ability to sell assets at acceptable prices, increased the gearing ratios levels significantly and reduced the amount of headroom under debt covenants. On 23 October 2008, GPT announced a major balance sheet recapitalisation through an accelerated non-renounceable entitlement offer and the placement of exchangeable securities to an affiliate of GIC Real Estate Pty Limited ("GIC RE').

Entitlement offer

The entitlement offer resulted in the issue of 2,249,630,602 stapled securities at 60 cents each raising $1,349,778,361 before transaction costs of $46,700,000 were applied. Total proceeds were split between General Property Trust and the Company on a net asset basis. Due to the Company having negative net assets, no proceeds were allocated to the Company relating to this issue.

(d) Equity raising - 2009

In order to further strengthen GPT's Statement of Financial Position, improve the liquidity position and allow GPT to seek to accelerate its exit from the Babcock & Brown Joint Venture, GPT announced a capital raising on 7 May 2009 at an offer price of 35 cents per stapled security. The capital raising comprised a $120 million institutional placement and a non-renounceable 1 for 1 pro-rata entitlement offer to eligible securityholders which had an institutional component of $1,270.8 million and a retail component of $292.8 million. A total of $1.7 billion was raised with total transaction costs of $53.8 million. Total proceeds were split between General Property Trust and the Company on a net asset basis. Due to the Company having negative net assets, no proceeds were allocated to the Company relating to this issue.

(e) In specie dividend

An in specie dividend of ordinary shares at a value of €10,000 (AUD $16,000) in BGP Holdings Limited (formerly MaltaCo 1 Ltd) to GPT Securityholders was made on 12 August 2009, which was equal to the value of the ordinary equity in BGP Holdings Limited. This dividend was paid out of the current year profits of GPT Management Holdings Limited and the value of shares issued to shareholders in specie represented 94.7% of the total capital, voting and dividend rights of BGP Holdings Limited. Refer to note 9(a) for further details.

This dividend provides GPT securityholders from 12 August 2009 with a beneficial interest in BGP Holdings Limited on a 1 to 1 basis. The beneficial interest will be held through a bare trustee, Trust Company Ltd. BGP Holdings Limited is an unlisted, public limited company incorporated in Malta, which owns GPT's interest in the European Joint Venture.

This dividend provided the Company with the opportunity to exit the European component of its Joint Venture with Babcock & Brown.

19. Reserves

	Note	Company $'000	Non-controlling Interest $'000	Total $'000
Consolidated entity				
Summary of the types of reserves attributable to members:				
Employee incentive scheme reserve	(a)	**871**	**-**	**871**
Foreign currency translation reserve	(b)	**13,760**	**-**	**13,760**
Cashflow hedge reserve	(c)	**-**	**-**	**-**
Total reserves		**14,631**	**-**	**14,631**

Reconciliations
Reconciliations of each type of reserve at the beginning and end of the current financial year are set out below:

	Company $'000	Non-controlling Interest $'000	Total $'000
(a) Employee incentive scheme reserve			
Balance at 1 January 2008	49	-	49
Employee incentive scheme expense, net of tax	(49)	-	(49)
Balance at 31 December 2008	-	-	-
Balance at 1 January 2009	**-**	**-**	**-**
Employee incentive scheme expense, net of tax	**871**	**-**	**871**
Balance at 31 December 2009	**871**	**-**	**871**
(b) Foreign currency translation reserve			
Balance at 1 January 2008	(1,870)	12	(1,858)
Net foreign exchange translation adjustments, net of tax	(15,435)	-	(15,435)
Balance at 31 December 2008	(17,305)	12	(17,293)
Balance at 1 January 2009	**(17,305)**	**12**	**(17,293)**
Net foreign exchange translation adjustments, net of tax	**31,065**	**(12)**	**31,053**
Balance at 31 December 2009	**13,760**	**-**	**13,760**
(c) Cashflow hedge reserve			
Balance at 1 January 2008	11,489	-	11,489
Effective portion of changes in fair value of cashflow hedges, net of tax	(11,489)	-	(11,489)
Balance at 31 December 2008	-	-	-

As at 31 December 2009, the closing balance of the cashflow hedge reserve is nil and there were no movements during the financial year.

	Note	Company $'000	Non-controlling Interest $'000	Total $'000
Parent entity				
Summary of the types of reserves attributable to members:				
Employee incentive scheme reserve	(a)	**871**	**-**	**871**
Total reserves		**871**	**-**	**871**

Reconciliations
Reconciliations of each type of reserve at the beginning and end of the current financial year are set out below:

	Company $'000	Non-controlling Interest $'000	Total $'000
(a) Employee incentive scheme reserve			
Balance at 1 January 2008	49	-	49
Employee incentive scheme expense, net of tax	(49)	-	(49)
Balance at 31 December 2008	-	-	-
Balance at 1 January 2009	-	-	-
Employee incentive scheme expense, net of tax	**871**	-	**871**
Balance at 31 December 2009	**871**	**-**	**871**

Nature and purpose of reserves:

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities as described in note 1(e). The movement in the foreign currency reserve is recognised in the Statement of Comprehensive Income when the net investment in the foreign controlled entity is disposed.

Employee incentive scheme reserve
The employee incentive scheme reserve is used to recognise the notional fair value of the implied option in respect of performance rights issued under the GPT Group Stapled Security Rights Plan (refer to New Performance Rights LTI Plan in this report as described in note 23(a)(ii)).

20. Retained profits/(accumulated losses)

	Company $'000	Non-controlling Interest $'000	Total $'000
Consolidated entity			
Balance at 1 January 2008	(20,022)	19,137	(885)
Non-controlling interest on acquisition of controlled entities	-	3,575	3,575
Net loss for the financial year	(697,193)	(10)	(697,203)
Balance at 31 December 2008	(717,215)	22,702	(694,513)
Balance at 1 January 2009	**(717,215)**	**22,702**	**(694,513)**
Net loss for the financial year	**(119,122)**	**(14,490)**	**(133,612)**
less: in specie dividend	**(16)**	**-**	**(16)**
Balance at 31 December 2009	**(836,353)**	**8,212**	**(828,141)**
Parent entity			
Balance at 1 January 2008	(48,704)	-	(48,704)
Net loss for the financial year	(479,909)	-	(479,909)
Balance at 31 December 2008	(528,613)	-	(528,613)
Balance at 1 January 2009	**(528,613)**	**-**	**(528,613)**
Net loss for the financial year	**5,804**	**-**	**5,804**
less: in specie dividend	**(16)**		**(16)**
Balance at 31 December 2009	**(522,825)**	**-**	**(522,825)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

21. Controlled entities

The following entities were controlled as at the end of the financial year (unless specified otherwise). The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance to the accounting policy described in note 1(c).

Name of entity	Country of of incorporation	Consolidated Entity 2009 %	Consolidated Entity 2008 %	Parent Entity 2009 %	Parent Entity 2008 %
Alliance HT Limited Partnership (2)	United States	**-**	74.4	**-**	-
Alliance HT Mezz Limited Partnership (2)	United States	**-**	74.4	**-**	-
Alliance HT Mezz LLC (2)	United States	**-**	74.4	**-**	-
Alliance HTFL GP LLC (2)	United States	**-**	74.4	**-**	-
Alliance HTFL Limited Partnership (2)	United States	**-**	74.4	**-**	-
Alliance HTTX GP LLC (2)	United States	**-**	74.4	**-**	-
Alliance HTTX Limited Partnership (2)	United States	**-**	74.4	**-**	-
Australian Resorts Pty Limited	Australia	**100.0**	100.0	**-**	-
Bedarra Hideaway Pty Limited	Australia	**100.0**	100.0	**-**	-
Bedarra Island Pty Limited	Australia	**100.0**	100.0	**-**	-
Benelux Industrial Partnership General Partner BV (2)	The Netherlands	**-**	100.0	**-**	-
BGP (UK) Investments Limited	United Kingdom	**100.0**	100.0	**-**	-
Brampton Island Pty Limited	Australia	**100.0**	100.0	**-**	-
Colinsco Limited Partnership (2)	United Kingdom	**-**	100.0	**-**	-
Destinations & Voyages Travel Pty Limited	Australia	**100.0**	100.0	**-**	-
Dunk Island Pty Limited	Australia	**100.0**	100.0	**-**	-
EB8 Investments Limited (2)	United Kingdom	**-**	100.0	**-**	-
German Retail Property Fund Manager SARL (2)	Luxembourg	**-**	100.0	**-**	-
GPT Development Custodian Pty Limited	Australia	**100.0**	100.0	**-**	-
GPT Development Pty Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT Europe 2 SARL	Luxembourg	**100.0**	100.0	**-**	-
GPT Europe Finance SA	Luxembourg	**100.0**	100.0	**-**	-
GPT Europe SARL (2)	Luxembourg	**-**	100.0	**-**	-
GPT Funds Management Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT Halverton AB (2)	Sweden	**-**	70.0	**-**	-
GPT Halverton ApS (2)	Denmark	**-**	51.0	**-**	-
GPT Halverton BV (2)	The Netherlands	**-**	100.0	**-**	-
GPT Halverton Financial Services Limited	United Kingdom	**100.0**	100.0	**-**	-
GPT Halverton GmbH (1) (2)	Germany	**-**	100.0	**-**	-
GPT Halverton Limited (2)	United Kingdom	**-**	100.0	**-**	-
GPT Hunter Custodian Pty Limited (formerly Oyl Pty Limited)	Australia	**100.0**	100.0	**-**	-
GPT International Pty Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT MaltaCo 1 Limited (2)	Malta	**-**	100.0	**-**	100.0
GPT MaltaCo 2 Limited (2)	Malta	**-**	100.0	**-**	-
GPT Management Holdings Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT Property Management Pty Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT RE Limited	Australia	**100.0**	100.0	**100.0**	100.0
GPT Residential (Hunter) Pty Limited	Australia	**100.0**	100.0	**-**	-
GPT UK Limited	United Kingdom	**100.0**	100.0	**-**	-
GPT US Holdings LLC (1)	United States	**100.0**	-	**-**	-
GPT US Inc	United States	**100.0**	100.0	**-**	-
GPT USA 3 General Partner GmbH (1)	Germany	**100.0**	-	**-**	-
GPT USA 3 GmbH & Co KG (1)	Germany	**99.0**	-	**-**	-
GPTI BBR LLC (1)	United States	**100.0**	-	**-**	-
GPTMH BM Investment LLC	United States	**100.0**	100.0	**-**	-
H20 Am Moosfield ApS (2)	Denmark	**-**	97.4	**-**	-
H20 Amsterdam BV (2)	The Netherlands	**-**	99.7	**-**	-
H20 Berlin Charlottenburg ApS (2)	Denmark	**-**	97.4	**-**	-
H20 Denmark PropCo ApS (2)	Denmark	**-**	97.4	**-**	-
H20 Dutch BV (2)	The Netherlands	**-**	97.4	**-**	-
H20 Finland HoldCo OY (2)	Finland	**-**	97.4	**-**	-
H20 Finland LuxCo SARL (2)	Luxembourg	**-**	97.4	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

21. Controlled entities (continued)

Name of entity	Country of of incorporation	Consolidated Entity 2009 %	Consolidated Entity 2008 %	Parent Entity 2009 %	Parent Entity 2008 %
H20 France HoldCo ApS (2)	Denmark	-	97.4	-	-
H20 France PropCo ApS (2)	Denmark	-	97.4	-	-
H20 FundCo SARL	Luxembourg	**100.0**	100.0	-	-
H20 Gaertringen ApS (2)	Denmark	-	97.4	-	-
H20 Germany HoldCo ApS (2)	Denmark	-	97.4	-	-
H20 Krefeld Fichtenhain ApS (2)	Denmark	-	97.4	-	-
H20 LuxCo SARL (2)	Luxembourg	-	97.4	-	-
H20 Munster ApS (2)	Denmark	-	97.4	-	-
H20 Offenburg ApS (2)	Denmark	-	97.4	-	-
H20 Propco One OY (2)	Finland	-	97.4	-	-
H20 Puchheim ApS (2)	Denmark	-	97.4	-	-
H20 Sinisheim ApS (2)	Denmark	-	97.4	-	-
Halverton Co-investment Limited (2)	United Kingdom	-	100.0	-	-
Halverton EB8 Limited (2)	United Kingdom	-	100.0	-	-
Halverton Investment (GRP) Limited (2)	United Kingdom	-	100.0	-	-
Halverton Investments (GO) Limited (2)	United Kingdom	-	100.0	-	-
Halverton Management Limited (2)	United Kingdom	-	100.0	-	-
Halverton SAS (2)	France	-	100.0	-	-
Halverton Secretaries Limited (2)	United Kingdom	-	100.0	-	-
Hamburg Trust Asset Management HTAM GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust Australia 1 (2)	Australia	-	80.0	-	-
Hamburg Trust Beteiligungsmanagement HTB GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust Grundvermögen and Anlage GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust HTG Australien 1 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG Australien 2 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG Australien 3 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG Deutschland 2 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG Deutschland 3 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG USA 1 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG USA 3 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust HTG USA 4 GmbH & Co KG (2)	Germany	-	80.0	-	-
Hamburg Trust Treuhand HTT GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust Verwaltung HTV Asien GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust Verwaltung HTV Europa GmbH (2)	Germany	-	80.0	-	-
Hamburg Trust Verwaltung HTV USA GmbH (2)	Germany	-	80.0	-	-
HBI Lux PropCo A SARL	Luxembourg	**100.0**	100.0	-	-
Heron Island Pty Limited	Australia	**100.0**	100.0	-	-
Homemaker Property Management Pty Limited	Australia	**100.0**	100.0	-	-
Homemaker Retail Management Pty Limited	Australia	**100.0**	100.0	**99.9**	99.9
HT HTG Australien 1 Beteiligungs GmbH & Co KG (2)	Germany	-	80.0	-	-
HT HTG Australien 2 Beteiligungs GmbH & Co KG (2)	Germany	-	80.0	-	-
JO Property Consulting Limited (2)	United Kingdom	-	100.0	-	-
Lizard Island Pty Limited	Australia	**100.0**	100.0	-	-
Roofgold Limited (2)	United Kingdom	-	100.0	-	-
Silky Oaks Pty Limited	Australia	**100.0**	100.0	-	-
The Mutitjulu Foundation Limited	Australia	**100.0**	100.0	-	-
The Mutitjulu Foundation Trust	Australia	**100.0**	100.0	-	-
Voyages Hotels & Resorts Pty Limited	Australia	**100.0**	100.0	**100.0**	100.0
Voyages Lodges Pty Limited	Australia	**100.0**	100.0	-	-
Voyages Mountain & Marine Pty Limited	Australia	**100.0**	100.0	-	-
Voyages Pty Limited	Australia	**100.0**	100.0	-	-
Wooloomooloo Investments BV	The Netherlands	**100.0**	100.0	-	-
Wrotham Park Lodge Pty Limited	Australia	**100.0**	100.0	-	-

1 Controlled entities acquired during the current financial year
2 Controlled entities sold during the current financial year. The ownership interest sold is the % shown for 2008. Refer to note 7 for further details.
3 Controlled entities liquidated during the current financial year

22. Key management personnel disclosures

(a) Details of Key Management Personnel

(i) Directors

The Directors of GPT Management Holdings Limited during the financial year and up to the date of this report were:

Chairman – Non Executive Director

Ken Moss	(appointed Chairman on 25 May 2009)
Peter Joseph	(retired 25 May 2009)

Non-Executive Directors

Brendan Crotty	(appointed 22 December 2009)
Rob Ferguson	(appointed 25 May 2009, Deputy Chairman)
Eric Goodwin	
Lim Swe Guan	(appointed 21 April 2009)
Malcolm Latham	(retired 25 May 2009)
Anne McDonald	
Ian Martin	

Executive Director

Michael Cameron	(appointed 1 May 2009)

(ii) Other key management personnel

In addition to the Directors, the following persons also had the greatest authority for the strategic direction and management of the Company, directly or indirectly, during the financial year:

Michael O'Brien	Chief Operating Officer and Chief Financial Officer (from 1 September 2009)
Kieran Pryke	Chief Financial Officer (until 1 September 2009)
Neil Tobin	General Manager - Joint Venture (until 31 August 2009)
Jonathan Johnstone	Head of Europe
Mark Fookes	Head of Retail
Nicholas Harris	Head of Wholesale
James Coyne	General Counsel and Secretary

(b) Key management personnel compensation

	Consolidated entity		Parent entity	
	31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08
	$'000	$'000	**$'000**	$'000
Short term employee benefits	**9,539**	8,582	**9,539**	8,582
Post employment benefits	**185**	227	**185**	227
Other long term benefits	**59**	6,854	**59**	6,854
Termination benefits	**1,490**	9,265	**1,490**	9,265
Total key management personnel compensation	**11,273**	24,928	**11,273**	24,928

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 8 to 26 of the Directors' Report.

22. Key management personnel disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel

(i) The number of GPT stapled securities held during the financial year by each key management personnel, including their personally-related parties are set out below:

	Balance 1 Jan 2008	Purchases/ (Sales)	Balance 31 Dec 2008	Purchases/ (Sales)	Balance 31 Dec 2009
Directors					
Peter Joseph (2)	50,000	50,000	100,000	-	-
Ken Moss	26,241	26,241	52,482	65,603	118,085
Rob Ferguson	-	-	-	1,020,409	1,020,409
Michael Cameron	-	-	-	-	-
Eric Goodwin	11,775	855	12,630	65,288	77,918
Malcolm Latham (2)	13,195	13,195	26,390	-	-
Ian Martin	51,241	51,241	102,482	128,103	230,585
Anne McDonald	10,500	10,500	21,000	26,250	47,250
Lim Swe Guan	-	-	-	-	-
Brendan Crotty	-	-	-	-	-
Senior Executives					
Michael O'Brien	553,134	5,000	558,134	12,500	570,634
Kieran Pryke (1)	330,148	260,172	590,320	-	-
Neil Tobin (1)	342,598	-	342,598	-	-
Jonathan Johnstone	222,015	223,015	445,030	(222,515)	222,515
Mark Fookes	346,620	346,620	693,240	47,380	740,620
Nicholas Harris	240,844	-	240,844	-	240,844
James Coyne	176,307	-	176,307	-	176,307

(ii) During the current financial year, certain Senior Executives of The GPT Group were granted Performance Rights (refer to note 23(a)(ii) for further details). The number of GPT performance rights held by the GPT Group Stapled Securities Rights Plan during the financial year by each key management personnel, including their personally-related parties, are set out below:

Performance rights

	Grant date	Vesting date	Exercise price	Granted	Lapsed	Balance 31 Dec 2009	Vested at 31 Dec 2009
Director			$				
Michael Cameron	29 April 2009	From 30 June 2011 to 30 June 2012	-	2,307,249	-	2,307,249	-
Senior Executives							
Michael O'Brien	30 June 2009	31 December 2011	-	1,538,166	-	1,538,166	-
	16 July 2009	1 July 2011	-	384,541	-	384,541	-
Kieran Pryke (1)	30 June 2009	31 December 2011	-	1,442,030	(1,442,030)	-	-
Neil Tobin (1)	30 June 2009	31 December 2011	-	1,345,895	(1,345,895)	-	-
Jonathan Johnstone	30 June 2009	31 December 2011	-	961,354	-	961,354	-
Mark Fookes	30 June 2009	31 December 2011	-	1,345,895	-	1,345,895	-
Nicholas Harris	30 June 2009	31 December 2011	-	1,153,624	-	1,153,624	-
James Coyne	30 June 2009	31 December 2011	-	903,672	-	903,672	-

(1) Kieran Pryke and Neil Tobin's employment ended on 1 September 2009 and 31 August 2009 respectively.
(2) Peter Joseph and Malcolm Latham retired on 25 May 2009.

22. Key management personnel disclosures (continued)

(d) Loans to key management personnel

All loans are pursuant to the Employee Incentive Scheme (EIS) which is discussed in detail at note 23(a).

Details of loans made during the financial year to each key management personnel, including their personally related parties, are set out below:

	Opening balance 1/01/2009 (1)	Total accumulated interest costs capitalised as part of the loan	Loans made during the year	Interest charged for the year	Interest not charged for the year (2)	Closing Balance 31 Dec 2009	Highest indebtedness during the year
	$	$	$	$	$	$	$
Michael O'Brien	2,363,566	300,563	-	28,558	225,867	2,664,129	2,664,129
James Coyne	716,484	101,426	-	9,186	68,925	817,910	817,910
Kieran Pryke (3)	1,343,631	189,607	-	17,195	129,229	-	1,533,238
Neil Tobin (3)	1,402,701	189,613	-	17,524	134,542	-	1,592,314
Mark Fookes	1,400,934	194,137	-	17,746	134,583	1,595,071	1,595,071
Jonathan Johnstone	894,720	129,044	-	11,593	86,176	1,023,764	1,023,764
Nicholas Harris	1,068,690	143,178	-	12,548	103,185	1,211,868	1,211,868

(1) On 31 December 2008, the term of these loans have been converted from full recourse to limited recourse as discussed in note 23(a)(ii).

(2) The amounts shown for interest not accrued represent the difference between the amount paid and payable for the financial year and interest that would have been charged on an arm's length basis.

(3) Kieran Pryke's and Neil Tobin's employment ended on 1 September 2009 and 31 August 2009 respectively.

(e) Other transactions with key management personnel
There have been no transactions with key management personnel other than those transactions outlined above.

23. Share based payments

(a) Employee Incentive Scheme

The Employee Incentive Scheme (EIS) which is a scheme under which GPT stapled securities are issued or purchased on-market on behalf of GPT employees for no cash consideration.

The EIS has two qualifying levels – the 'General Scheme' which applies to all GPT employees (other than certain Senior Executives) and the 'Long Term Incentive (LTI) Scheme' where participation is only offered to certain Senior Executives recommended by the GPT Board.

The LTI Scheme may be divided into two broad categories:

1. Legacy LTI plans still operable covering the period 2007 to 2010, and
2. The new Performance Rights Plan approved by shareholders at the AGM in May 2009 and covering the period 2009-2011.

(i) The General Scheme
Under the General Scheme, all permanent employees (excluding Non-Executive Directors) who are continuously employed by GPT for greater than one year are eligible to participate. Purchase of GPT stapled securities is by employee loan, which is made available to participating employees by the Scheme Administrator, to fund the acquisition of GPT stapled securities. The Scheme Administrator must use the loan proceeds to acquire GPT stapled securities on-market or to subscribe for the issue of new GPT stapled securities.

The employee loans made under the Scheme are interest free, have no fixed term and are non-recourse. The interest component is a cost to GPT. After deducting amounts for tax on the participating employee's income, the loans are repaid using net distributions from GPT stapled securities and while the employee loan remains outstanding, the GPT stapled securities are held subject to a holding lock and are not able to be transferred or otherwise dealt with.

Fair value of security based payment
Under the requirements of AASB 2, loans granted under the General Scheme are accounted for as 'options' because the loans are non-recourse. The assessed fair value is expensed to the Income Statement as the stapled securities vest immediately. Fair value at grant date has been independently determined using the Monte Carlo pricing model that takes into account grant date, security price at grant date, the current price of the GPT stapled securities, staff turnover rate, voluntary exercise rate, the risk free interest rate, expected dividend yield, impact of dilution and expected volatility of the GPT stapled securities for the term of the GPT stapled security. The fair value of the 'options' was calculated as 95.0c per stapled security (Dec 2008: 95.0c per security).

23. Share based payments (continued)

(a) Employee Incentive Scheme (continued)

(i) The General Scheme (continued)

In 2009, the Board recognised the need to rationalise the number of GPT's other equity based schemes. Changes to the Federal tax/regulatory environment regarding employee share schemes during 2009 accelerated this process. As a result, the General Scheme is considered no longer an effective vehicle to promote employee alignment with security holders or provide rewards to employees in any reasonable timeframe. Consequently, the General Scheme was terminated on 8 October 2009. The stapled securities held under the scheme were sold at market price and the sales proceed was used to repay the non-recourse employee loans. The difference between the sales proceed and the carrying value of the employee loans (AUD$ 3.9 million) has been included in Statement of Comprehensive Income.

(ii) The Long Term Incentive (LTI) Scheme
(1) Legacy LTI Scheme

As detailed in the 2008 Remuneration Report, the unprecedented dislocation in global financial markets and the A-REIT sector in particular highlighted a number of flaws in the loan based LTI scheme that had significant unintended consequences for GPT. Recognising that the scheme was no longer best practice or operating in the interests of either GPT or participants, the Board decided to convert the existing scheme loans from full recourse to the individual to limited recourse effective 31 December 2008 (the date of conversion), such that while the loan remained in place the participant was committed only to the value of the underlying securities. In addition, for 2009 onwards, the interest charge on the loans to participants was set at a level to approximate the net distributions receivables.

As at 31 December 2009, none of the performance targets have been met since inception and as a result no LTI awards to GPT employees have been made to date. It is the intention of the Board that the legacy LTI scheme will be wound up at the end of calendar year 2010 on the conclusion of the final 3-year performance period.

(2) GPT Group Stapled Security Rights Plan (referred to as New Performance Rights LTI Plan)

At the May 2009 Annual General Meeting GPT shareholders approved the introduction of a more contemporary Performance Rights LTI Plan (the 2009 LTI scheme).

The new plan covers the 3 year period 2009-2011. Awards under the plan to eligible participants will be in the form of Performance Rights which convert to GPT stapled securities for nil consideration if specified service / performance conditions for the applicable 3 year period are satisfied. Please refer to Remuneration Report for detail on the service / performance conditions.

The Board determined those executives eligible to participate in the LTI scheme and, for each participating executive, granted a number of Performance Rights calculated as a percentage of their base salary divided by GPT's first quarter 2009 volume weighted average price (VWAP) of 52.01cps.

Under the requirements of AASB 2, the fair value of these Performance Rights needs to be amortised over the period starting from the grant date to the vesting date. Fair value at grant date has been independently determined using the Monte Carlo and Binomial tree pricing models that take into account the following inputs:

(a) Rights granted for no consideration and vest based on the TSR of GPT compared to the TSR of each peer group constituent for the purpose of determining the rank of GPT.
(b) Rights granted for no consideration and vest based on service conditions
(c) Grant dates: 29 April 2009 – 16 July 2009
(d) Share price at grant dates: 45.5 cents – 52 cents
(e) Expected vesting dates: 1 July 2010 – 30 June 2012
(f) Expected dividend yield: 8% - 12%
(g) Risk free interest rate: 3.16% - 4.33%

The fair value of these Performance Rights range from $0.168 to $0.481 per performance right depending on the vesting conditions. Total expense arising from these share-based payment transactions recognised during the year as part of share based payment expense was $870,845.

(b) Other Share-based Incentive Scheme

(i) The GPT Group All Employee Stapled Security Plan (AESSP)

Implemented in March 2008, the AESSP allows eligible participants to salary sacrifice $1,000 to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the AESSP must be held for a minimum of 3 years (or earlier if employment ceases) during which time they cannot be sold or otherwise dealt with.

(ii) The GPT Group Deferred Stapled Security Plan (DSSP)

Implemented in September 2008, the DSSP allows eligible participants to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with. This plan has been terminated in 2009 due to changes to the Federal tax/regulatory environment regarding employee share schemes.

23. Share based payments (continued)

(b) Other Share-based Incentive Scheme (continued)

(iii) The GPT Group Non-Executive Director Stapled Security Plan (NEDSSP)

Implemented in September 2008, the DSSP allows eligible non-executive directors to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with. This plan has been terminated in 2009 due to changes to the Federal tax/regulatory environment regarding employee share schemes.

The GPT stapled securities issued under all the Incentive Scheme to participating employees are set out below:

	Number of GPT stapled securities issued during the year		Total number of GPT stapled securities issued	
	31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
GPT stapled securities issued under the 'General Scheme'	**-**	1,113,974	**-**	1,868,281
GPT stapled securities issued under the 'Long Term Incentive Scheme'	**-**	328,154	**6,114,598**	7,301,313
GPT stapled securities issued under the 'The GPT Group All Employee Stapled Security Plan'	**11,240**	19,264	**27,408**	19,264
GPT stapled securities issued under the 'The GPT Group Deferred Stapled Security Plan'	**141,706**	31,442	**173,148**	31,442
GPT stapled securities issued under the 'The GPT Group Non-Executive Director Stapled Security Plan"	**-**	-	**-**	-

	Number of GPT share rights issued during the year		Total number of GPT share rights issued	
GPT performance rights issued under GPT Group Stapled Securities Rights Plan	**22,783,839**	-	**22,783,839**	-

24. Related party transactions

(a) Ultimate Parent
GPT Management Holdings Limited is the ultimate Australian Parent entity.

(b) Controlled entities, joint ventures and associates
Equity interests in controlled entities, joint ventures and associates are set out in notes 21 and 10. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 7. Details of the Parent entity interests in controlled entities are set out in note 21.

(c) Key management personnel
Disclosures relating to key management personnel and remuneration paid to directors of the ultimate parent entity are set out in note 22. Included within note 22(a) in 'Directors' is Ian Martin who was a director of Babcock & Brown Limited, with whom GPT has a joint venture arrangement. Mr Martin was not a director of Babcock & Brown Limited during 2009 and the remuneration he received was transacted at arms length.

(d) Transactions with related parties

	GMH Consol		GMH parent entity	
	31 Dec 2009 $'000	31 Dec 2008 $'000	**31 Dec 2009 $'000**	31 Dec 2008 $'000
Transactions with General Property Trust (Trust)				
Revenue				
Fund management fees - from Trust	**33,336**	40,800	**20,746**	24,649
Property management fees - from Trust	**10,515**	13,208	**-**	-
Development management fees - from Trust	**12,654**	11,479	**-**	-
Management costs recharged - from Trust	**4,119**	6,856	**1,212**	854
Expenses				
Property rent and outgoings paid to Trust	**(54,415)**	(59,878)	**(1,469)**	(1,355)
Interest paid to Trust	**(32,247)**	(36,946)	**(10,603)**	(19,381)
Payables to Trust				
Loan payable to Trust	**(610,137)**	(664,409)	**(221,143)**	(150,796)
Transactions with employees				
Payments for loans under the Employee Incentive Scheme	**-**	(3,788)	**-**	(3,788)
Contributions to superannuation funds on behalf of employees	**(8,088)**	(9,322)	**(3,297)**	(3,817)

24. Related party transactions (continued)

(d) Transactions with related parties (continued)

	GMH Consol		GMH parent entity	
	31 Dec 2009 $'000	31 Dec 2008 $'000	**31 Dec 2009 $'000**	31 Dec 2008 $'000
Transactions with GPT Wholesale Office Fund (GWOF)				
Revenue				
Responsible Entity fees received from GWOF	**13,974**	21,576	**-**	-
Development management fees - from GWOF	**1,417**	2,662	**-**	-
Directors fees recharged to GWOF	**112**	112	**-**	-
Proceeds on sale of workplace[6]	**-**	83,585	**-**	-
Expenses				
Interest paid to GWOF	**-**	(7,157)	**-**	-
GWOF receivables and other transactions				
Current receivable outstanding from GWOF	**3,669**	4,016	**-**	-
Current payable outstanding from GWOF	**28**	28	**-**	-
Rental guarantee for workplace[6]	**-**	(1,511)	**-**	-
Transactions with GPT Wholesale Shopping Centre Fund (GWSCF)				
Revenue				
Responsible Entity fees received from GWSCF	**9,262**	10,080	**-**	-
Directors fees recharged to GWSCF	**112**	112	**-**	-
Property Management fees - from GWSCF	**7,288**	7,159	**-**	-
Development management fees - from GWSCF	**3,228**	4,179	**-**	-
Management costs recharged - from GWSCF	**2,740**	879	**833**	879
Payroll costs recharged to GWSCF	**3,151**	4,961	**3,151**	4,961
GWSCF receivables				
Current receivable outstanding from GWSCF	**4,288**	2,557	**-**	-
Transactions with controlled entities				
Revenue				
Distributions from controlled entities	**-**	-	**50,300**	655
Placement fee from Hamburg	**-**	-	**-**	2,542
Management costs recharged - from controlled entities	**-**	-	**55,450**	61,188
Expenses				
Overhead expenses paid to controlled entities	**-**	-	**(55,450)**	(61,188)
Placement guarantee fee to Hamburg	**-**		**40,708**	(40,708)
Interest paid to subsidiaries	**-**	-	**(2,547)**	(4,866)
Other transaction and loans from related party				
Loan payable to controlled entities	**-**	-	**(4,104)**	(11,923)
Investment in controlled entities	**-**	-	**(64,576)**	(44,858)
Redemption of investment in controlled entities	**-**	-	**-**	8,691
Transactions with joint ventures and associates				
Revenue				
Distributions from Kings Canyon Unit Trust	**-**	208	**-**	-
Capital repayment from Kings Canyon Unit Trust	**4,235**		**-**	-
Distributions from Dutch Active Fund Propco BV	**-**	7,877	**-**	-
Distributions from Benchmark Assisted Living LLC	**-**	344	**-**	-
Dividend from Roma St Ops Pty Ltd	**-**	500	**-**	500
Interest revenue received	**-**	56	**-**	-
Interest revenue received from B&B GPT Alliance 1 LLC	**-**	3,721	**-**	-
Other Transactions				
Repayment of investment in BGP Investment SARL	**-**	8,191	**-**	-
Investment in Dutch Active Fund PropCo BV	**-**	(33,183)	**-**	-
Investment in B-VII Operations Holding Co LLC	**-**	(6,262)	**-**	-
Repayment of loan in Lend Lease GPT (Rouse Hill) Pty Ltd	**-**	1,610	**-**	-
Repayment of investment in Roma St Ops Pty Ltd	**-**	500	**-**	-

25. Notes to the Consolidated Statements of Cash Flow

	Consolidated entity		Parent entity	
	31 Dec 09	31 Dec 08	**31 Dec 09**	31 Dec 08
	$'000	$'000	**$'000**	$'000
(a) Reconciliation of profit after income tax to net cash inflows from operating activities				
Net (loss)/profit for the financial year	**(133,612)**	(697,203)	**5,804**	(479,909)
Share of after tax losses of associates and joint ventures	**36,021**	319,216	**-**	(32,041)
Net foreign currency exchange (gains)/losses	**(4,760)**	7,536	**(340)**	(3,558)
Net loss/(gain) on disposal of assets	**43,433**	(6)	**13,028**	-
Net loss on fair value of derivatives	**4,477**	15,657	**-**	-
Employee incentive security scheme expense	**10,100**	1,058	**9,862**	1,058
Depreciation and amortisation expense	**8,299**	9,059	**2,077**	1,846
Impairment expense	**105,308**	316,656	**7,696**	498,598
Gain on forgiveness of loan	**(131,907)**	-	**-**	-
Interest on related party loan	**31,169**	(2,247)	**12,072**	(2,247)
Dividends from associates and joint ventures	**4,950**	345	**-**	345
Dividends from subsidiaries	**-**	-	**(50,300)**	-
Amortisation of borrowing costs	**-**	11,694	**-**	-
Net workplace[6] proceeds	**-**	(52,212)	**-**	-
Net warehouse property payments	**-**	(990)	**-**	-
Changes in operating assets and liabilities:				
Decrease/(increase) in receivables	**16,289**	23,437	**(12,746)**	(738)
Increase/(decrease) in payables	**(69,610)**	(811)	**21,678**	13,407
(Increase)/decrease in deferred tax asset	**(5,044)**	(5,249)	**1,767**	(7,546)
Net cash (outflows)/inflows from operating activities	**(84,887)**	(54,060)	**10,598**	(10,785)

(b) Reconciliation of cash

Reconciliation of cash at the end of the financial year (as shown in the Consolidated Statements of Cash Flow) to the related item in the financial statements as follows:

Cash at bank and on hand	**16,430**	60,060	**4,189**	5,354
Total cash and cash equivalents	**16,430**	60,060	**4,189**	5,354

26. Contingent assets and liabilities

Except for the matters below, there are no other material contingent assets or liabilities at reporting date.

Indemnity to shareholders in Dutch Active Fund (DAF)

GPT Management Holdings has issued an indemnity to 'qualifying' investors in DAF to indemnify them against any resulting tax loss arising from the loss of Dutch REIT status up to a maximum aggregate liability of €20 million over the eight year life of DAF assuming REIT status is never achieved.

During the current financial year, the Company legally sold its shareholding in DAF to two external parties for €10 effective of 8 August 2009. The entities that acquired DAF are qualifying investors for the purposes of Dutch tax law. It is the Director's expectation that the legal sale of the DAF shareholding to qualifying investors will enable DAF to achieve REIT status and by doing so remove or significantly reduce the amount potentially payable under the indemnity to the other 'qualifying' investors in DAF (refer to note 9(a)(i)(5) for further details).

27. Commitments

(a) Capital expenditure commitments

At 31 December 2009, the Company has commitments relating to the purchase of property, plant and equipment and other investments, which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Consolidated entity		Parent entity	
	31 Dec 09 $'000	31 Dec 08 $'000	**31 Dec 09 $'000**	31 Dec 08 $'000
Due within 1 year	**2,330**	1,243	**-**	-
Due between 1 and 5 years	**4,419**	-	**-**	-
Over 5 years	**-**	-	**-**	-
Total capital expenditure commitments	**6,749**	1,243	**-**	-

(b) Operating leases commitments

At 31 December 2009 the future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	**66,680**	107,174	**1,857**	3,479
Due between 1 and 5 years	**154,060**	254,011	**-**	5,160
Due between 5 years and expiry date of leases	**65,793**	215,051	**-**	-
Total operating lease commitments	**286,533**	576,236	**1,857**	8,639

The Company has entered commercial leases on motor vehicles, office equipment and office premises.

(c) Other commitments

Aggregate amounts of other commitments agreed or contracted but not recognised as liabilities in the Statement of Financial Position are as follows:

Due within 1 year	**451**	18,734	**-**	-
Due between 1 and 5 years	**1,148**	2,800	**-**	-
Over 5 years	**-**	74	**-**	-
Total other commitments	**1,599**	21,608	**-**	-

(d) Commitments relating to associate and joint venture investments

The above commitments include the Company's share of commitments relating to associate and joint venture investments. Refer to note 10(e) for the share of associates and joint venture entities' commitments.

28. Financial and capital risk management disclosures

The GPT Group's Treasury Risk Management Committee (TRMC) oversees the establishment and implementation of the capital and financial risk management system including compliance with GPT treasury policy and reporting to the Audit and Risk Management Committee (ARMC) and, through the ARMC, to the GPT Group Board. The ARMC and the GPT Group Board approve GPT's treasury policy which establishes a framework for the management of treasury risks, defines the role of GPT's treasury and details risk management policies for cash, borrowing, liquidity, credit risk, foreign exchange, interest rate and derivative instruments. GPT's treasury policy applies to the GPT Group which is defined as GPT RE Limited in its role as responsible entity of GPT and its controlled entities, including the Company.

(a) Financial risk management

The GPT Group's objective when managing capital is to maximise the availability and minimise the cost of capital having regard to the relevant real estate market in which it is invested.

The financial risks that result from the Company's activities are credit risk, liquidity risk, refinancing risk and market risk (interest rate and foreign exchange). The Company manages its exposures to these key financial risks in accordance with the GPT Group's treasury policy and focuses on mitigating the impact of volatility in financial markets.

The Company uses various methods to measure and manage these types of risks. The main methods include monitoring levels of exposure and conducting sensitivity analysis in the case of interest rate and foreign exchange risks. Aging analysis, monitoring of credit allowances and dealing with financial institutions which have a credit rating of A (or its equivalent) from one of S&P, Moody's or Fitch are methods undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts. Derivative financial instruments and non-financial instruments are used to manage these risks, as discussed in (b) to (f) below. The Company's principal financial instruments are set out in note 1(v).

The ARMC approved a revised treasury policy on 17 December 2009 with immediate effect. The revised treasury policy changes and enhances the previous policy as follows:

- Incorporates new cash management, liquidity and borrowing, corporate guarantees, treasury operations and related party policies;
- Enhances interest rate risk management and limits types of authorised derivative instruments, being the use of options; and
- Increases reporting, compliance and breach escalation.

The revised treasury policy matches the GPT Group's simplified business strategy and lower appetite for risk.

Comprehensive quarterly treasury reporting is required, which measures and details the management of treasury risks. Included throughout the treasury policy are prescribed stress tests to assist the GPT Group in understanding its sensitivities to the following:

- Increases and decreases in interest rates and foreign exchange rates;
- Impact of changes in interest rates on the GPT Group's hedge coverage and hedge duration;
- Adverse changes in business flows (including available credit) and the impact on liquidity headroom; and
- Credit metrics and potential impacts on the GPT Group's credit ratings.

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the Company. The Consolidated and Parent entity's have exposure to credit risk on all financial assets included in their balance sheets.

This risk is managed by:
- establishing credit limits for customers and financial institutions to ensure that the consolidated and parent entity only trades and invests with approved counterparties to enable it to manage its exposure to individual entities;
- investing and transacting derivatives with multiple counterparties that have a long term credit rating of A (or its equivalent) from S&P, Moodys or Fitch;
- providing loans as an investment to joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances on an ongoing basis;
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis; and
- obtaining collateral as security (where appropriate).

The maximum exposure to credit risk as at 31 December 2009 is the carrying amounts of financial assets recognised in the statement of financial position of the Consolidated entity and Parent entity. There were no significant financial assets that were past due as at 31 December 2009 and 31 December 2008. Additionally, there are no other significant financial assets that would otherwise be past due or impaired if relevant terms have not been renegotiated. The consolidated and parent entity holds no significant collateral as security and consistently monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

Derivative counterparties and cash transactions are limited to financial institutions that meet the treasury risk management policy's minimum credit rating criteria. Credit risk arising on loans and receivables balances is monitored on an ongoing basis. A number of loans and receivables have been impaired in the current year as a result of the impact of the global financial markets on their performance and underlying asset values. Total impairments of loans and receivables at 31 December 2009 is $14,896,232 in the Consolidated entity and $48,517,000 in the Parent entity. There are no other significant financial assets that have had renegotiated terms that would otherwise have been past due or impaired. The Company will continue to monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

28. Financial and capital risk management disclosures (continued)

(b) Credit risk (continued)

The table below shows the ageing analysis of loans and receivables with their associated impairments in note 7.

Consolidated entity

31 December 2009

	Not Due 2009 $'000	0-30 days 2009 $'000	31-60 days 2009 $'000	61-90 days 2009 $'000	90+ days 2009 $'000	Total 2009 $'000
Receivables	9,449	8,880	382	-	1,550	20,261
Impairment of trade receivables	-	-	-	-	-	-
Current loans	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Non current loans and receivables	30,137	-	-	-	-	30,137
Impairment	(14,896)	-	-	-	-	(14,896)
Total loans and receivables	24,690	8,880	382	-	1,550	35,502

31 December 2008

	Not Due 2008 $'000	0-30 days 2008 $'000	31-60 days 2008 $'000	61-90 days 2008 $'000	90+ days 2008 $'000	Total 2008 $'000
Receivables	-	46,503	3,110	3,642	850	54,105
Impairment of trade receivables	-	-	-	-	(604)	(604)
Current loans	68,093	-	-	-	-	68,093
Impairment	(21,131)	-	-	-	-	(21,131)
Non current loans and receivables	41,959	-	-	-	-	41,959
Impairment	(313)	-	-	-	-	(313)
Total loans and receivables	88,608	46,503	3,110	3,642	246	142,109

Parent entity

31 December 2009

	Not Due 2009 $'000	0-30 days 2009 $'000	31-60 days 2009 $'000	61-90 days 2009 $'000	90+ days 2009 $'000	Total 2009 $'000
Receivables	-	1,024	-	-	-	1,024
Impairment of trade receivables	-	-	-	-	-	-
Current loans	48,517	-	-	-	-	48,517
Impairment	(48,517)	-	-	-	-	(48,517)
Non current loans and receivables	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Total loans and receivables	-	1,024	-	-	-	1,024

31 December 2008

	Not Due 2008 $'000	0-30 days 2008 $'000	31-60 days 2008 $'000	61-90 days 2008 $'000	90+ days 2008 $'000	Total 2008 $'000
Receivables	-	4,007	-	-	-	4,007
Impairment of trade receivables	-	-	-	-	-	-
Current loans	98,359	-	-	-	-	98,359
Impairment	(98,359)	-	-	-	-	(98,359)
Non current loans and receivables	37,002	-	-	-	-	37,002
Impairment	(30,296)	-	-	-	-	(30,296)
Total loans and receivables	6,706	4,007	-	-	-	10,713

The Company has loans and receivables with related parties – joint ventures and associates (refer to note 7). There is exposure to these entities and through these entities to the property markets the United States. There is however no significant concentration of credit risk in the Company or the parent entity, on a look through basis to the underlying property exposures in equity accounted investments and related party loans and receivables balances, with the aggregate exposure to tenancies across the portfolio.

(c) Liquidity risk

Liquidity risk includes the risk that the consolidated and parent entity, as a result of its operations:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities (refer to note 17), the ability to close out market positions and the option to raise funds through the issue of new stapled securities or DRP, as discussed in note 18. The timing of cash flows on the borrowings, based on their maturity profile, is set out in note 17.

The Company's main liquidity risk is its ability to refinance its current borrowings.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

28. Financial and capital risk management disclosures (continued)

(c) Liquidity risk (continued)

The table below shows an analysis of the contractual maturities of liabilities which forms part of the Company's assessment of liquidity risk. The funding requirement to meet contractual maturities in 2009 is available through existing unused facilities with the Trust and the funds available through the issue of new shares through the DRP.

Consolidated entity

	31 December 2009				31 December 2008			
	1 Year or less	Over 1 year to 5 years	Over 5 years	Total	1 Year or less	Over 1 year to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities								
Non-Derivatives								
Payables	62,738	-	-	62,738	157,434	-	-	157,434
Borrowings*	-	-	-	-	42,702	-	330,592	373,294
Related Party Borrowings	160,971	-	449,166	610,137	388,194	76,152	157,359	621,705
Forecast interest cost borrowings**	-	-	-	-	15,611	55,173	26,825	97,609
Forecast interest cost related party borrowings ***	-	-	-	-	41,771	50,152	28,301	120,224
	223,709	-	449,166	672,875	645,712	181,477	543,077	1,370,266
Derivatives								
Forecast Interest cost derivatives**	-	-	-	-	4,787	24,254	11,667	40,708
	-	-	-	-	4,787	24,254	11,667	40,708
Total liabilities	223,709	-	449,166	672,875	650,499	205,731	554,744	1,410,974
Less Cash	16,430	-	-	16,430	60,060	-	-	60,060
Total	207,279	-	449,166	656,445	590,439	205,731	554,744	1,350,914

Parent entity

	31 December 2009				31 December 2008			
	1 Year or less	Over 1 year to 5 years	Over 5 years	Total	1 Year or less	Over 1 year to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities								
Non-Derivatives								
Payables	21,093	-	-	21,093	71,343	-	-	71,343
Borrowings*	-	-	-	-	-	-	-	-
Related Party Borrowings	-	-	258,962	258,962	-	-	219,304	219,304
Forecast interest cost borrowings**	-	-	-	-	-	-	-	-
Forecast interest cost related party borrowings ***	-	-	-	-	-	-	-	-
	21,093	-	258,962	280,055	71,343	-	219,304	290,647
Derivatives								
Forecast Interest cost derivatives**	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total liabilities	21,093	-	258,962	280,055	71,343	-	219,304	290,647
Less Cash	4,189	-	-	4,189	5,354	-	-	5,354
Total	16,904	-	258,962	275,866	65,989	-	219,304	285,293

* The contractual maturities of borrowings differ from note 17 as borrowings associated with the warehoused property investments have been reclassified to their contractual maturities.
** Forecast is based on the likely outcome of contracts given the interest rates, margins, forecast exchange rates and interest rate forward curve as at 31 December 2009 up until the contractual maturity of the contract.
*** Forecast based on interest rates, margins at 31 December 2009. Forecast assumes as per contract related party borrowings are at call. Commercially, the Company does not expect these loans to be repaid within the at call period of less than one year.

The Company has unused facilities with the Trust which can fund the borrowings maturing in the current period.

(d) Refinancing risk

Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in the consolidated entity's credit margins and interest cost. Refinancing risk arises when the consolidated entity is required to obtain debt to fund existing and new debt positions.

Through the Trust and existing Company borrowings, the consolidated entity is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Trust manages this risk by spreading maturities of borrowings in order to minimise debt concentration risk, allowing to both average credit margins over time and reduce refinance amounts.

The new GPT Group treasury policy further enhances refinancing risk by applying standards to all borrowing facilities, in order to control debt obligations, including the risk of cross default in associates or joint ventures. The objective of the borrowing policy is to maximise the GPT Group's borrowing capacity from global sources with the least amount of borrowing restrictions in terms of covenants and at the minimum cost.

28. Financial and capital risk management disclosures (continued)

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(i) Interest rate risk contracts – loan receivables

The income and the associated operating cash flows of the Company's assets are substantially independent of changes in market interest rates. The consolidated entity's loans are provided to employees and investments in joint ventures and associates as a means to obtaining an underlying property exposure. Refer to note 7 for terms and interest rates.

The Company does not undertake any specific hedging of loan receivables except to monitor the loan outstanding to strategies in the underlying investment portfolio and the cash flow at risk as a result of interest rate fluctuations on scheduled interest rate resets for the next reporting period. Refer to section (iii) for the assumptions used in calculating the cash flow at risk.

(ii) Interest rate risk contracts – borrowings

The Company's primary interest rate risk arises from borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company manages the cash flow effect of interest rate risk by entering into interest rate swap agreements that are used to convert floating interest rate borrowings to fixed interest rates. Such interest rate swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Under the interest rate swaps, the Company agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Interest rate swap contracts have been recorded on the statement of financial position at their fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The AIFRS documentation, designation and effectiveness requirements cannot be met in all circumstances, as a result derivatives do not qualify for hedge accounting and are recorded at fair value through the Statements of Comprehensive Income. Refer to note 1(v).

The following table provides (in each currency) a summary of the Company's gross interest rate risk exposure on interest bearing borrowings together with the net effect of interest rate risk management transactions which have been entered into to manage these exposures.

Consolidated entity
31 December 2009

	Gross exposure (before the effect of derivatives)		**Net exposure (after the effect of derivatives)**	
	2009 '000	2008 '000	**2009 '000**	2008 '000
US Dollar				
Fixed rate interest-bearing borrowings	**52,040**	72,000	**52,040**	72,000
Floating rate interest-bearing borrowings	**-**	30,000	**-**	30,000
	52,040	102,000	**52,040**	102,000
Average Rate (%)			**6.7%**	5.6%
Euro				
Fixed rate interest-bearing borrowings	**60,812**	-	**60,812**	98,658
Floating rate interest-bearing borrowings	**750**	242,101	**750**	143,443
	61,562	242,101	**61,562**	242,101
Average Rate (%)			**5.7%**	5.9%
Danish Kroner				
Fixed rate interest-bearing borrowings	**-**	-	**-**	124,525
Floating rate interest-bearing borrowings	**-**	124,525	**-**	-
	-	124,525	**-**	124,525
Average Rate (%)				4.7%
Swedish Kroner				
Fixed rate interest-bearing borrowings	**37,650**	-	**37,650**	35,000
Floating rate interest-bearing borrowings	**-**	227,930	**-**	192,930
	37,650	227,930	**37,650**	227,930
Average Rate (%)			**6.2%**	6.0%

The Parent and Consolidated entity did not have external borrowings or derivatives in place in 2009.

28. Financial and capital risk management disclosures (continued)

(e) Interest rate risk (continued)

(iii) Cash flow at risk sensitivity analysis

Sensitivity on interest expense
The impact on unhedged interest expense of a 50 basis point increase or decrease in market interest rates is shown below. Interest expense is sensitive to movements in market interest rates on floating rate debt, which is not hedged by derivatives.

Sensitivity on changes in fair value of interest rate swaps
The impact of changes in the fair value of interest rate swaps for a 50 basis points increase or decrease in market interest rates is shown below. The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the interest rate swaps. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows for each derivative, based on the forward market interest rate curve. Gains or losses arising from changes in the fair value are reflected in the Statement of Comprehensive Income.

	Consolidated Entity		**Parent Entity**	
	2009	2008	**2009**	2008
	(+/-) $'000	(+/-) $'000	**(+/-) $'000**	(+/-) $'000
Sensitivity on interest expense (+/- 0.50%)	**2,246**	33	**2,246**	33
Sensitivity on change in fair value of interest rate swaps (+/- 0.50%	**-**	6,238	**-**	6,238

(f) Foreign exchange risk
Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Company's foreign exchange risk arises primarily from:

- borrowings denominated in foreign currencies;
- firm commitments of highly probably forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign operations.

(i) Foreign currency assets and liabilities
Foreign currency exposure is primarily managed at the Trust level and not in individual controlled entities of the GPT Group. Under the GPT Group Policy, the Trust is responsible for raising the foreign currency borrowings to fund the Company's acquisitions of foreign operations, with the Trust's loan to the Company being denominated in the Australian dollars. The Trust manages the foreign exchange risk of the cost of funding and the income derived from the investment in foreign operations by entering into forward foreign exchange contracts to convert the amount of foreign currency received by the Trust back to Australian dollars. There is no hedging of the exposure to foreign operations in the Company.

Where there is asset level debt however, the individual controlled entity is responsible for ensuring it manages its foreign exchange risk for its assets and liabilities denominated in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations as well as using forward exchange contracts where funds were borrowed in local currency. The GPT Group's policy was not to hedge unrealised fair value increases/decreases which may have occurred in its foreign currency assets.

For accounting purposes, net foreign operations and interests in the joint ventures and associates are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in the foreign currency translation reserve. The interests in joint ventures and associates are then equity accounted to reflect the underlying net assets of the entities with changes reflected in the Statement of Comprehensive Income as share of after tax profits of associates and joint ventures (refer to note 1(c)).

The loans to the joint ventures are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in the foreign currency translation reserve. Borrowings are revalued at the end of each reporting period with the fair value movement reflected in the Statement of Comprehensive Income as exchange gains or losses on foreign currency borrowings and net gains or losses on derivative financial instruments held at fair value respectively, refer accounting policy note 1(e)(iii).

28. Financial and capital risk management disclosures (continued)

(f) Foreign exchange risk (continued)

The following table shows the Australian dollar equivalents of the Company's investments denominated in foreign currencies.

Consolidated entity

	Euros		United States Dollars		Danish Kroner		Swedish Kroner		New Zealand Dollars	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	A$'000	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000
Assets										
Cash	**773**	20,584	**218**	7,841	**-**	3,005	**-**	919	**-**	-
Warehoused property	**-**	229,170	**-**	115,994	**-**	37,218	**-**	64,298	**-**	-
Interests in equity accounted investments	**-**	58,949	**2,869**	13,024	**-**	-	**-**	-	**-**	-
Loans and receivables	**1,262**	12,749	**691**	48,812	**-**	-	**-**	-	**-**	-
	2,035	321,452	**3,778**	185,671	**-**	40,223	**-**	65,217	**-**	-
Liabilities										
Borrowings	**104,173**	503,962	**57,996**	231,696	**-**	32,802	**-**	6,354	**-**	-
Other Liabilities	**4,731**	52,416	**2,828**	7,693	**-**	-	**-**	-	**-**	-
	108,904	556,378	**60,824**	239,389	**-**	32,802	**-**	6,354	**-**	-
Net assets/(liabilities)	**(106,869)**	(234,926)	**(57,046)**	(53,718)	**-**	7,421	**-**	58,863	**-**	-

Parent entity

	Euros		United States Dollars		Danish Kroner		Swedish Kroner		New Zealand Dollars	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	A$'000	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000
Assets										
Cash	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Loans and receivables	**-**	249	**-**	-	**-**	-	**-**	-	**-**	-
	-	249	**-**	-	**-**	-	**-**	-	**-**	-
Liabilities										
Borrowings	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Forward exchange contracts	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
	-	-	**-**	-	**-**	-	**-**	-	**-**	-
Net assets/(liabilities)	**-**	249	**-**	-	**-**	-	**-**	-	**-**	-

(g) Fair value

At 31 December 2009, for the Consolidated entity and Parent entity, the carrying value of financial assets and financial liabilities as shown in the balance sheet approximates their fair value.

29. Auditors remuneration

During the financial year the following amounts were paid or payable for services provided by the auditor of the Trust, PricewaterhouseCoopers, or any other entity in the consolidated entity and its related parties:

	Consolidated entity		Parent entity	
	31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	$	$	**$**	$
Audit services				
PricewaterhouseCoopers Australia				
Statutory audit and review of financial reports	**547,250**	710,997	**252,000**	353,800
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms				
Statutory audit and review of financial reports	**361,073**	443,651	**-**	-
Total remuneration for audit services	**908,323**	1,154,648	**252,000**	353,800
Other assurance services				
PricewaterhouseCoopers Australian firm				
Regulatory and contractually required audits	**95,000**	57,000	**-**	-
Other services	**-**	313,667	**-**	-
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms				
Due diligence services	**-**	135,436	**-**	-
Total remuneration for other assurance services	**95,000**	506,103	**-**	-
Total remuneration for audit and assurance services	**1,003,323**	1,660,751	**252,000**	353,800
Non audit related services				
PricewaterhouseCoopers Australian firm				
Taxation services	**-**	48,698	**-**	-
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms				
Taxation services	**39,173**	87,383	**-**	-
Total remuneration for non audit related services	**39,173**	136,081	**-**	-
Total auditor's remuneration	**1,042,496**	1,796,832	**252,000**	353,800

30. Net tangible asset backing

	Consolidated entity	
	31 Dec 09	31 Dec 08
	$	$
Net tangible asset backing per stapled security/unit	(0.05)	(0.09)

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of securities on issue set out in note 4.

31. Events subsequent to the reporting date

The Directors are not aware of any matter or circumstance occurring since the end of the financial year.

DIRECTORS' DECLARATION

In the Directors of the GPT Management Holdings Limited's opinion for the financial year ended 31 December 2009:

(a) the financial statements and notes set out on pages 29 to 80 are in accordance with the *Corporations Act 2001*, including:

- complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Company's and Consolidated entity's financial position as at 31 December 2009 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with the resolution of the Directors.

Ken Moss	Michael Cameron
Chairman	Managing and Executive Director

GPT Management Holdings Limited
Sydney
22 February 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Independent auditor's report to the members of GPT Management Holdings Limited

Report on the financial report

We have audited the accompanying financial report of GPT Management Holdings Limited (the company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both GPT Management Holdings and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of GPT Management Holdings Limited (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of GPT Management Holdings is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 26 of the directors' report for the year ended 31 December 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of GPT Management Holdings Limited for the year ended 31 December 2009, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of GPT Management Holdings Limited (the company) for the year ended 31 December 2009 included on GPT's web site. The company's directors are responsible for the integrity of the GPT's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

DH Armstrong
Partner

Sydney
22 February 2010