



**GPT Management Holdings Limited**  
**ABN: 67 113 510 188**

**Interim Financial Report**  
**30 June 2009**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2008 and any public announcements made by GPT Management Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**GPT Management Holdings Limited and its controlled entities**

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## GPT Management Holdings Limited and its controlled entities

### DIRECTORS' REPORT

for the half year ended 30 June 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 half year ended 30 June 2009.

#### Directors

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

(i) **Chairman (Non-executive director)**

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

(ii) **Non-executive Directors**

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

(iii) **Executive Director**

Michael Cameron (appointed 1 May 2009)

#### Principal Activities

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2008 and were:

- investment in income producing retail, office, industrial, business parks, residential and senior housing properties;
- development of commercial properties;
- management and administration of the General Property Trust;
- property management;
- funds management; and
- hotel management.

During the period the H20 and Bergedorf portfolios (previously warehoused to seed future funds) were sold. Post 30 June 2009, the Company also completed the settlement of the Scandinavian Active Fund Portfolio and entered into agreement to sell the Alliance portfolio.

Post 30 June 2009, General Property Trust has sold or entered into agreement to sell the following resorts which are managed by the Company: Cradle Mountain Lodge (TAS), Silky Oaks Lodge (QLD), Heron Island (including Wilson Island), El Questro, Wrotham Park Lodge, Alice Springs Resort, Kings Canyon Resort and Lizard Island Resort.

As at 30 June 2009, the Hotel/Tourism Portfolio has been classified as discontinued operations and prior period comparatives have been restated as GPT intends to sell this entire portfolio within the next 12 months.

The Company continues to operate in Australia, Europe and the United States of America.

#### The GPT Group

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.

#### Review and results of operations

	30 June 09	30 June 08
	\$'000	\$'000
Loss from continued operations before income tax expense	<b>(200,618)</b>	(332,234)
Income tax (expense) / benefit	<b>12,089</b>	(4,535)
Loss from discontinued operations	<b>(14,799)</b>	(16,158)
Net loss for the half year	<b>(203,328)</b>	(352,927)

## **GPT Management Holdings Limited and its controlled entities**

### **DIRECTORS' REPORT**

for the half year ended 30 June 2009

#### **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.

#### **Dividends**

The Directors have not declared any dividends for the half year ended 30 June 2009 (June 2008: nil).

Post balance sheet date the Company declared an In Specie Dividend of BGP Holdings Limited (formerly GPT MaltaCo 1 Limited) for Euro10,000 out of current year profits.

#### **Significant changes in the state of affairs**

In the opinion of the Directors, other than those noted below, there were no significant changes in the state of affairs of the Company that occurred during the half year under review:

- **Equity raising**

In order to further strengthen GPT's balance sheet, 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. In total \$1.7 billion was raised with total transaction costs of \$56.4 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.

- **Exit from majority of Joint Venture**

On 31 July 2009 the Company announced its exit from the European component of the Joint Venture with Babcock & Brown by way of an In Specie Dividend in BGP Holdings (previously named GPT MaltaCO 1 Limited), through which the Company holds its interest in the European Joint Venture, to GPT Securityholders. The Company will seek to exit these investments in the short to medium term.

- **Management and Board Changes**

Mr Michael Cameron was appointed as GPT's new Chief Executive Officer and Executive Director on 1 May 2009.

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

Dr Ken Moss was appointed as the new Chairman on 25 May 2009.

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 management changes including the departure of Kieran Pryke, Chief Financial Officer and Neil Tobin, Head of Joint Venture and the appointment of Michael O'Brien as Chief Financial Officer.

#### **Environmental Regulation**

The Company is 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 before 30 June 2009.

The National Greenhouse and Energy Reporting Act 2007 require 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 will be able to prepare and submit its report to the Greenhouse and Energy data Officer by 31 October 2009.

**GPT Management Holdings Limited and its controlled entities**

**DIRECTORS' REPORT**

for the half year ended 30 June 2009

**Events subsequent to the end of the half year**

The Directors are not aware of any matter or circumstance occurring since 30 June 2009 not otherwise dealt with in the half year 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.

**Rounding of amounts**

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

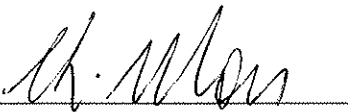
**Auditor**

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

**Auditors' independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Directors.



Ken Moss  
Chairman



Michael Cameron  
Executive Director

Sydney  
26 August 2009

PricewaterhouseCoopers  
ABN 52 780 433 757

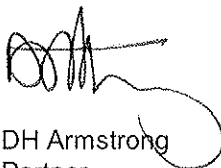
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### Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



DH Armstrong  
Partner  
PricewaterhouseCoopers

Sydney  
26 August 2009

**GPT Management Holdings Limited and its controlled entities**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the half year ended 30 June 2009

	Note	30 June 09 \$'000	30 June 08 \$'000
<b>Revenue</b>			
Revenue from property investments		18,485	18,165
Fund management fees		31,141	43,650
Property management fees		25,983	22,140
Proceeds from sale of warehoused property investments		-	13,559
Development management fees		10,113	10,573
		<u>85,722</u>	<u>108,087</u>
<b>Other income</b>			
Share of after tax losses of equity accounted investments		(28,182)	(128,336)
Management costs recharged		3,517	3,555
Interest income		818	6,744
Dividend income		-	212
Net foreign currency exchange gain		657	680
Net (loss) / gain on disposal of assets		(18,241)	6
Net gain on fair value of derivatives		-	3,855
		<u>(41,431)</u>	<u>(113,284)</u>
<b>Total revenue and other income</b>		<u>44,291</u>	<u>(5,197)</u>
<b>Expenses</b>			
Remuneration expenses		48,824	52,642
Cost of sales attributable to warehoused property investments		-	12,624
Costs of sale attributable to assets held for sale		3,086	-
Property rent and outgoings		7,899	10,106
Repairs and maintenance		550	1,431
Professional fees		12,382	12,667
Advertising and promotion		200	829
Depreciation and amortisation expense		3,950	3,641
Impairment expense - loan and receivables		70,881	-
Impairment expense - goodwill		-	121,841
Impairment expense - warehoused property investments		42,288	63,711
Impairment expense - other		-	10,462
Finance costs		25,339	29,624
Net loss on fair value of derivatives		6,972	-
Other expenses		22,538	7,459
<b>Total expenses</b>		<u>244,909</u>	<u>327,037</u>
<b>Net loss from continuing operations before income tax expense</b>		<u>(200,618)</u>	<u>(332,234)</u>
Income tax (expense) / benefit		12,089	(4,535)
Loss from discontinued operations		(14,799)	(16,158)
<b>Net loss for the half year</b>		<u>(203,328)</u>	<u>(352,927)</u>
<b>Other comprehensive income</b>			
Net foreign exchange translation adjustments, net of tax		32,721	2,575
Effective portion of changes in fair value of cashflow hedges, net of tax		-	(26,864)
<b>Total comprehensive income for the half year</b>		<u>(170,607)</u>	<u>(377,216)</u>
<b>Net loss attributable to:</b>			
- Members of the Company		(190,601)	(351,761)
- External minority interest		(12,727)	(1,166)
<b>Total comprehensive loss attributable to:</b>			
- Members of the Company		(157,880)	(376,050)
- External minority interest		(12,727)	(1,166)
<b>Earnings per share per ordinary equityholders of the Company</b>			
Basic loss per share (cents per share) for loss from continuing operations	4	(0.04)	(0.10)
Basic loss per share (cents per share)	4	(0.04)	(0.11)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 30 June 2009

	Note	Consolidated entity	
		30 June 09 \$'000	31 Dec 08 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		24,655	60,060
Loans and receivables		24,378	100,463
Inventories	5	-	454,174
Prepayments		2,814	8,664
		<u>51,847</u>	<u>623,361</u>
Non-current assets classified as held for sale	6	164,983	-
<b>Total Current Assets</b>		<u>216,830</u>	<u>623,361</u>
<b>Non-Current Assets</b>			
Equity accounted investments	7	45,580	87,222
Loans and receivables		44,655	41,646
Other assets		6,991	7,121
Property, plant & equipment	8	14,998	19,713
Intangible assets	9	18,320	20,396
Deferred tax assets		39,933	18,448
<b>Total Non-Current Assets</b>		<u>170,477</u>	<u>194,546</u>
<b>Total Assets</b>		<u>387,307</u>	<u>817,907</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		83,788	157,434
Derivative liabilities		-	16,414
Provisions		7,293	12,369
Current tax liabilities		-	18,516
Borrowings	10	336,671	761,487
		<u>427,752</u>	<u>966,220</u>
Non current liabilities classified as held for sale	6	155,410	-
<b>Total Current Liabilities</b>		<u>583,162</u>	<u>966,220</u>
<b>Non-Current Liabilities</b>			
Provisions		4,268	5,226
Borrowings	10	357,535	233,512
<b>Total Non-Current Liabilities</b>		<u>361,803</u>	<u>238,738</u>
<b>Total Liabilities</b>		<u>944,965</u>	<u>1,204,958</u>
<b>Net Assets</b>		<u>(557,658)</u>	<u>(387,051)</u>
<b>EQUITY</b>			
<b>Equity attributable to members of the Company (parent entity)</b>			
Contributed equity	11	324,755	324,755
Reserves		15,416	(17,305)
Accumulated losses		(907,816)	(717,215)
<b>Total equity of Company members</b>		<u>(567,645)</u>	<u>(409,765)</u>
<b>Equity attributable to minority interests - external</b>			
Contributed equity		-	-
Reserves		12	12
Retained profits		9,975	22,702
<b>Total equity of minority interests - external</b>		<u>9,987</u>	<u>22,714</u>
<b>Total Equity</b>		<u>(557,658)</u>	<u>(387,051)</u>

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



GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2009

	Attributable to Company members				Attributable to minority interests - external					
	Note	Contributed Equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Contributed Equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Total equity \$'000
<b>Balance at 1 January 2008</b>		317,576	9,456	(20,022)	307,010	-	12	19,137	19,149	326,159
Movement in foreign currency translation reserve		-	(2,575)	-	(2,575)	-	-	-	-	(2,575)
Movement in cash flow hedge reserve		-	26,864	-	26,864	-	-	-	-	26,864
<b>Net income recognised directly in equity</b>		-	24,289	-	24,289	-	-	-	-	24,289
Net loss for the half year		-	-	(351,761)	(351,761)	-	-	(1,166)	(1,166)	(352,927)
<b>Total recognised income and expenses for the half year</b>		-	24,289	(351,761)	(327,472)	-	-	(1,166)	(1,166)	(328,638)
<b>Transactions with equity holders in their capacity as equity holders:</b>										
Issue of share capital	11	7,179	-	-	7,179	-	-	-	-	7,179
Movement in treasury stock reserve		-	33	-	33	-	-	-	-	33
Movement in employee incentive share scheme reserve		-	24	-	24	-	-	-	-	24
Minority interest in acquisition of controlled entity		-	-	-	-	-	-	5,151	5,151	5,151
Distribution paid or payable		-	-	-	-	-	-	(787)	(787)	(787)
<b>Closing balance at 30 June 2008</b>		324,755	33,802	(371,783)	(13,226)	-	12	22,335	22,347	9,121
<b>Balance at 1 January 2009</b>		324,755	(17,305)	(717,215)	(409,765)	-	12	22,702	22,714	(387,051)
Movement in foreign currency translation reserve		-	32,721	-	32,721	-	-	-	-	32,721
Movement in cash flow hedge reserve		-	-	-	-	-	-	-	-	-
<b>Net income recognised directly in equity</b>		-	32,721	-	32,721	-	-	-	-	32,721
Loss for the half year		-	-	(190,601)	(190,601)	-	-	(12,727)	(12,727)	(203,328)
<b>Total recognised income for the half year</b>		-	32,721	(190,601)	(157,880)	-	-	(12,727)	(12,727)	(170,607)
<b>Transactions with equity holders in their capacity as equity holders:</b>										
Issue of share capital	11	-	-	-	-	-	-	-	-	-
<b>Closing balance at 30 June 2009</b>		324,755	15,416	(907,816)	(567,645)	-	12	9,975	9,987	(557,658)

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

GPT Management Holdings Limited and its controlled entities

**CONSOLIDATED STATEMENT OF CASH FLOW**

for the half year ended 30 June 2009

	Note	30 June 09 \$'000	30 June 08 \$'000
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations (inclusive of GST)		185,434	215,631
Cash payments in the course of operations (inclusive of GST)		(219,463)	(231,527)
Dividends received		-	4,852
Income tax paid		(21,609)	(9,292)
Interest received		993	7,193
Net receipt from derivatives		-	147
		<u>(54,645)</u>	<u>(12,996)</u>
Finance costs		5,417	(28,297)
<b>Net cash outflows from operating activities</b>	14(a)	<u>(49,228)</u>	<u>(41,293)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of Dutch Active Fund		-	80,022
Proceeds from sale of warehoused property investments		-	13,559
Return of capital from joint venture		-	8,200
Investment in joint ventures and associates		-	(29,036)
Payment for purchase of subsidiary, net of cash acquired		-	(44,835)
Cash at bank of the disposed entities		(11,934)	-
Loan from joint ventures and associates		-	31,851
Payments for warehoused property investments		(637)	(98,452)
Payments for development inventories		-	(24,590)
Payments for property, plant and equipment		(4,359)	(3,888)
<b>Net cash outflows from investing activities</b>		<u>(16,930)</u>	<u>(67,169)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	11	-	7,179
Repayment (payment) of employee incentive scheme loans, net of distributions		350	(2,930)
Proceeds from related party borrowings		42,271	125,107
Repayment of net banking facilities		(1,020)	(10,870)
<b>Net cash inflows from financing activities</b>		<u>41,601</u>	<u>118,486</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(24,557)</b>	<b>10,024</b>
Cash and cash equivalents at the beginning of the half year		<u>60,060</u>	<u>47,875</u>
		<u>35,503</u>	<u>57,899</u>
<b>Less: Cash balance classified as Non-current assets held for sale</b>		<u>(10,848)</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the half year</b>	14(b)	<u>24,655</u>	<u>57,899</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**1. Summary of significant accounting policies**

**(a) Basis of preparation**

This general purpose financial report for the interim half year reporting period ended 30 June 2009 has been prepared in accordance with the GPT Management Holdings Limited's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2008 and any public announcements made by GPT Management Holdings Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were approved by the Board of Directors on 26 August 2009.

*Going Concern*

As at 30 June 2009, the Company reported a net loss of \$203,328,000 (2008: \$352,927,000) and a deficiency of net assets of \$557,658,000 (2008: \$387,051,000). The Company has reported operating cash outflows during the period of \$57,400,000 (2008: \$41,293,000).

An intercompany loan amount of \$694,206,000 (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 26 August 2009.

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.

**(b) Significant accounting policies**

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 half 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 and 1049.
- UIG Interpretations newly released or amended are: 1, 12, 15, 16 and 18.

No changes are expected to the Company's financial performance, position or accounting principles as a result of the application of the new and amended standards above however the disclosure in the financial statements will change. The most significant impact will arise from the following accounting standards:

- AASB 8 Operating Segments - Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer.
- AASB 140 Investment Property - Property under development which were classified as Property, plant & equipment in prior period, are required to be classified as Investment properties. These assets will be stated at fair value with changes in fair value recorded in the Statement of Comprehensive Income.
- AASB 101 Presentation of financial statements – This standard requires the presentation of a Statement of Comprehensive Income and makes changes to the Statement of Changes in Equity, but will not affect any of the amounts recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**1. Summary of significant accounting policies (continued)**

**(c) 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 financial instruments**

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for the Company's derivatives are set out in note 1(v) of the 31 December 2008 annual financial statements, however the fair values of derivatives reported at 30 June 2009 may differ in the future if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

**(iii) 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.

**(iv) Share based payment transactions**

The Company 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 and amortise over the vesting period.

For the General Employee Incentive Scheme, the fair value is determined by an external valuer using the Monte Carlo method, as discussed in note 23 of the 31 December 2008 annual financial statements.

The Company has set up the GPT Group Stapled Security Rights Plan in May 2009. The fair value of the performance rights is determined by a Black & Scholes option pricing model and amortised over the vesting period.

**(d) Rounding of amounts**

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts shown in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2009

2. Segment reporting

Primary reporting format – business segments

The Company is organised on a global basis into the following activities by business segment:

Loss for the half year

30 June 2009

	Funds Management Europe	Funds Management Australia	Property Management	Joint Venture	Seniors Housing	All other segments	Total continuing operations	Discontinued operation - Hotel & Tourism	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>									
Revenue from hotel operations	-	-	-	-	-	-	-	88,115	88,115
Revenue from property investments	18,485	-	-	-	-	-	18,485	-	18,485
Fund management fees	2,941	11,965	-	-	-	15,654	30,560	-	30,560
Property management fees	14,696	-	11,287	-	-	-	25,983	-	25,983
Development management fees	-	-	7,676	-	-	-	2,437	-	10,113
	<b>36,122</b>	<b>11,965</b>	<b>18,963</b>	-	-	<b>18,091</b>	<b>85,141</b>	<b>88,115</b>	<b>173,256</b>
<b>Other income</b>									
Share of after tax profits / (losses) of equity accounted investments	2,742	-	-	-	(3,793)	-	(1,051)	(76)	(1,127)
Management costs recharged	-	-	2,475	-	-	1,042	3,517	-	3,517
Interest income	261	163	6	-	-	388	818	175	993
	<b>3,003</b>	<b>163</b>	<b>2,481</b>	-	<b>(3,793)</b>	<b>1,430</b>	<b>3,284</b>	<b>99</b>	<b>3,383</b>
<b>Total segment revenue</b>	<b>39,125</b>	<b>12,128</b>	<b>21,444</b>	-	<b>(3,793)</b>	<b>19,521</b>	<b>88,425</b>	<b>88,214</b>	<b>176,639</b>
<b>Expenses</b>									
Remuneration expenses	(15,458)	(1,724)	(16,835)	(838)	-	(13,953)	(48,808)	(38,302)	(87,110)
Rental expense attributable to hotel operations	-	-	-	-	-	-	-	(26,055)	(26,055)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(18,108)	(18,108)
Property rent and outgoings	(5,040)	(76)	(1,459)	(17)	-	(1,307)	(7,899)	(16,594)	(24,493)
Repairs and maintenance	-	(68)	(1,083)	(19)	-	620	(550)	(3,407)	(3,957)
Professional fees	(6,145)	(51)	(238)	(477)	-	(4,737)	(11,648)	(1,664)	(13,312)
Advertising and promotion	(215)	-	-	-	-	15	(200)	(1,629)	(1,829)
Depreciation and amortisation expense	(530)	-	-	-	-	(1,154)	(1,684)	-	(1,684)
Finance costs	(20,173)	-	-	-	-	(5,166)	(25,339)	(1,980)	(27,319)
Other expenses - internal recharges	(1,485)	(3,075)	-	-	(1,358)	5,918	-	-	-
Other expenses	(8,018)	(72)	(523)	(69)	-	(2,051)	(10,733)	(639)	(11,372)
Income tax (expense) / benefit	(800)	(1,932)	(956)	-	27	1,282	(2,379)	6,061	3,682
<b>Segment result for the financial period *</b>	<b>(18,739)</b>	<b>5,130</b>	<b>350</b>	<b>(1,420)</b>	<b>(5,124)</b>	<b>(1,012)</b>	<b>(20,815)</b>	<b>(14,103)</b>	<b>(34,918)</b>
Fair value and other adjustments to equity accounted investments	(14,443)	-	-	-	-	(12,155)	(26,598)	-	(26,598)
Net loss on fair value of derivatives	(6,972)	-	-	-	-	-	(6,972)	-	(6,972)
Net foreign exchange gain / (loss)	568	-	-	-	-	89	657	(1)	656
Net loss on disposal of assets	(18,241)	-	-	-	-	-	(18,241)	-	(18,241)
Costs of sale attributable to assets held for sale	(3,086)	-	-	-	-	-	(3,086)	-	(3,086)
Impairment expenses	(65,052)	-	-	(32,041)	-	(16,076)	(113,169)	(311)	(113,480)
Depreciation and amortisation expense	(190)	-	(2,076)	-	-	-	(2,266)	(494)	(2,760)
Tax impact on reconciling items from segment result to net loss for the half year	16,243	-	-	(422)	-	(1,353)	14,468	242	14,710
Share based payment expense	-	-	-	-	-	(16)	(16)	-	(16)
DAF Indemnity	(8,519)	-	-	-	-	-	(8,519)	-	(8,519)
Surplus lease provision	(3,286)	-	-	-	-	-	(3,286)	-	(3,286)
Other - non-operating	-	-	-	(734)	48	-	(686)	(132)	(818)
<b>Net (loss) / profit for the period</b>	<b>(121,717)</b>	<b>5,130</b>	<b>(1,726)</b>	<b>(34,617)</b>	<b>(5,076)</b>	<b>(30,523)</b>	<b>(188,529)</b>	<b>(14,799)</b>	<b>(203,328)</b>

\* Segment Result is based on Realised Operating Income which is a financial measure not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised, non-cash and gains or losses on investments, or other items the Directors determine to be non-recurring or capital in nature. The reconciling items from Segment Result to Net loss for the half year may change from time to time, depending on future changes to accounting standards and the Directors' assessment as to whether items are non-recurring or capital in nature.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2009

2. Segment reporting

Primary reporting format – business segments (continued)

Loss for the half year (continued)

30 June 2008

	Funds Management Europe	Funds Management Australia	Property Management	Joint Venture	Seniors Housing	All other segments	Total continuing operations	Discontinued operation - Hotels & Tourism	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>									
Revenue from hotel operations	-	-	-	-	-	-	-	92,866	92,866
Revenue from property investments	18,165	-	-	-	-	-	18,165	-	18,165
Fund management fees	5,628	19,302	-	-	-	18,650	43,580	-	43,580
Property management fees	10,486	-	11,654	-	-	-	22,140	-	22,140
Development management fees	-	-	8,765	-	-	1,808	10,573	-	10,573
Proceeds from sale of Warehoused Property Investments	13,559	-	-	-	-	-	13,559	-	13,559
<b>Total segment revenue</b>	<b>47,838</b>	<b>19,302</b>	<b>20,419</b>	<b>-</b>	<b>-</b>	<b>20,458</b>	<b>108,017</b>	<b>92,866</b>	<b>200,883</b>
<b>Other income</b>									
Share of after tax profits/(losses) of equity accounted entities	2,899	-	-	(1,577)	334	(1,087)	569	(147)	422
Management costs recharged	-	-	2,136	-	-	1,419	3,555	-	3,555
Interest income	2,794	413	3	-	-	3,534	6,744	464	7,208
Dividend income	212	-	-	-	-	-	212	-	212
Net foreign currency exchange loss	(185)	-	-	-	-	-	(185)	-	(185)
<b>Total segment revenue and other income</b>	<b>53,558</b>	<b>19,715</b>	<b>22,558</b>	<b>(1,577)</b>	<b>334</b>	<b>24,324</b>	<b>118,912</b>	<b>93,183</b>	<b>212,095</b>
<b>Expenses</b>									
Remuneration expenses	(15,609)	(2,039)	(17,624)	-	-	(16,758)	(52,030)	(41,015)	(93,045)
Rental expense attributable to hotel operations	-	-	-	-	-	-	-	(26,603)	(26,603)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(19,012)	(19,012)
Cost of sales attributable to Warehoused Property Investments	(12,624)	-	-	-	-	-	(12,624)	-	(12,624)
Property rent and outgoing	(7,577)	(79)	(1,400)	-	-	(1,050)	(10,106)	(18,207)	(28,313)
Repairs and maintenance	(484)	(50)	(828)	-	-	(69)	(1,431)	(4,475)	(5,906)
Professional fees	(9,079)	(126)	(234)	-	-	(2,642)	(12,081)	(789)	(12,870)
Advertising and promotion	(829)	-	-	-	-	-	(829)	(2,443)	(3,272)
Depreciation and amortisation expense	(627)	-	-	-	-	(938)	(1,565)	-	(1,565)
Finance costs	(20,756)	-	-	-	-	(8,706)	(29,462)	(2,714)	(32,176)
Other expenses - internal recharges	(1,518)	(2,770)	-	-	(266)	4,554	-	-	-
Other expenses	(3,780)	(161)	(620)	-	-	(2,898)	(7,459)	(119)	(7,578)
Income tax expense / (benefit)	(1,978)	(4,254)	(1,050)	-	(334)	6,146	(1,470)	6,627	5,157
Minority interest	654	-	-	-	-	(256)	398	-	398
<b>Segment result for the financial period *</b>	<b>(20,649)</b>	<b>10,236</b>	<b>802</b>	<b>(1,577)</b>	<b>(266)</b>	<b>1,707</b>	<b>(9,747)</b>	<b>(15,567)</b>	<b>(25,314)</b>
Fair value and other adjustments to equity accounted investments									
Fair value and other adjustments to equity accounted investments	(6,299)	-	-	(119,581)	(3,025)	-	(128,905)	-	(128,905)
Net gain on fair value of derivatives	3,855	-	-	-	-	-	3,855	-	3,855
Net foreign exchange gain / (loss)	(247)	-	-	-	-	1,112	865	-	865
Impairment expenses	(185,552)	-	-	(7,606)	(2,855)	-	(196,014)	-	(196,014)
Net (gain) / loss on disposal of assets	-	-	-	-	-	6	6	-	6
Depreciation and amortisation expense	-	-	(2,076)	-	-	-	(2,076)	(511)	(2,587)
Impact of external minority interest	(654)	-	-	-	-	256	(398)	-	(398)
Tax impact on reconciling items from segment result to net loss for the half year	-	-	(75)	-	334	(3,324)	(3,065)	-	(3,065)
Share based payment expense	-	-	-	-	-	(612)	(612)	(80)	(692)
Other non-operating	(748)	-	-	-	-	70	(678)	-	(678)
<b>Net (loss) / profit for the period</b>	<b>(210,294)</b>	<b>10,236</b>	<b>(1,349)</b>	<b>(128,764)</b>	<b>(5,812)</b>	<b>(785)</b>	<b>(336,769)</b>	<b>(16,158)</b>	<b>(352,927)</b>

\* Segment Result is based on Realised Operating Income which is a financial measure not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised, non-cash and gains or losses on investments, or other items the Directors determine to be non-recurring or capital in nature. The reconciling items from Segment Result to Net loss for the half year may change from time to time, depending on future changes to accounting standards and the Directors' assessment as to whether items are non-recurring or capital in nature.

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**2. Segment reporting**

**Primary reporting format – business segments (continued)**

**Loss for the half year (continued)**

<b>Reconciliation to Statement of Comprehensive Income</b>	<b>30 June 09</b>	30 June 08
	<b>\$'000</b>	\$'000
<b>Revenue</b>		
Reportable segments	67,050	87,559
All other segments	18,091	20,458
<b>All segments</b>	<b>85,141</b>	108,017
Other - non-operating	581	70
<b>Revenue - continuing operations</b>	<b>85,722</b>	108,087
<b>Share of after tax profits of equity accounted investments</b>		
Reportable segments	(1,051)	1,656
All other segments	-	(1,087)
<b>All segments</b>	<b>(1,051)</b>	569
Fair value and other adjustments to equity accounted investments	(26,598)	(128,905)
Other - non-operating	(533)	-
<b>Share of after tax profits of equity accounted investments - continuing operations</b>	<b>(28,182)</b>	(128,336)
<b>Remuneration expense</b>		
Reportable segments	(34,855)	(35,272)
All other segments	(13,953)	(16,758)
<b>All segments</b>	<b>(48,808)</b>	(52,030)
Share based payment expense	(16)	(612)
<b>Remuneration expense - continuing operations</b>	<b>(48,824)</b>	(52,642)
<b>Depreciation and amortisation expense</b>		
Reportable segments	(530)	(627)
All other segments	(1,154)	(938)
<b>All segments</b>	<b>(1,684)</b>	(1,565)
Amortisation expense	(2,266)	(2,076)
<b>Depreciation and amortisation expense - continuing operations</b>	<b>(3,950)</b>	(3,641)
<b>Finance costs</b>		
Reportable segments	(20,173)	(20,756)
All other segments	(5,166)	(8,706)
<b>All segments</b>	<b>(25,339)</b>	(29,462)
Other - non-operating	-	(162)
<b>Finance costs - continuing operations</b>	<b>(25,339)</b>	(29,624)
<b>Other expenses</b>		
Reportable segments	(8,682)	(4,561)
All other segments	(2,051)	(2,898)
<b>All segments</b>	<b>(10,733)</b>	(7,459)
DAF Indemnity	(8,519)	-
Surplus lease provision	(3,286)	-
<b>Other expenses - continuing operations</b>	<b>(22,538)</b>	(7,459)
<b>Income tax (expense) / benefit</b>		
Reportable segments	(3,661)	(7,616)
All other segments	1,282	6,146
<b>All segments</b>	<b>(2,379)</b>	(1,470)
Tax impact on reconciling items from segment result to net loss for the half year	14,468	(3,065)
<b>Income tax expense - continuing operations</b>	<b>12,089</b>	(4,535)

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**2. Segment reporting**

**Primary reporting format – business segments (continued)**

**Segment assets**

	<b>Funds Management Europe</b>	<b>Funds Management Australia</b>	<b>Property Management</b>	<b>Joint Venture</b>	<b>Seniors Housing</b>	<b>All other segments</b>	<b>Total continuing operations</b>	<b>Discontinued operation - Hotel &amp; Tourism</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 June 2009</b>	<b>207,387</b>	<b>18,618</b>	<b>25,494</b>	<b>-</b>	<b>7,588</b>	<b>88,901</b>	<b>347,988</b>	<b>39,319</b>	<b>387,307</b>
<b>31 December 2008</b>	<b>599,631</b>	<b>15,513</b>	<b>25,702</b>	<b>-</b>	<b>13,906</b>	<b>110,459</b>	<b>765,211</b>	<b>52,696</b>	<b>817,907</b>

The following sectors are distinguished as reporting segments which are regularly reviewed by the Company's management to make decisions about resources allocation and assess its performance:

**Funds Management Europe** Segment includes asset and funds management in Europe through GPT Halverton and Hamburg Trust.

**Funds Management Australia** Segment includes asset and funds management of Australia wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.

**Property Management** Segment includes property management of Australian retail assets including the retail assets in the GPT Wholesale Shopping Centre Fund.

**Joint Venture** Segment includes investments in the Babcock & Brown joint venture and has assets located in Europe, the United States of America, New Zealand and Australia. Investments include shopping centres and retail formats, light industrial assets, residential assets and office assets.

**Seniors Housing** Segment includes 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** Segment includes costs associated with the funds management of the General Property Trust, foreign exchange gains and losses, finance costs and Company operating costs.

**Discontinued operations - Hotel & Tourism** Segment includes nature-based resorts and hotel assets which the Company's management intends to exit in the next 12 months.

**3. Dividends paid and payable**

No dividends have been paid or declared for the half year (June 2008: nil).



**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**4. Earnings / (loss) per share**

	<b>30 June 09</b>	30 June 08
	<b>Cents</b>	Cents
<b>(a) Basic loss per share</b>		
Basic and diluted earnings per share - loss from continuing operations	<b>(0.04)</b>	(0.10)
Basic and diluted earnings per share - loss from discontinued operations	<b>(0.00)</b>	(0.01)
Total basic and diluted earnings per share	<b>(0.04)</b>	(0.11)
<b>(b) Weighted average number of shares used as the denominator</b>	<b>Number of</b>	Number of
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	<b>5,411,725,261</b>	3,273,498,062
	<b>5,411,725,261</b>	3,273,498,062

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

	<b>30 June 09</b>	30 June 08
	<b>\$'000</b>	\$'000
<b>Losses reconciliation - basic and diluted</b>		
Loss from continuing operations	<b>(175,802)</b>	(335,603)
Loss from discontinued operations	<b>(14,799)</b>	(16,158)
External minority interest	<b>(12,727)</b>	(1,166)
	<b>(203,328)</b>	(352,927)

**5. Inventories**

	<b>30 June 09</b>	31 Dec 08
	<b>\$'000</b>	\$'000
<b>Hotel merchandise:</b>	(a)	
General supplies - at cost	-	1,114
Food and beverage - at cost	-	2,318
Retail - at cost	-	3,769
Other - at cost	-	293
<b>Warehoused property investments:</b>	(b)	
Hamburg Trust Alliance Fund	(i)	115,994
Hamburg Trust Bergedorf Objekt KG Fund	(ii)	6,500
H2O Fund	(ii)	259,888
Scandinavian Active Fund	(i)	64,298
<b>Total inventories</b>	<b>-</b>	<b>454,174</b>

**(a) Hotel merchandise**

The hotel merchandise with a 30 June 2009 balance of \$6,670,000 has been classified as assets held for sale. Refer to note 6(a)(i) for detail.

**(b) Warehoused property investments**

- (i) The warehouse property investments in Scandinavian Active Fund and Hamburg Trust Alliance have been classified as disposal group held for sale. Refer to note 6(a)(ii) for detail.
- (ii) The warehouse property investments in H2O Fund and Hamburg Trust Bergedorf Objekt KG Fund have been disposed during the period via the disposal of the entity holding these investments. Refer to note 6(d) for detail.

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**6. Non-current assets held for sale and discontinued operation**

	30 June 09 \$'000	31 Dec 08 \$'000
<b>(a) Assets held for sale</b>		
<b>(i) Discontinued operation</b>		
Cash at bank and at call	7,924	-
Loans and receivables	13,744	-
Inventories	6,670	-
Equity accounted investments	4,848	-
Property, plant and equipment	5,765	-
Other assets	368	-
Total assets of discontinued operation	<u>39,319</u>	-
<b>(ii) Disposal group held for sale</b>		
Cash at bank and at call	2,924	-
Loans and receivables	1,009	-
Inventories	121,302	-
Property, plant and equipment	429	-
Total assets of disposal groups classified as held for sale	<u>125,664</u>	-
<b>Total assets held for sale</b>	<u>164,983</u>	-
<b>(b) Liabilities directly associated with assets held for sale</b>		
<b>(i) Discontinued operation</b>		
Trade payables and accruals	48,432	-
Provision for employee benefits	4,465	-
Total liabilities directly associated with discontinued operation	<u>52,897</u>	-
<b>(ii) Disposal group held for sale</b>		
Trade payables and accruals	7,383	-
Borrowings- external	94,524	-
Derivative liabilities	606	-
Total liabilities directly associated with disposal groups classified as held for sale	<u>102,513</u>	-
<b>Total liabilities directly associated with assets held for sale</b>	<u>155,410</u>	-

**Discontinued operation**

Refer to note 6(c) for detail.

**Disposal group held for sale**

In July 2009, the Company entered into an agreement to sell its investment in the Scandinavian Active Fund Portfolio for a selling price of \$24.4 million with settlement completed on 7 August 2009. The portfolio has been valued at selling price as at 30 June 2009.

The Company entered an agreement in August 2009 to sell its 80% interest in the Hamburg Trust business platform for a nominal sum.

The Company also entered into agreement to sell interest in the Alliance portfolio to a syndicate of private investors at a consideration equivalent to the value of debt secured against the portfolio.

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**6. Non-current assets held for sale and discontinued operation**

**(c) (i) Description of the discontinued operation:**

On 18 July 2008, GPT management has announced its intention to sell the Hotel/Tourism Portfolio which consists of Voyages hotels & resorts, the Voyages hotel management business and the Four Points by Sheraton Hotel.

Financial information relating to this discontinued operation for the current and prior period is set out below. Further information is set out in note 2 – Segment reporting.

	<b>30 June 09</b>	30 June 08
	<b>\$'000</b>	\$'000
<b>(ii) Financial performance and cash flow information:</b>		
Revenue	<b>88,214</b>	93,183
Expenses	<b>(109,316)</b>	(115,968)
Profit before income tax	<b>(21,102)</b>	(22,785)
Income tax expense	<b>6,303</b>	6,627
<b>Profit after income tax of discontinued operations</b>	<b>(14,799)</b>	(16,158)
Net cash outflow from operating activities	<b>(2,608)</b>	(19,829)
Net cash outflow from investing activities	<b>(297)</b>	(159)
Net cash inflow / (outflow) from financing activities	<b>(4)</b>	17,162
<b>Net increase in cash generated by the discontinued</b>	<b>(2,909)</b>	(2,826)

**(d) Details of disposals:**

	<b>30 Jun 09</b>	31 Dec 08
	<b>\$000's</b>	\$000's
<b>Details of disposals during the half year:</b>		
Cash consideration	-	-
Total consideration	-	-
Carrying amount of net assets sold	<b>18,241</b>	-
<b>Loss on sale before income tax</b>	<b>18,241</b>	-
Income tax expense	-	-
<b>Loss on sale after income tax</b>	<b>18,241</b>	-

During the reporting period, the Company sold its interest in the H20 Portfolio assets which comprised a portfolio of 32 office properties located in Germany, the Netherlands, France, Denmark and Finland. It was sold in May 2009 for the carrying value of the debt secured against the portfolio of \$231 million as at 31 December 2008 resulting in zero consideration and a loss on sale of \$20.4 million.

The Bergedorf Portfolio assets were sold in May with a gain of \$2.2 million.

**The carrying amounts of assets and liabilities as at the date of disposal were:**

Cash at bank and at call	<b>11,934</b>	-
Trade receivables	<b>2,573</b>	-
Inventories	<b>265,811</b>	-
Other assets	<b>7</b>	-
<b>Total assets</b>	<b>280,325</b>	-
Trade payables and accruals	<b>17,699</b>	-
Derivative liabilities	<b>22,059</b>	-
Borrowings	<b>222,326</b>	-
<b>Total liabilities</b>	<b>262,084</b>	-
<b>Net assets</b>	<b>18,241</b>	-

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**7. Equity accounted investments**

		30 June 09 \$'000	31 Dec 08 \$'000
Investments in joint ventures	(a)(i)	6,361	12,683
Investments in associates	(a)(ii)	39,219	74,539
<b>Total equity accounted investments</b>		<b>45,580</b>	<b>87,222</b>

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

Name	Principal Activity	Ownership Interest			
		2009 %	2008 %		
<b>(a)(i) Joint ventures</b>					
<b>Entity incorporated in Australia</b>					
DPT Operator Pty Limited <sup>1</sup>	Managing property	50	50	74	73
BGA Real Estate Finance Trust	Mezzanine loan	50	50	-	-
<b>Entities incorporated in the United States</b>					
B&B GPT Alliance 1 LLC	Property investment	50	50	-	-
B-VII Operations Holding Co LLC <sup>2</sup>	Property investment	95	95	6,287	12,610
<b>Entity incorporated in Luxembourg</b>					
BGP Investment SARL	Property investment	50	50	-	-
<b>Total investments in joint ventures</b>				<b>6,361</b>	<b>12,683</b>
<b>(a)(ii) Associates</b>					
<b>Entity incorporated in Australia</b>					
Kings Canyon (Watarrka) Resort Trust <sup>1 5</sup>	Investment property	46	46	-	4,895
Lend Lease GPT (Rouse Hill) Pty Limited <sup>3</sup>	Investment property	26	26	-	10,281
<b>Entity incorporated in The Netherlands</b>					
Dutch Active Fund Propco BV <sup>4</sup>	Property investment	38	38	38,687	58,949
<b>Entity incorporated in the United States</b>					
Benchmark Assisted Living LLC <sup>2</sup>	Property management	20	20	532	414
<b>Total investment in associates</b>				<b>39,219</b>	<b>74,539</b>

<sup>1</sup> The entity has a 30 June balance date.

<sup>2</sup> 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.

<sup>3</sup> 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 minority interest.

<sup>4</sup> The Dutch Active Fund PropCo B.V. (DAF) is a closed end unlisted fund with an expected life of seven years. The Company has a residual interest of 38% in DAF after its first equity raising closed.

<sup>5</sup> Investment in Kings Canyon (Watarrka) Resort Trust has been classified as assets held for sale. Refer to note 6(a)(i) for detail.

**(b) 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 30 June 2009 and operating lease commitments are set out below:

Capital expenditure commitments	636	1,243
Operating lease commitments	165,102	220,163
Other commitments	-	192
<b>Total joint venture and associates' commitments</b>	<b>165,738</b>	<b>221,598</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2009

	Note	30 June 09 \$'000	31 Dec 08 \$'000
<b>8. Property, Plant and Equipment</b>			
<b>Computers</b>			
At cost		16,646	13,766
less: accumulated depreciation and impairment		<u>(5,786)</u>	<u>(4,887)</u>
<b>Total computers</b>		<u>10,860</u>	<u>8,879</u>
<b>Office, fixtures and fittings</b>			
At cost		6,063	15,686
less: accumulated depreciation and impairment		<u>(1,925)</u>	<u>(4,852)</u>
<b>Total office, fixtures and fittings</b>		<u>4,138</u>	<u>10,834</u>
<b>Total property, plant and equipment</b>		<u>14,998</u>	<u>19,713</u>
The hotel property, plant and equipment with a 30 June 2009 balance of \$5,765,000 has been classified as assets held for sale. Refer to note 6(a)(i) for detail.			
<b>9. Intangibles</b>			
<b>Management rights</b>			
At cost		54,200	54,200
Accumulated amortisation and impairment		<u>(35,880)</u>	<u>(33,804)</u>
<b>Total management rights</b>		<u>18,320</u>	<u>20,396</u>
<b>10. Borrowings</b>			
<b>Current - unsecured</b>			
Bank facilities			
Overdraft facility - Euro	(i)	-	11
Bridge facility - US dollar	(ii)	-	42,692
Related party borrowings	(iii)	<u>336,671</u>	<u>388,194</u>
<b>Total current borrowings - unsecured</b>		<u>336,671</u>	<u>430,897</u>
<b>Current - secured</b>			
Bank facilities			
US dollar	(v)(1)	-	97,417
Euro	(v)(2)	-	194,017
Danish Kroner	(v)(2)	-	32,802
Swedish Kroner	(v)(3)	-	6,354
<b>Total current borrowings - secured</b>		<u>-</u>	<u>330,590</u>
<b>Total current borrowings</b>		<u>336,671</u>	<u>761,487</u>
<b>Non-Current - unsecured</b>			
Related party borrowings	(iv)	<u>357,535</u>	<u>233,512</u>
<b>Total non-current borrowings</b>		<u>357,535</u>	<u>233,512</u>
<b>Non-Current - secured</b>			
Bank facilities		-	-
<b>Total non-current borrowings</b>		<u>357,535</u>	<u>233,512</u>
<b>Total borrowings</b>		<u>694,206</u>	<u>994,999</u>
The maturity profile of the above current and non-current borrowings is:			
Due within one year		336,671	761,487
Due between one and five years		-	76,153
Due after five years		<u>357,535</u>	<u>157,359</u>
		<u>694,206</u>	<u>994,999</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2009

## 10. Borrowings

## Financing Facilities

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

	Note	30 June 2009		
		Total facility \$'000	Used facility \$'000	Unused facility \$'000
Overdraft	(i)	-	-	-
Bank facilities	(iv)	-	-	-
Related party	(iii)&(v)	1,083,621	694,206	389,415
<b>Total financing resources available at end of the period</b>		<b>1,083,621</b>	<b>694,206</b>	<b>389,415</b>

## Maturity profile of financing facilities

	Consolidated entity	
	30 June 09 \$'000	31 Dec 08 \$'000
Due within one year	336,671	803,736
Due between one and five years	-	89,916
Due after five years	746,950	607,559
<b>Total financing facilities</b>	<b>1,083,621</b>	<b>1,501,211</b>

## 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\$10,000)).

## (ii) Bridge facility

A USD \$30,000,000 (AUD \$37,202,381) 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.

## (iii) Related party borrowings - current

The following current unsecured borrowings were drawn at 30 June 2009 from the Trust and its subsidiaries;

- A EUR €132,468,800 (AUD \$230,581,026) (Dec 2008: EUR €130,716,000 (AUD \$259,976,134)) loan is at call with no fixed maturity. At 30 June 2009 this facility is fully drawn.
- A SEK 192,918,170 (AUD \$31,068,230) (Dec 2008: SEK 192,928,318 (AUD \$35,091,274)) loan is at call with no fixed maturity. At 30 June 2009 this facility is fully drawn.
- A EUR €774,760 (AUD \$1,348,581) (Dec 2008: EUR €774,757 (AUD \$1,540,885)) loan which expires December 2009. At 30 June 2009 this facility is fully drawn.
- A USD \$54,357,430 (AUD \$67,407,520) (Dec 2008: USD \$64,357,425 (AUD \$91,585,919)) loan which expires December 2009. At 30 June 2009 this facility is fully drawn.
- A EUR €3,600,000 (AUD \$6,266,318) facility has been classified as due within one year.

## (iv) Related party borrowings – non current

The following non current unsecured borrowings were drawn at 30 June 2009 from Trust and its subsidiaries;

- A loan facility to the Company of AUD \$600,000,000 was drawn to \$239,244,127 (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.
- A new loan facility of AUD \$75,000,000 was drawn to AUD \$48,910,090 at 30 June 2009. This facility expires June 2017.
- An AUD \$75,000,000 loan facility drawn to \$69,380,360 (Dec 2008: total facility available \$75,000,000 and drawn to AUD \$69,389,666).
- At 30 June 2009 a EUR facility of EUR €7,500,000 (\$AUD 13,054,830) no longer exists as a result of the sale by GPT of HTBO Bergedorf Objekt GMBH (Dec 2008: facility limit EUR €7,500,000 (AUD \$14,916,000) and drawn to EUR €3,400,000 (AUD \$6,762,132)).

**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**10. Borrowings**

**Secured**

**(v) Bank facilities**

(1) In June 2009 GPT entered into an agreement to sell its interest in the Alliance portfolio (previously warehoused within the Hamburg Trust platform) to a syndicate of private investors. A USD \$72,000,000 (AUD \$89,285,714) (Dec 2008: USD \$72,000,000 million (AUD \$102,461,933)) bank facility will be transferred to the purchasers with the sale. At 30 June 2009 this facility is fully drawn (Dec 2008: fully drawn) and matures in July 2017. This facility has been classified as Non-current liabilities held for sale. Refer to note 6(b) for detail.

(2) In May 2009 GPT sold its interest in the H20 portfolio to Sasori S.a.r.l. GPT's obligation under the borrowings of EUR €99,300,000 (AUD \$172,845,953) and DKK 124,500,000 (AUD \$29,093,543) from the H20 facility was taken on by Sasori S.a.r.l. as part of the arrangements of the sale. As at 30 June 2009 all H2O debt has been refinanced (Dec 2008: EUR €99,300,000 (AUD \$197,494,033) and DKK 124,500,000 million (AUD \$33,303,908)).

(3) At 30 June 2009 a SEK 32,555,000 (AUD \$5,243,773) facility is available to the Scandinavian Active Fund, a fund owned by GPT and managed by GPT Halverton. The funds raised under this facility are secured against assets in the fund. This borrowing has been classified as Non-current liabilities held for sale. Refer to Note 6(b) for detail. (Dec 2008: facility limit SEK 35,000,000 (AUD \$6,366,067) and fully drawn)

(4) As part of the sale of HTBO Bergedorf Objekt KG Fund an undrawn EUR €16,600,000 facility (AUD \$28,894,691) is no longer available to the Hamburg Trust (Dec 2008: facility limit EUR €16,600,000 (AUD \$33,015,115))

**11. Contributed equity**

		Note	Shares Numbers	Company \$'000	External Minority 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		<b>4,467,363,800</b>	<b>324,755</b>	-	<b>324,755</b>
1 January 2009	Opening shares on issue		<b>4,467,363,800</b>	<b>324,755</b>	-	<b>324,755</b>
27 May 2009	Issue of shares/stapled securities	(d)	<b>4,091,926,477</b>	-	-	-
16 Jun 2009	Issue of shares/stapled securities	(d)	<b>718,294,466</b>	-	-	-
30 June 2009	Closing shares on issue		<b>9,277,584,743</b>	<b>324,755</b>	-	<b>324,755</b>

**(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.

Under the terms of the DRP, eligible securityholders are able to elect to reinvest all or part of their quarterly distribution in additional stapled securities, free of any brokerage or other transaction costs, rather than being paid in cash. Securities are issued and/or transferred at a predetermined price, less any discount that the Directors may elect to apply from time to time. The DRP issue price was based on the arithmetic average of the daily volume weighted average price of GPT Group stapled securities traded on the Australian Securities Exchange for the ten business days preceding the relevant quarterly distribution record date, adjusted to an ex-dividend rate, of up to 1.5% discount rounded to the nearest cent.

**(b) Underwriting the Distribution Reinvestment Plan**

GPT also 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.

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**11. Contributed equity**

**(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 balance sheet, 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. A total of \$1.7 billion was raised with total transaction costs of \$56.4 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.

**12. Commitments**

**(a) Capital expenditure commitments**

At 30 June 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:

	30 June 09 \$'000	31 Dec 08 \$'000
Due within 1 year	636	1,243
Due between 1 and 5 years	-	-
<b>Total capital expenditure commitments</b>	<b>636</b>	<b>1,243</b>

**(b) Operating leases commitments**

At 30 June 2009 the future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	86,025	107,174
Due between 1 and 5 years	240,123	254,011
Due between 5 years and expiry date of leases	155,574	215,051
<b>Total operating lease commitments</b>	<b>481,722</b>	<b>576,236</b>

**(c) Other commitments**

Estimated aggregate amount of other commitments agreed or contracted but not provided for in the financial statement:

Due within 1 year	14,210	18,734
Due between 1 and 5 years	2,698	2,800
Due between 5 years and expiry date of leases	-	74
<b>Total other commitments</b>	<b>16,908</b>	<b>21,608</b>

**(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 7(b) for the share of associates and joint venture entities' commitments.



**GPT Management Holdings Limited and its controlled entities**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2009

**13. Contingent Assets and Liabilities**

There are no other material contingent assets or liabilities at reporting date.

	<b>30 June 09</b>	30 June 08
	<b>\$'000</b>	\$'000
<b>14. Notes to the Statement of Cash Flow</b>		
Net profit for the half year	<b>(203,328)</b>	(352,927)
Share of after tax losses of equity accounted entities	<b>28,229</b>	128,483
Net foreign currency exchange gains	<b>(657)</b>	(680)
Net (loss) / gain on disposal of assets	<b>18,241</b>	(6)
Net (loss) / gain on fair value of derivatives	<b>6,972</b>	(3,855)
Employee incentive security scheme expense	<b>1,736</b>	913
Cost to sell for non-current assets held for sale	<b>3,086</b>	-
Depreciation and amortisation expense	<b>4,444</b>	4,152
Impairment expense	<b>113,480</b>	196,014
Interest on related party loan	<b>26,041</b>	(1,173)
Non-cash revenue adjustments	-	4,035
Changes in operating assets and liabilities:		
Decrease in receivables	<b>14,882</b>	14,969
Decrease in payables	<b>(40,869)</b>	(35,622)
(Increase) / decrease in deferred tax asset	<b>(21,485)</b>	4,404
<b>Net cash outflows from operating activities</b>	<b>(49,228)</b>	(41,293)

**(b) Reconciliation of cash**

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

Cash at bank and on hand	<b>24,655</b>	57,899
<b>Total cash and cash equivalents</b>	<b>24,655</b>	57,899

**15. Events subsequent to reporting date**

Except for the events listed below, the Directors are not aware of any matter or circumstance occurring since the end of the half year:

- Post period end disposals  
The sale of Scandinavian Active Fund Portfolio was completed on 7 August 2009.
- In Specie Dividend  
On 31 July 2009 GPT announced its exit from the Joint Venture by way of an In Specie Dividend in BGP Holdings (previously named GPT MaltaCo 1 Limited), through which GPT holds its interest in the European Joint Venture, to GPT Securityholders.

**GPT Management Holdings Limited and its controlled entities**

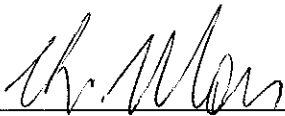
**DIRECTORS' DECLARATION**

In the Directors of the GPT Management Holdings Limited's opinion for the half year ended 30 June 2009:

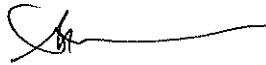
- (a) the interim financial statements and notes set out on pages 7 to 25 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of GPT Management Holdings Limited's financial position as at 30 June 2009 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that GPT Management Holdings Limited will be able to pay its debts as and when they become due and payable.

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  
Chairman



Michael Cameron  
Executive Director

GPT Management Holdings Limited  
Sydney  
26 August 2009

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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of GPT Management Holdings Limited (the Company), which comprise the statement of financial position as at 30 June 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for GPT Management Holdings Limited (the consolidated entity). The consolidated entity comprises both the Company and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the Company are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of a half-year 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.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GPT Management Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

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

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the consolidated entity for the half-year ended 30 June 2009 included on The GPT Group's web site. The Responsible Entity's directors are responsible for the integrity of The GPT Group's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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 reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

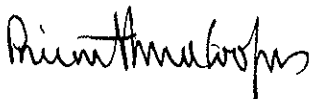
*Independence*

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

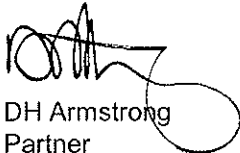
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GPT Management Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



DH Armstrong  
Partner

Sydney  
26 August 2009