



The GPT Group
ABN: 58 071 755 609

Interim Financial Report
30 June 2011

The GPT Group (GPT) comprises General Property Trust (Trust) and its controlled entities and GPT Management Holdings Limited (Company) and its controlled entities. GPT RE Limited is the Responsible Entity of General Property Trust.

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 2010 and any public announcements made by the GPT Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

THE GPT GROUP

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flow	12
Notes to the Financial Statements	
1. Summary of significant accounting policies	13
2. Segment reporting	16
3. Distributions paid and payable to securityholders	22
4. Non-current assets held for sale, discontinued operations and other disposals	23
5. Investment properties	27
6. Equity accounted investments	29
7. Borrowings	30
8. Contributed equity	33
9. Commitments	34
10. Contingent assets and liabilities	34
11. Notes to the Statement of Cash Flow	35
12. Earnings per stapled security	36
13. Net tangible asset backing	37
14. Events subsequent to reporting date	37
Directors' Declaration	38
Independent Auditor's Review Report	39

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2011

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report for the half year ended 30 June 2011.

Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2010 and are:

- investment in income producing retail, office, industrial & business park assets;
- development of retail, office, industrial properties;
- property funds management; and
- property management.

After completing the sale of the US Senior Housing Portfolio on 29 March 2011, GPT operates almost entirely in Australia.

The GPT Group

The stapled securities of the GPT Group (the Group) are quoted on the Australian Securities Exchange under the code GPT and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited (Company). Each entity forming part of the Group 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 of the *Corporations Act 2001*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2011

Review of operations

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain items that are relevant to an understanding of GPT's result have been identified. The effect of these items is set out below:

	Consolidated entity		
	6 mths to 30 Jun 2011	6 mths to 31 Dec 2010	6 mths to 30 Jun 2010
	\$M	\$M	\$M
Core operations	287.1	266.0	264.8
Non-core operations	20.7	37.7	20.0
Financing and corporate overheads	(86.3)	(99.5)	(79.0)
Realised Operating Income	221.5	204.2	205.8
Change in fair value of assets (non-cash):			
Valuation increase / (decrease)			
Core Domestic Portfolio and Funds Management (Australia)	85.3	81.5	21.3
Hotel/Tourism Portfolio	(25.1)	(4.2)	(0.2)
Funds Management Europe	(6.1)	(8.1)	(1.4)
US Seniors Housing	-	215.7	30.2
Joint Venture	-	-	4.8
Profit / (loss) on disposals (including share of profit / (loss) on disposal in Joint Venture and associates)	1.5	17.4	(5.3)
Financial Instruments marked to period end market value	(32.6)	89.3	(84.1)
Other items	(1.4)	(33.7)	(25.9)
Net profit after tax	243.1	562.1	145.2

Financial results

- Realised operating income (ROI) increased by 7.6% to \$221.5 million (Jun 10: \$205.8 million)
- Profit after tax increased by 67.4% to a profit of \$243.1 million (Jun 10: profit of \$145.2 million)
- Total assets decreased by 4.1% to \$9,347.2 million (Dec 10: \$9,751.7 million)
- Total borrowings decreased by 18.8% to \$1,990.5 million (Dec 10: \$2,452.5 million)
- Headline gearing (net debt basis) decreased to 21.0% (Dec 10: 24.9%). Look through gearing (net debt basis) decreased to 22.6% (Dec 10: 29.9%)
- ROI per ordinary stapled security increased by 8.1% to 11.3 cents (Jun 10: 10.4 cents*)
- Distribution per ordinary stapled security increased by 11.8% to 8.5 cents (Jun 10: 7.6 cents*)
- Net tangible assets per stapled security** increased to \$3.64 (Dec 10: \$3.60)

The increase in ROI compared with June 2010 is largely the result of solid operating income growth across the portfolios and a reduction in the average cost of debt.

* Prior period comparatives are calculated on the basis of post 5 to 1 consolidation of the stapled securities.

** Includes the impact of potential securities assuming the conversion of the exchangeable securities at an exchange price of \$3.883 on the basis of post 5 to 1 consolidation of the stapled securities (Dec 10: \$3.883).

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2011

Review of operations (continued)

The Realised Operating Income and total assets by portfolio are summarised below:

Portfolio/Segment	Realised Operating Income 6 mths to 30 Jun 2011 \$M	Realised Operating Income 6 mths to 31 Dec 2010 \$M	Realised Operating Income 6 mths to 30 Jun 2010 \$M	Total Assets 30 Jun 2011 \$M	Total Assets 31 Dec 2010 \$M
Core					
Retail	155.1	132.6	134.7	4,905.3	4,789.1
Office	59.1	56.8	58.0	1,901.1	1,863.6
Industrial	28.1	27.3	27.1	808.0	791.9
Funds Management - Australia	44.8	49.3	45.0	1,098.6	1,291.5
Non-core					
Discontinued operation - US Seniors Housing	8.6	12.3	11.4	9.6	351.9
Discontinued operation - Funds Management - Europe	0.7	5.0	(0.6)	17.8	23.0
Discontinued operation - Joint Venture	-	-	-	-	-
Discontinued operation - Hotel / Tourism	11.4	20.4	9.2	228.6	317.1
Financing and corporate overheads					
Corporate	(86.3)	(99.5)	(79.0)	378.2	323.6
Total	221.5	204.2	205.8	9,347.2	9,751.7

Distributions

	30 Jun 11 cents	30 Jun 10 cents
Distribution per stapled security (comparative information restated for the 5 to 1 consolidation of stapled securities)*	8.5	7.6

* Includes the March 2011 quarterly distribution of 4.2 cents paid on 27 May 2011 and the June 2011 quarterly distribution of 4.3 cents which is expected to be paid on 30 September 2011.

No provision for the quarterly June distribution has been recognised in the Statement of Financial Position at 30 June 2011 as the distribution was not declared until 25 August 2011, which was after the end of the half year.

Distribution policy

GPT will distribute the greater of 70-80% of realised operating income (excluding development profits) and taxable income.

Significant changes in the state of affairs

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

- On 29 March 2011 GPT completed the sale of the US Seniors Housing Portfolio to Health Care REIT Inc (HCN). The US Seniors Portfolio, which consisted of a 95% interest in 34 senior living communities, was sold to HCN for US \$890 million with the proceeds used to reduce borrowings.
- On 11 May 2011, GPT announced an on-market buy-back of up to 5% of the Group's ordinary securities. No GPT securities were bought back prior to 30 June 2011.
- On 23 May 2011, GPT completed the sale of Ayers Rock Resort to the Indigenous Land Corporation. Total consideration for the sale is \$300 million, to be received in three instalments with \$81 million paid on settlement, \$81 million to be received 12 months after settlement and \$138 million to be received five years after settlement. Proceeds from the first instalment were used to reduce borrowings. GPT has been provided with security guaranteeing the deferred payments and will receive interest on the deferred payments at a rate of 6.5% per annum. GPT will share in 46% of the increase in capital value of Ayers Rock Resort over \$300 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of \$17 million at the end of the five year period. GPT will accrue increments of the \$17 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT will contribute \$25 million towards capital expenditure over the next 5 years.

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2011

Significant changes in the state of affairs (continued)

- During the period, GPT has completed a \$211.5 million sell-down of its investments in both the GPT Wholesale Office Fund (\$178.2 million) and GPT Wholesale Shopping Centre Fund (\$33.3 million). As a result, GPT's investments in the GPT Wholesale Office Fund and GPT Wholesale Shopping Centre Fund have reduced to 26.40% and 20.23% respectively at 30 June 2011.

Environmental Regulation

GPT 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. GPT 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.

GPT is also subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 ("EEO") and the National Greenhouse and Energy Reporting Act 2007 ("NGER").

The Energy Efficiency Opportunities Act 2006 requires GPT 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 GPT intends to take as a result. As required under this act, GPT is registered with the Department of Resources, Energy and Tourism as a participant entity. GPT has collated energy data and identified energy opportunities for the 1 July 2010 to 30 June 2011 period to ensure the Energy Efficiency Opportunities data is made available in a Public Report on the GPT website by the required date of 31 December 2011.

The National Greenhouse and Energy Reporting Act 2007 requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2010 to 30 June 2011. GPT has implemented systems and processes for the collection and calculation of the data required for submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2011.

More information about the GPT Group's participation in the EEO and NGER programs is available at www.gpt.com.au.

Events subsequent to the end of the half year

The following events have occurred subsequent to 30 June 2011:

- On 25 August 2011, a distribution of 4.3 cents per stapled security was declared for the quarter ended 30 June 2011 which is expected to be paid on 30 September 2011 (refer to note 3(a)(ii)).
- Post 30 June 2011 and until 23 August 2011, as part of the on-market buy-back announced on 11 May 2011, GPT has bought back 16.0 million ordinary stapled securities for \$47.7 million. This represents 0.9% of total ordinary securities.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2011 that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Rounding of amounts

The Group 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 and financial report. Amounts shown in the Directors' Report and financial report have been rounded off to the nearest tenth of a million dollars in accordance with that Class Order.

Auditor

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

Auditor's independence declaration

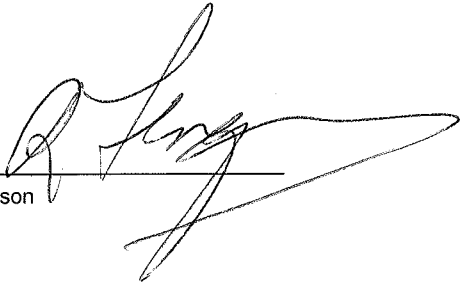
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2011

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman

Sydney
25 August 2011



Michael Cameron
Managing Director and Chief Executive Officer



Auditor's Independence Declaration

As lead auditor for the review of the GPT Group for the half-year ended 30 June 2011, 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 General Property Trust and the entities it controlled during the period.

A handwritten signature in black ink that reads 'A J Loveridge'.

A J Loveridge
Partner
PricewaterhouseCoopers

Sydney
25 August 2011

THE GPT GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2011

	Note	Consolidated entity	
		30 Jun 11	30 Jun 10
		\$M	\$M
Revenue			
Rent from property investments		287.3	259.6
Property and fund management fees		17.8	17.9
Development project revenue		3.1	2.7
		308.2	280.2
Other income			
Fair value adjustments to investment properties		71.7	5.8
Share of after tax profit of equity accounted investments		82.0	84.7
Interest revenue - cash and short term money market securities		1.3	1.3
Net foreign exchange gain		5.2	-
Reversal of prior period impairment		2.6	-
		162.8	91.8
Total revenue and other income		471.0	372.0
Expenses			
Property expenses and outgoings		77.6	73.0
Management and other administration costs		39.5	35.3
Depreciation and amortisation expense		4.0	3.6
Finance costs		71.9	65.3
Impairment expense - loan and receivables		-	6.1
Impairment expense - other		-	2.5
Net loss on fair value of derivatives		32.6	68.9
Net loss on disposal of assets		0.1	0.4
Net foreign exchange loss		-	8.3
Total expenses		225.7	263.4
Profit before income tax expense		245.3	108.6
Income tax credit / (expense)		6.6	(0.6)
Profit after income tax expense		251.9	108.0
(Loss) / Profit from discontinued operations	2(a)	(8.8)	37.2
Net profit for the half year		243.1	145.2
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		4.9	11.7
Total comprehensive income for the half year		248.0	156.9
Net profit / (loss) attributable to:			
- Securityholders of the Trust		254.5	186.8
- Securityholders of other entities stapled to the Trust		(11.4)	(41.6)
Total comprehensive income / (loss) attributable to:		259.1	197.8
- Securityholders of the Trust		259.1	197.8
- Securityholders of other entities stapled to the Trust		(11.1)	(40.9)
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	12(a)	13.2	6.0
Earnings per unit (cents per unit) - (loss) / profit from discontinued operations	12(a)	(0.2)	3.4
Earnings per unit (cents per unit)	12(a)	13.0	9.4
Basic and diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	12(b)	12.9	5.2
Earnings per security (cents per security) - (loss) / profit from discontinued operations	12(b)	(0.5)	2.0
Earnings per security (cents per security)	12(b)	12.4	7.2

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

		Consolidated entity	
		30 Jun 11	31 Dec 10
	Note	\$M	\$M
ASSETS			
Current Assets			
Cash and cash equivalents	11(b)	50.9	41.1
Loans and receivables		142.6	62.0
Derivative assets		-	0.2
Tax receivables		33.5	-
Prepayments		5.8	6.1
		<u>232.8</u>	109.4
Non-current assets classified as held for sale	4 (c)	<u>86.2</u>	741.1
Total Current Assets		<u>319.0</u>	<u>850.5</u>
Non-Current Assets			
Investment properties	5	6,729.5	6,562.5
Investments in associates and joint ventures	6	1,935.4	2,125.0
Property, plant & equipment		14.1	5.7
Loans and receivables		154.2	13.2
Other assets		0.2	0.2
Intangible assets		50.2	51.8
Derivative assets		107.6	115.0
Deferred tax assets		37.0	27.8
Total Non-Current Assets		<u>9,028.2</u>	<u>8,901.2</u>
Total Assets		<u>9,347.2</u>	<u>9,751.7</u>
LIABILITIES			
Current Liabilities			
Payables		171.7	193.4
Borrowings	7	44.3	34.3
Derivative liabilities		0.6	0.4
Current tax liabilities		-	2.1
Provisions		14.2	12.4
		<u>230.8</u>	242.6
Non-current liabilities classified as held for sale	4 (c)	<u>3.7</u>	8.2
Total Current Liabilities		<u>234.5</u>	<u>250.8</u>
Non-Current Liabilities			
Payables		21.0	-
Borrowings	7	1,946.2	2,418.2
Derivative liabilities		109.1	96.0
Provisions		4.5	4.2
Deferred tax liabilities		0.2	28.0
Total Non-Current Liabilities		<u>2,081.0</u>	<u>2,546.4</u>
Total Liabilities		<u>2,315.5</u>	<u>2,797.2</u>
Net Assets		<u>7,031.7</u>	<u>6,954.5</u>
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	8	8,155.3	8,155.3
Reserves		(61.9)	(69.7)
Retained profits/(accumulated losses)		(499.4)	(578.2)
Total equity of GPT Trust securityholders		<u>7,594.0</u>	<u>7,507.4</u>
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	8	324.7	324.7
Reserves		37.0	35.0
Retained profits/(accumulated losses)		(924.0)	(912.6)
Total equity of other stapled securityholders		<u>(562.3)</u>	<u>(552.9)</u>
Total Equity		<u>7,031.7</u>	<u>6,954.5</u>

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2011

Consolidated Entity									
Note	Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				Total equity \$M
	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	
Balance at 1 January 2010	8,155.3	36.9	(1,014.6)	7,177.6	324.7	14.7	(848.6)	(509.2)	6,668.4
Movement in foreign currency translation reserve	-	11.0	-	11.0	-	0.7	-	0.7	11.7
Net income recognised directly in equity	-	11.0	-	11.0	-	0.7	-	0.7	11.7
Profit / (loss) for the half year	-	-	186.8	186.8	-	-	(41.6)	(41.6)	145.2
Total comprehensive income / (loss) for the half year	-	11.0	186.8	197.8	-	0.7	(41.6)	(40.9)	156.9
Transactions with Securityholders in their capacity as Securityholders:									
Movement in treasury stock reserve	-	0.4	-	0.4	-	-	-	-	0.4
Movement in employee incentive security scheme reserve	-	-	-	-	-	1.1	-	1.1	1.1
Distribution paid or payable	3	-	(170.1)	(170.1)	-	-	-	-	(170.1)
Balance at 30 June 2010	8,155.3	48.3	(997.9)	7,205.7	324.7	16.5	(890.2)	(549.0)	6,656.7
Balance at 1 January 2011	8,155.3	(69.7)	(578.2)	7,507.4	324.7	35.0	(912.6)	(552.9)	6,954.5
Movement in foreign currency translation reserve	-	4.6	-	4.6	-	0.3	-	0.3	4.9
Net income recognised directly in equity	-	4.6	-	4.6	-	0.3	-	0.3	4.9
Profit / (loss) for the half year	-	-	254.5	254.5	-	-	(11.4)	(11.4)	243.1
Total comprehensive income / (loss) for the half year	-	4.6	254.5	259.1	-	0.3	(11.4)	(11.1)	248.0
Transactions with Securityholders in their capacity as Securityholders:									
Movement in treasury stock reserve	-	3.2	-	3.2	-	(0.6)	-	(0.6)	2.6
Movement in employee incentive security scheme reserve	-	-	-	-	-	2.3	-	2.3	2.3
Distribution paid or payable	3	-	(175.7)	(175.7)	-	-	-	-	(175.7)
Balance at 30 June 2011	8,155.3	(61.9)	(499.4)	7,594.0	324.7	37.0	(924.0)	(562.3)	7,031.7

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CASH FLOW

for the half year ended 30 June 2011

	Note	Consolidated entity	
		30 Jun 11 \$M	30 Jun 10 \$M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		384.5	360.7
Cash payments in the course of operations (inclusive of GST)		(193.1)	(177.3)
Distributions received from associates and joint ventures		70.7	71.9
Dividend income		-	0.3
Interest received		5.0	5.0
Taxes (paid) / received		(0.9)	2.5
		<u>266.2</u>	<u>263.1</u>
Finance costs		(78.0)	(75.0)
Net cash inflows from operating activities	11(a)	<u>188.2</u>	<u>188.1</u>
Cash flows from investing activities			
Payments for investment properties		(29.6)	(39.9)
Proceeds from disposal of investment properties		-	24.0
Payments for properties under development		(65.2)	(114.6)
Payments for property, plant and equipment		(10.1)	(2.2)
Proceeds from sale of property, plant & equipment		81.0	13.9
Payments for intangibles		(1.5)	(13.8)
Net investment in joint ventures and associates		(1.4)	(138.6)
Proceeds from disposal of controlled entities and associates		213.8	-
Proceeds from disposal of assets in US Senior Housing portfolio (net of tax)		231.0	-
Loan repayment from associate		60.0	11.3
Payments for costs to sell on assets held for sale		(7.2)	(9.2)
Net cash inflows / (outflows) from investing activities		<u>470.8</u>	<u>(269.1)</u>
Cash flows from financing activities			
Net (repayment) / proceeds of bank facilities		(465.6)	245.0
Repayment of employee incentive scheme loans, net of distributions		2.5	0.3
Payments on termination and restructure of derivatives		(11.7)	-
Distributions paid to securityholders		(175.7)	(170.2)
Net cash (outflows) / inflows from financing activities		<u>(650.5)</u>	<u>75.1</u>
Net increase / (decrease) in cash and cash equivalents		<u>8.5</u>	<u>(5.9)</u>
Cash and cash equivalents at the beginning of the half year		<u>44.8</u>	<u>51.0</u>
		<u>53.3</u>	<u>45.1</u>
Less: Cash balance classified as assets held for sale		(2.4)	(5.8)
Cash and cash equivalents at the end of the half year	11(b)	<u>50.9</u>	<u>39.3</u>

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

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

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 2011 has been prepared in accordance with General Property Trust'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 2010 and any public announcements made by the Group during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

The financial report was approved by the Board of Directors on 25 August 2011.

b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. No significant changes are expected to GPT's financial performance, financial position or accounting principles as a result of the application of the new and amended standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 January 2011.

Where applicable, certain comparative figures are restated in order to comply with the current period presentation of the financial report.

c) New accounting standards and interpretations

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, this could change the classification and measurement of financial assets and financial liabilities. GPT does not plan to adopt this standard early and the extent of the impact has not yet been determined.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in other Entities and revised IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2013)

In May 2011, the IASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The AASB is expected to issue equivalent Australian standards shortly.

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 Consolidated and separate financial statements, and SIC-12 Consolidation – special purpose entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. GPT is yet to evaluate its investments in light of this new IFRS.

IFRS 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. IFRS 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. GPT is yet to evaluate its joint arrangements in light of the new guidance.

IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28. Application of this standard by GPT will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to GPT's investments.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. Summary of significant accounting policies (continued)

c) New accounting standards and interpretations (continued)

IAS 27 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by GPT will not affect any of the amounts recognised in the financial statements.

Amendments to IAS 28 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. GPT is still assessing the impact of these amendments.

GPT does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting ending 31 December 2013.

IFRS 13 Fair value measurement (effective 1 January 2013)

IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. GPT has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. GPT does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 31 December 2013.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial reports. GPT is a disclosing entity and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial report of GPT.

Revised IAS 1 Presentation of Financial Statements (effective 1 July 2012)

In June 2011, the IASB made an amendment to IAS 1 Presentation of Financial Statements. The AASB is expected to make equivalent changes to AASB 101 shortly. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. It will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. GPT intends to adopt the new standard from 1 January 2013.

d) Critical accounting estimates and judgements

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. Management bases its judgements 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 reporting period to the carrying amounts of assets and liabilities recognised in this financial report are:

(i) Valuation of property investments

Critical judgements are made by GPT in respect of the fair values of investments in associates and joint ventures and investment properties including investment properties under development at 30 June 2011. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations, recent offers 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 GPT's derivatives may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. Summary of significant accounting policies (continued)

d) Critical accounting estimates and judgements (continued)

(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 review the allocation of cash flows to those assets and estimate a fair value for the assets. Critical judgements are made by GPT in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

(iv) Impairment of intangibles

The Group assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular intangible asset that may lead to impairment.

(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. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation and Binomial tree pricing models. 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 reporting period but may impact the share based payment expense and equity.

(vi) Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

e) Rounding of amounts

The Group 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 tenth of a million dollars in accordance with that Class Order.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting

(a) Financial Performance by Segment

The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2011 is set out below.

	Core operations					Total Core operations	Non-Core operations				Total
	Retail	Office	Industrial	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue											
Rent from investment properties	209.2	53.9	33.9	-	-	297.0	-	-	-	-	297.0
Revenue from hotel operations	-	-	-	-	-	-	-	-	-	40.8	40.8
Property and fund management fees	5.9	-	-	11.9	-	17.8	-	-	-	-	17.8
Development project revenue	1.9	1.2	-	-	-	3.1	-	-	-	-	3.1
Total segment revenue	217.0	55.1	33.9	11.9	-	317.9	-	-	-	40.8	358.7
Other income											
Share of after tax profits of equity accounted investments	4.5	22.2	-	40.6	-	67.3	5.3	-	1.3	-	73.9
Interest revenue - associates and other investments	-	-	-	-	-	-	1.3	-	0.3	-	1.6
Total other income	4.5	22.2	-	40.6	-	67.3	6.6	-	1.6	-	75.5
Total segment revenue and other income	221.5	77.3	33.9	52.5	-	385.2	6.6	-	1.6	40.8	434.2
Less:											
Property expenses and outgoings	(57.8)	(14.1)	(5.7)	-	-	(77.6)	-	-	-	-	(77.6)
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(34.2)	(34.2)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs, and income tax expense	163.7	63.2	28.2	52.5	-	307.6	6.6	-	1.6	6.6	322.4
Management and other administration costs	(9.7)	(4.6)	0.1	(5.3)	(19.8)	(39.3)	0.7	-	(0.6)	-	(39.2)
Depreciation and amortisation expense	-	-	-	-	(0.9)	(0.9)	-	-	-	-	(0.9)
Income tax (expense) / benefits	1.1	0.5	(0.2)	(2.4)	5.0	4.0	1.3	-	(0.3)	2.7	7.7
Finance costs	-	-	-	-	(70.6)	(70.6)	-	-	-	2.1	(68.5)
Segment result for the half year *	155.1	59.1	28.1	44.8	(86.3)	200.8	8.6	-	0.7	11.4	221.5
Fair value adjustments to investment properties	77.4	(6.8)	1.1	-	-	71.7	-	-	-	-	71.7
Fair value and other adjustments to equity accounted investments	1.9	0.2	-	12.6	-	14.7	(3.3)	-	(6.1)	-	5.3
Revaluation of Hotel Properties	-	-	-	-	-	-	-	-	-	(22.9)	(22.9)
Depreciation and amortisation expense - management rights and hotels & tourism	(1.1)	-	-	-	(2.0)	(3.1)	-	-	-	(2.1)	(5.2)
Reversal of prior year impairment	-	-	-	-	2.6	2.6	-	-	-	-	2.6
Impairment expense - other	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Fair value movement of derivatives	-	-	-	-	(32.6)	(32.6)	-	-	-	-	(32.6)
Net foreign exchange gain / (loss)	-	-	-	-	5.2	5.2	(5.4)	-	0.2	-	-
Net gain / (loss) on disposal of assets	-	-	-	-	(0.1)	(0.1)	4.4	-	-	0.5	4.8
Non-cash IFRS revenue adjustments	(5.5)	(3.7)	(0.5)	-	-	(9.7)	-	-	-	-	(9.7)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year	(0.6)	-	-	-	3.2	2.6	5.0	-	-	0.3	7.9
Other	-	-	-	-	(0.2)	(0.2)	-	-	-	-	(0.2)
Net profit / (loss) for the half year	227.2	48.8	28.7	57.4	(110.2)	251.9	9.3	-	(5.2)	(12.9)	243.1

* 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 Standards. The adjustments that reconcile the Segment Result to the net profit or loss for the half 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).

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

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(e)) for the half year ended 30 June 2010 is set out below.

	Core operations					Total Core operations	Non-Core operations				Total
	Retail	Office	Industrial	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing**	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels / Tourism	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue											
Rent from investment properties	185.6	52.1	33.1	-	-	270.8	-	-	-	0.1	270.9
Revenue from hotel operations	-	-	-	-	-	-	-	-	-	48.1	48.1
Property and fund management fees	6.7	-	-	11.2	-	17.9	-	-	-	-	17.9
Development project revenue	1.1	1.6	-	-	-	2.7	-	-	-	-	2.7
Total segment revenue	193.4	53.7	33.1	11.2	-	291.4	-	-	-	48.2	339.6
Other income											
Share of after tax profits of investments in associates and joint ventures	4.4	21.7	-	41.0	-	67.1	9.8	-	1.9	-	78.8
Dividend from investments	-	-	-	-	-	-	-	-	-	0.3	0.3
Interest revenue - associates and other investments	-	-	-	-	-	-	3.2	-	0.4	-	3.6
Total other income	4.4	21.7	-	41.0	-	67.1	13.0	-	2.3	0.3	82.7
Total segment revenue and other income	197.8	75.4	33.1	52.2	-	358.5	13.0	-	2.3	48.5	422.3
Less:											
Property expenses and outgoings	(54.0)	(13.5)	(5.5)	-	-	(73.0)	-	-	-	-	(73.0)
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(42.8)	(42.8)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense	143.8	61.9	27.6	52.2	-	285.5	13.0	-	2.3	5.7	306.5
Management and other administration costs	(8.9)	(4.3)	(0.6)	(5.3)	(16.2)	(35.3)	(0.9)	-	(2.2)	-	(38.4)
Depreciation and amortisation expense	-	-	-	-	(1.5)	(1.5)	-	-	-	-	(1.5)
Income tax (expense) / benefits	(0.2)	0.4	0.1	(1.9)	2.7	1.1	(0.7)	-	(0.7)	3.4	3.1
Finance costs	-	-	-	-	(64.0)	(64.0)	-	-	-	0.1	(63.9)
Segment result for the half year *	134.7	58.0	27.1	45.0	(79.0)	185.8	11.4	-	(0.6)	9.2	205.8
Fair value adjustments to investment properties	6.5	3.3	(4.0)	-	-	5.8	-	-	-	-	5.8
Fair value and other adjustments to investments in associates and joint ventures	-	8.1	-	9.5	-	17.6	30.2	-	(6.1)	-	41.7
Revaluation of Hotel Properties	-	-	-	-	-	-	-	-	-	2.8	2.8
Depreciation and amortisation expense - management rights and hotels & tourism	(2.1)	-	-	-	-	(2.1)	-	-	-	(3.0)	(5.1)
Reversal of prior year impairment	-	-	-	-	-	-	-	4.8	4.7	-	9.5
Impairment expense - loan and receivables	-	-	-	-	(6.1)	(6.1)	-	-	-	-	(6.1)
Impairment expense - other	-	-	-	-	(2.5)	(2.5)	-	-	-	(0.1)	(2.6)
Fair value movement of derivatives	-	-	-	-	(68.9)	(68.9)	-	-	-	-	(68.9)
Net foreign exchange loss	-	-	-	-	(8.3)	(8.3)	-	-	(6.9)	-	(15.2)
Net gain / (loss) on disposal of assets	0.4	-	(0.2)	-	(0.6)	(0.4)	-	(2.3)	3.8	(1.9)	(0.8)
Cost to sell for assets and liabilities held for sale	-	-	-	-	-	-	-	-	(2.1)	(2.4)	(4.5)
Non-cash IFRS revenue adjustments	(7.9)	(1.4)	(1.9)	-	-	(11.2)	-	-	-	-	(11.2)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year	-	-	-	-	(1.7)	(1.7)	-	-	-	(4.3)	(6.0)
Net profit / (loss) for the half year	131.6	68.0	21.0	54.5	(167.1)	108.0	41.6	2.5	(7.2)	0.3	145.2

* 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 Standards. The adjustments that reconcile the Segment Result to the net profit or loss for the half 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).

**This segment was classified as discontinued operations in the annual financial report for the year ended 31 December 2010 but not in the interim financial report for the half year ended 30 June 2010. As a result, the comparatives for 30 June 2010 have been restated for consistency.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

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

30 June 2011

	Note	Core operations \$M	All other segments \$M	Total continuing operations \$M	ROI adjustments \$M	Total Statement of Comprehensive income \$M
Revenue						
Rent from investment properties		297.0	-	297.0	-	297.0
Property and fund management fees		17.8	-	17.8	-	17.8
Development project revenue		3.1	-	3.1	-	3.1
Total segment revenue		317.9	-	317.9	-	317.9
Less: Non-cash IFRS adjustments	2(c)(i)	-	-	-	(9.7)	(9.7)
		317.9	-	317.9	(9.7)	308.2
Other income						
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)		67.3	-	67.3	-	67.3
Fair value adjustments to investments in associates and joint ventures	2(c)(ii)	-	-	-	14.7	14.7
Interest revenue - cash and short term money market securities	2(c)(vi)	-	-	-	1.3	1.3
Fair value adjustments to investment properties	2(c)(iii)	-	-	-	71.7	71.7
Net foreign exchange gain		-	-	-	5.2	5.2
Total other income		67.3	-	67.3	92.9	160.2
Total segment revenue and other income		385.2	-	385.2	83.2	468.4
Less:						
Property expenses and outgoings		(77.6)	-	(77.6)	-	(77.6)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense		307.6	-	307.6	83.2	390.8
Management and other administration costs		(19.5)	(19.8)	(39.3)	-	(39.3)
Other expenses		-	-	-	(0.2)	(0.2)
Depreciation and amortisation expense (excluding intangibles)		-	(0.9)	(0.9)	-	(0.9)
Amortisation expense - intangibles	2(c)(v)	-	-	-	(3.1)	(3.1)
Finance costs		-	(70.6)	(70.6)	-	(70.6)
Less: Interest revenue included in finance costs	2(c)(vi)	-	-	-	(1.3)	(1.3)
Net loss on fair value of derivatives	2(c)(iv)	-	-	-	(32.6)	(32.6)
Income tax (expense) / benefits		(1.0)	5.0	4.0	-	4.0
Add: Tax impact on reconciling items from Segment result to Net profit for the half year		-	-	-	2.6	2.6
Segment result for the half year		287.1	(86.3)	200.8	48.6	249.4
Net loss on disposal of assets		-	-	-	(0.1)	(0.1)
Reversal of prior period impairment		-	-	-	2.6	2.6
Net profit / (loss) for the half year		287.1	(86.3)	200.8	51.1	251.9

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income – Continuing Operations (continued)

30 June 2010

	Note	Core operations \$M	All other segments \$M	Total continuing operations \$M	ROI adjustments \$M	Total Statement of Comprehensive Income \$M
Revenue						
Rent from investment properties		270.8	-	270.8	-	270.8
Property and fund management fees		17.9	-	17.9	-	17.9
Development project revenue		2.7	-	2.7	-	2.7
Total segment revenue		291.4	-	291.4	-	291.4
Less: Non-cash IFRS adjustments	2 (c)(i)	-	-	-	(11.2)	(11.2)
		291.4	-	291.4	(11.2)	280.2
Other income						
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)		67.1	-	67.1	-	67.1
Fair value adjustments to investments in associates and joint ventures	2 (c)(ii)	-	-	-	17.6	17.6
Interest revenue - cash and short term money market securities	2 (c)(vi)	-	-	-	1.3	1.3
Fair value adjustments to investment properties	2 (c)(iii)	-	-	-	5.8	5.8
Total other income		67.1	-	67.1	24.7	91.8
Total segment revenue and other income		358.5	-	358.5	13.5	372.0
Less:						
Property expenses and outgoings		(73.0)	-	(73.0)	-	(73.0)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense						
		285.5	-	285.5	13.5	299.0
Management and other administration costs		(19.1)	(16.2)	(35.3)	-	(35.3)
Depreciation and amortisation expense (excluding intangibles)		-	(1.5)	(1.5)	-	(1.5)
Amortisation expense - intangibles	2 (c)(v)	-	-	-	(2.1)	(2.1)
Finance costs		-	(64.0)	(64.0)	-	(64.0)
Less: Interest revenue included in finance costs	2 (c)(vi)	-	-	-	(1.3)	(1.3)
Net foreign exchange loss		-	-	-	(8.3)	(8.3)
Net loss on fair value of derivatives	2 (c)(iv)	-	-	-	(68.9)	(68.9)
Income tax (expense) / benefits		(1.6)	2.7	1.1	-	1.1
Add: Tax impact on reconciling items from Segment result to Net profit for the half year		-	-	-	(1.7)	(1.7)
Segment result for the half year		264.8	(79.0)	185.8	(68.8)	117.0
Net loss on disposal of assets		-	-	-	(0.4)	(0.4)
Impairment expense - loan and receivables		-	-	-	(6.1)	(6.1)
Impairment expense - other		-	-	-	(2.5)	(2.5)
Net profit / (loss) for the half year		264.8	(79.0)	185.8	(77.8)	108.0

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(c) Description of adjustments from Segment Result ("ROI") to Net profit for the half year

The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at the net profit shown in the financial report are set out below:

- (i) **Non-cash IFRS adjustments** primarily comprise amounts for straightlining rental revenue and amortising lease incentives. These are required for Australian Accounting Standards purposes but are non-cash amounts and therefore have been excluded from ROI to better reflect revenue on a cash basis in ROI.
- (ii) **Fair value and other adjustments to equity accounted investments** comprise the movements in the value of the underlying assets of GPT's investments in joint ventures and associates as required by Australian Accounting Standards but do not reflect the cash distributions received from these investments. As such, GPT has excluded these amounts from ROI to better reflect a cash basis in ROI.
- (iii) **Fair value adjustments to investment properties** comprise movements in fair value of investment properties required by Australian Accounting Standards for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (iv) **Fair value movement of derivatives** comprise mark-to-market movements required by Australian Accounting Standards for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (v) **Amortisation expense** is required for Australian Accounting Standards and is a non-cash transaction. GPT has therefore excluded this amount from ROI to better reflect a cash basis in ROI.
- (vi) **Finance costs** are presented net of interest revenue from cash at bank and short term money markets in the Segment Result. This adjustment is required to reconcile to the Statement of Comprehensive Income.

The accounting policies used by the Group in reporting segments internally is the same as those in note 1 to the financial report and in the prior period.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Group's revenues.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

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

The amounts provided to the CEO in respect of total assets and total liabilities are measured in a manner consistent with that of the financial report and allocated based on the operations of the segment and physical location of the assets.

The reportable segments' assets and liabilities as at 30 June 2011 and 31 December 2010 are set out below:

30 June 2011

	Note	Core operations					Total Core operations	Non-Core operations				Total
		Retail	Office	Industrial	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Current Assets												
Non-current assets held for sale	4 (c)	40.0	-	9.7	-	-	49.7	9.6	-	17.8	9.1	86.2
Other current assets		-	-	-	-	151.8	151.8	-	-	-	81.0	232.8
Total Current Assets		40.0	-	9.7	-	151.8	201.5	9.6	-	17.8	90.1	319.0
Non-Current Assets												
Investment properties		4,706.6	1,224.6	798.3	-	-	6,729.5	-	-	-	-	6,729.5
Equity accounted investments		147.7	676.5	-	1,098.6	12.6	1,935.4	-	-	-	-	1,935.4
Property, plant and equipment		-	-	-	-	14.1	14.1	-	-	-	-	14.1
Loans and receivables		-	-	-	-	15.7	15.7	-	-	-	138.5	154.2
Intangible assets		11.0	-	-	-	39.2	50.2	-	-	-	-	50.2
Other non-current assets		-	-	-	-	144.8	144.8	-	-	-	-	144.8
Total Non-Current Assets		4,865.3	1,901.1	798.3	1,098.6	226.4	8,889.7	-	-	-	138.5	9,028.2
Total Assets		4,905.3	1,901.1	808.0	1,098.6	378.2	9,091.2	9.6	-	17.8	228.6	9,347.2
Non-current liabilities classified as held for sale	4 (c)	-	-	-	-	-	-	1.0	-	-	2.7	3.7
Other current and non-current liabilities		-	-	-	-	2,286.8	2,286.8	-	-	-	25.0	2,311.8
Total Liabilities		-	-	-	-	2,286.8	2,286.8	1.0	-	-	27.7	2,315.5
Net Assets		4,905.3	1,901.1	808.0	1,098.6	(1,908.6)	6,804.4	8.6	-	17.8	200.9	7,031.7

31 December 2010

Current Assets												
Non-current assets held for sale	4 (c)	49.1	-	-	-	-	49.1	351.9	-	23.0	317.1	741.1
Other current assets		-	-	-	-	109.4	109.4	-	-	-	-	109.4
Total Current Assets		49.1	-	-	-	109.4	158.5	351.9	-	23.0	317.1	850.5
Non-Current Assets												
Investment properties		4,582.3	1,188.3	791.9	-	-	6,562.5	-	-	-	-	6,562.5
Equity accounted investments		145.6	675.3	-	1,291.5	12.6	2,125.0	-	-	-	-	2,125.0
Property, plant and equipment		-	-	-	-	5.7	5.7	-	-	-	-	5.7
Loans and receivables		-	-	-	-	13.2	13.2	-	-	-	-	13.2
Intangible assets		12.1	-	-	-	39.7	51.8	-	-	-	-	51.8
Other non-current assets		-	-	-	-	143.0	143.0	-	-	-	-	143.0
Total Non-Current Assets		4,740.0	1,863.6	791.9	1,291.5	214.2	8,901.2	-	-	-	-	8,901.2
Total Assets		4,789.1	1,863.6	791.9	1,291.5	323.6	9,059.7	351.9	-	23.0	317.1	9,751.7
Non-current liabilities classified as held for sale	4 (c)	-	-	-	-	-	-	-	-	-	8.2	8.2
Other current and non-current liabilities		-	-	-	-	2,761.5	2,761.5	27.5	-	-	-	2,789.0
Total Liabilities		-	-	-	-	2,761.5	2,761.5	27.5	-	-	8.2	2,797.2
Net Assets		4,789.1	1,863.6	791.9	1,291.5	(2,437.9)	6,298.2	324.4	-	23.0	308.9	6,954.5

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(e) Identification of Reportable Segments

The Group's operating segments based on internal reports reviewed by the Chief Executive Officer are:

Segment	Types of products and services which generate segment revenues
Retail	Regional, sub-regional and community shopping centres, Homemaker City (bulky goods) centres, retail re-developments and new retail developments as well as development and property management of retail assets.
Office	Office space with associated retail space and office developments.
Industrial	Traditional industrial and business park assets with capacity for organic growth through the development of vacant land as well as industrial re-developments.
Funds Management - Australia	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
All Other Segments	Finance, principally interest costs, Group operating costs and foreign exchange gains and losses.
Discontinued operation - US Seniors Housing	Investment 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. GPT completed the sale of this portfolio on 29 March 2011.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture in Europe, the United States of America, New Zealand and Australia. GPT has divested of the majority of its interest in the Joint Venture with all remaining interests written down to zero.
Discontinued operation - Funds Management Europe	Equity investments in two small closed-end funds (a legacy of GPT's ownership of GPT Halverton) managed by Internos Real Investors.
Discontinued operation - Hotel / Tourism	Investments in nature-based resorts and hotel assets. GPT has divested all of its resorts after completing the sale of Ayers Rock Resort on 23 May 2011.

3. Distributions paid and payable to securityholders

		Consolidated Entity	
		30 Jun 11	30 Jun 10
		\$M	\$M
(a) Stapled Securityholders			
(i) Distributions paid			
Quarter ended December 2010:	4.6 cents per stapled security paid 25 March 2011 (1.0 cent per stapled security paid 26 March 2010 - pre 5 to 1 consolidation of stapled securities) ⁽²⁾	85.4	92.8
Quarter ended March 2011:	4.2 cents per stapled security paid 27 May 2011 (0.7 cent per stapled security paid 28 May 2010 - pre 5 to 1 consolidation of stapled securities) ⁽²⁾	77.9	64.9
Total distributions paid		163.3	157.7
(ii) Distributions proposed and not recognised as a liability ⁽¹⁾			
Quarter ended June 2011:	4.3 cents per stapled security (4.1 cents per stapled security paid 24 September 2010)	79.5	76.1
(b) Exchangeable Securityholders ⁽³⁾			
(i) Distributions paid			
Period from 27 November 2010 to 27 May 2011	10% per exchangeable security	12.4	12.4
(ii) Distributions payable			
Period from 28 May 2011 to 30 June 2011	10% per exchangeable security	2.4	2.4

(1) The June quarter distribution of 4.3 cents per stapled security is expected to be paid on 30 September 2011. No provision for the distribution has been recognised in the Statement of Financial Position as at 30 June 2011 as the distribution had not been declared by that date. This distribution is based on the number of securities at 14 July 2011 and will be finalised on the record date of 6 September 2011, taking into account further on-market buy-back activity up until that date.

(2) On 10 May 2010, the securityholders of GPT Group approved the consolidation of every 5 stapled securities into 1 stapled security. Refer to note 8 (a) for further detail.

(3) Refer to note 8 (b) for further information on the Exchangeable Securities.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

4. Non-current assets held for sale, discontinued operations and other disposals

(a) Details of discontinued operations

At 30 June 2011, there are four discontinued operations: Hotel / Tourism Portfolio, Joint Venture, Funds Management – Europe and US Seniors Housing portfolios.

As part of GPT's commitment to the active ownership, management and development of high quality Australian real estate (Retail, Office and Industrial sectors), management has continued with its plans to exit from the Hotel/Tourism sector and offshore assets and further disposals have been completed in 2011. An update on the progress of these disposals post 31 December 2010 and the remaining investments for each discontinued operation as at 30 June 2011 is discussed in detail below.

(i) Hotel / Tourism

The sale contract was exchanged for the Ayers Rock Resort in October 2010 and settlement occurred on 23 May 2011 with a total consideration of \$300 million and a gain on sale after tax of \$0.5 million at 30 June 2011. The consideration for the sale will be received in the following instalments:

- \$81 million payment received on settlement;
- \$81 million payment received twelve months after settlement; and
- \$138 million payment received five years after settlement.

GPT has been provided with security guaranteeing the deferred payments and will receive interest on the deferred payments at a rate of 6.5% per annum. GPT will share in 46% of the increase in capital value of Ayers Rock Resort over \$300 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of \$17 million at the end of the five year period. GPT will accrue increments of the \$17 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT will contribute \$25 million towards capital expenditure over the next 5 years.

As a result of this transaction, GPT has substantially completed its exit from the Hotel/Tourism portfolio.

(ii) Funds Management - Europe

Dutch Active Fund Propco BV (DAF)

Following regulatory consent of the legal sale of GPT Europe 2 Sarl's 38.04% shareholding in DAF, an unconditional legal sale of the investment became effective from 6 July 2010. However, until the 38.04% shareholding in DAF is on-sold to a third party by the new owners or GPT, the risks and benefits of owning this investment still remain with GPT and do not qualify as a sale under Australian Accounting Standards. As a result, at 30 June 2011 GPT Europe 2 Sarl continues to recognise the 38.04% investment in DAF for \$7.9 million.

(iii) US Seniors Housing

On 29 March 2011, GPT completed the sale of its US Senior Housing portfolio to Health Care REIT Inc for a total consideration of US\$890 million and a gain on sale of \$4.4 million.

(b) Assets classified as Held for Sale

In addition to the residual assets and liabilities classified as held for sale in the Hotel / Tourism, Funds Management Europe and US Seniors Housing Portfolios, the Newcastle CBD land holdings, and part of Erskine Park, an industrial investment property, are also included as assets classified as held for sale in the Statement of Financial Position as at 30 June 2011.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

4. Non-current assets held for sale, discontinued operations and other disposals (continued)

(c) Details of Assets and Liabilities Classified as Held for Sale

The table below sets out the assets and liabilities that continue to be owned by the Group at 30 June 2011 (discussed in note 4(a) and (b) above). These assets and liabilities are presented as an aggregate amount on the lines "assets and liabilities held for sale" in the Statement of Financial Position.

	Note	Consolidated entity						Total 31 Dec 10 \$M
		Discontinued Operations			Retail	Industrial	Total	
		Hotels / Tourism	Funds Management Europe	US Senior Housing				
		30 Jun 11 \$M	30 Jun 11 \$M	30 Jun 11 \$M	30 Jun 11 \$M	30 Jun 11 \$M	30 Jun 11 \$M	
Assets classified as held for sale								
Cash at bank and at call		2.4	-	-	-	-	2.4	3.7
Loans and receivables	(iii)	3.3	9.9	-	-	-	13.2	81.0
Inventories		-	-	-	-	-	-	3.8
Investment properties								
- Newcastle CBD, NSW	(i)	-	-	-	40.0	-	40.0	49.1
- Erskine Park, NSW	(ii)	-	-	-	-	9.7	9.7	-
Investments in associates and joint ventures	(iv)	3.4	7.9	9.6	-	-	20.9	310.2
Property, plant and equipment		-	-	-	-	-	-	293.3
Total assets classified as held for sale	2(d)	9.1	17.8	9.6	40.0	9.7	86.2	741.1
Liabilities classified as held for sale								
Trade payables and accruals		2.7	-	1.0	-	-	3.7	6.1
Provision for employee benefits		-	-	-	-	-	-	2.1
Total liabilities directly associated with assets classified as held for sale	2(d)	2.7	-	1.0	-	-	3.7	8.2

- (i) On 23 August 2010, GPT announced it was exiting all of its Newcastle CBD land holdings. In November 2010, GPT commenced marketing the sale of the properties through CBRE. As a consequence, the Newcastle CBD land holdings have been classified from 'Investment Property' to 'Non-current assets held for sale'.
- (ii) On 24 June 2011, contracts were exchanged for the sale of part of Erskine Park and it is expected that the settlement will be completed by early 2012.
- (iii) Loans and receivables mainly comprise of a loan receivable of \$9.9 million from German Retail Fundco SARL.
- (iv) Investments in associates and joint ventures comprise:
- the 38.04% investment in DAF held at \$7.9 million. Refer to note 4(a)(ii) for further details;
 - the 40% investments in 161 Sussex St Pty Limited held at \$3.4 million and 46% investment in Kings Canyon (Watarrka) Resort Trust held at nil carrying value as at 30 June 2011;
 - the 50% investment in B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC with nil carrying value at 30 June 2011; and
 - investment in the US Seniors portfolio, including 95% investment in Benchmark GPT LLC and 95% investment in B-VII Operations Holding Co LLC. The properties held by these entities have been sold on 29 March 2011 and the entities are in the process of being liquidated. These investments are held at \$9.6 million as at 30 June 2011.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

4. Non-current assets held for sale, discontinued operations and other disposals (continued)

(d) Details of Financial Performance and Cashflow Information relating to Discontinued Operations

The table below sets out the financial performance and cashflow information up to 30 June 2011 for the discontinued operations that continue to be owned by the Group at reporting date. For assets which have been divested during the period, the relevant financial performance and cashflow information up to the date of disposal have also been included. The financial performance is shown at note 2(a) within the Discontinued Operations segments.

As stated in note 2 (a), prior period comparatives have been restated to include the US Senior Housing segment as discontinued operation.

	Note	Consolidated entity	
		30 Jun 11 \$M	30 Jun 10 \$M
Revenue		42.4	52.1
Share of after tax profit of investments in associates and joint ventures		6.6	11.7
Expenses		(32.0)	(45.8)
Income tax credit		3.7	2.0
Segment result for discontinued operations		20.7	20.0
Statutory items excluded from Segment result		(34.8)	21.5
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year		5.3	(4.3)
Net (Loss) / Profit after income tax of discontinued operations	2(a)	(8.8)	37.2
Net cash inflow from operating activities		30.7	15.9
Net cash inflow / (outflow) from investing activities		288.1	(2.6)
Net increase in cash generated by discontinued operations		318.8	13.3

(e) Details of Disposals

As part of GPT's strategy to reduce its investment in the GPT managed wholesale funds to 20% over time, GPT also disposed of the following investments during the six months to 30 June 2011:

	Date of disposal (settlement)	Principal Activity	Ownership interest disposed	Total Consideration \$M
Funds Management - Australian Portfolio				
GPT Wholesale Office Fund	8 April to 30 June 2011	Property investment	6.87%	178.2
GPT Wholesale Shopping Centre Fund	8 April to 2 May 2011	Property investment	1.63%	33.3

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

4. Non-current assets held for sale, discontinued operations and other disposals (continued)

(f) Details of Disposals including disposals in Discontinued Operations

The net profit / (loss) on sale of disposals in discontinued operations and in the general course of business during the six months to 30 June 2011 were:

	Consolidated entity	
	30 Jun 11	30 Jun 10
	\$M	\$M
Details of disposals during the half year:		
Cash consideration - net of transaction costs	299.9	35.2
Deferred consideration	219.0	-
Total consideration	518.9	35.2
Carrying amount of net assets sold	(513.6)	(40.2)
Foreign exchange gain realised on disposal	(0.5)	4.2
Profit / (loss) on sale before income tax	4.8	(0.8)

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

Cash at bank and at call	0.2	-
Loans and receivables	0.4	-
Inventories	3.5	-
Investment properties	0.1	24.0
Equity accounted investments	212.0	-
Property, plant and equipment	300.7	16.2
Other assets	0.8	-
Total assets	517.7	40.2
Trade payables and accruals	2.4	-
Other liabilities	1.7	-
Total liabilities	4.1	-
Net assets	513.6	40.2

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

5. Investment properties

	Note	Consolidated entity	
		30 Jun 11	31 Dec 10
		\$M	\$M
Retail	5(b)	4,706.6	4,582.3
Office	5(c)	1,100.3	1,088.3
Industrial	5(d)	696.8	693.0
Properties under development	5(e)	225.8	198.9
Total investment properties		6,729.5	6,562.5

(a) Reconciliation

A reconciliation of the carrying amount of investment properties at the beginning and end of the half year is as follows:

	For the 6 months to 30 Jun 11	For the 12 months to 31 Dec 10
	\$M	\$M
Carrying amount at start of the half year	6,562.5	6,023.6
Additions - operating capex	15.5	16.5
Additions - interest capitalised	5.9	29.3
Additions - development capex	66.0	261.9
Asset Acquisitions	-	12.9
Transfers from / (to) non-current assets classified as held for sale	(9.7)	172.9
Lease incentives	21.3	40.3
Amortisation of lease incentives	(11.2)	(22.9)
Disposals	-	(37.6)
Fair value adjustments	80.7	62.1
Leasing costs (net of amortisation)	(1.5)	3.5
Carrying amount at end of the half year	6,729.5	6,562.5

Details of the Group's Investment Properties

	Ownership Interest ⁽¹⁾	Acquisition Date	Fair Value 30 Jun 11	Fair Value 31 Dec 10	Latest Valuer Independent Valuation Date
	%		\$M	\$M	
(b) Retail					
Casuarina Square, NT	100.0	Oct 1973	454.3	448.1	Jun 2010 Knight Frank Valuations
Charlestown Square, NSW	100.0	Dec 1977	825.0	817.5	Dec 2010 Jones Lang LaSalle
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	9.9	9.9	Dec 2010 Jones Lang LaSalle
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	180.0	190.0	Jun 2011 CB Richard Ellis Pty Limited
Erina Fair, NSW ⁽²⁾	33.3	Jun 1992	251.8	251.8	Oct 2009 CB Richard Ellis Pty Limited
Highpoint Shopping Centre, VIC	16.7	Aug 2009	211.9	208.3	Sep 2010 Jones Lang LaSalle
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	9.3	9.2	Dec 2010 Jones Lang LaSalle
Westfield Penrith, NSW	50.0	Jun 1971	518.0	516.5	Dec 2010 CB Richard Ellis Pty Limited
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	325.0	312.0	Jun 2011 Knight Frank Valuations
Plaza Parade, QLD	50.0	Jun 1999	9.3	10.0	Jun 2011 Knight Frank Valuations
Westfield Woden, ACT	* 50.0	Feb 1986	320.8	320.0	Dec 2010 Knight Frank Valuations
Homemaker City, Aspley, QLD	100.0	Nov 2001	46.8	46.5	Dec 2009 CB Richard Ellis Pty Limited
Homemaker City, Fortitude Valley, QLD	100.0	Dec 2001	96.6	100.5	Mar 2010 Knight Frank Valuations
Homemaker City, Jindalee, QLD	100.0	Nov 2001	48.5	48.4	Dec 2009 Knight Frank Valuations
Rouse Hill Town Centre	100.0	Dec 2005	483.4	481.1	Dec 2009 CB Richard Ellis Pty Limited
Melbourne Central, VIC - retail portion ⁽³⁾	100.0	May 1999 / May 2001	916.0	812.5	Jun 2011 CB Richard Ellis Pty Limited
Total Consolidated entity			4,706.6	4,582.3	
(c) Office					
Australia Square, Sydney, NSW	50.0	Sep 1981	275.5	272.8	Mar 2009 CB Richard Ellis Pty Limited
MLC Centre, Sydney, NSW	50.0	Apr 1987	367.8	385.0	Jun 2011 Colliers International
Melbourne Central, VIC - office portion ⁽³⁾	100.0	May 1999 / May 2001	330.2	304.9	Jun 2011 CB Richard Ellis Pty Limited
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	126.8	125.6	Mar 2011 Savills
Total Consolidated entity			1,100.3	1,088.3	

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

5. Investment properties (continued)

Details of the Group's Investment Properties (continued)

	Ownership Interest ⁽¹⁾	Acquisition Date	Fair Value 30 Jun 11	Fair Value 31 Dec 10	Latest Valuer Independent Valuation Date
	%		\$M	\$M	
(d) Industrial					
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	44.0	44.1	Jun 2011 Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.2	66.1	Mar 2009 Jones Lang LaSalle
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	20.4	19.7	Jun 2010 CB Richard Ellis Pty Limited
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	20.4	20.3	Jun 2010 CB Richard Ellis Pty Limited
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	21.2	21.3	Dec 2009 Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	June 2004	35.6	34.1	Dec 2009 Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	12.1	12.0	Dec 2010 Jones Lang LaSalle
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	9.3	9.3	Jun 2010 CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	18.7	18.7	Jun 2011 Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.4	10.0	Jun 2010 CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	17.5	17.5	Jun 2011 Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	66.6	66.5	Sep 2009 CB Richard Ellis Pty Limited
15 Berry Street, Granville, NSW	100.0	Nov 2000	12.9	12.6	Sep 2009 CB Richard Ellis Pty Limited
19 Berry Street, Granville, NSW	100.0	Dec 2000	25.7	25.7	Sep 2009 CB Richard Ellis Pty Limited
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	39.1	38.6	Jun 2009 Knight Frank Valuations
Erskine Park, NSW (Stage 2)	100.0	Jun 2008	19.0	19.0	Sep 2010 Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	140.3	140.0	Oct 2009 Jones Lang LaSalle
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.1	13.0	Dec 2008 Jones Lang LaSalle
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	13.0	13.4	Jun 2011 Jones Lang LaSalle
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	30.2	30.1	Dec 2008 Jones Lang LaSalle
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.1	18.1	Jun 2009 Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	14.0	14.0	Dec 2008 Jones Lang LaSalle
Lots 42 & 44 Ocean Steamers Drive, Port Adelaide, SA	50.0	Jul 2006	6.1	6.0	Jun 2011 Colliers International
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	22.9	22.9	Dec 2010 Knight Frank Valuations
Total Consolidated entity			696.8	693.0	
(e) Properties under development					
Office					
One One One Eagle Street, Brisbane ⁽⁴⁾	33.3	Apr 1984	124.3	100.0	Dec 2010 Jones Lang LaSalle
Industrial					
17 Berry St, Granville	100.0	Sep 2009	5.1	5.0	Sep 2010 Knight Frank Valuations
7 Parkview Drive, Sydney Olympic Park, NSW ⁽⁵⁾	* 100.0	May 2002	18.6	7.1	Jun 2011 Jones Lang LaSalle
Erskine Park, NSW	100.0	Jun 2008	54.7	64.0	Jun 2009 Knight Frank Valuations
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	5.2	5.2	Dec 2010 Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	17.9	17.6	Oct 2009 Jones Lang LaSalle
Total Consolidated entity			225.8	198.9	

(1) Freehold, unless otherwise marked with a * which denotes leasehold.

(2) Erina Fair is 33.3% directly owned by the Trust. A further 16.7% is owned through a 50% share of Erina Property Trust, a joint venture with APPF (refer note 6(a)(i)).

(3) Melbourne Central: 73.5% Retail and 26.5% Office (Dec 10: 72.7% Retail and 27.3% Office).

(4) Currently under development. A Directors valuation of \$660 million on 100% ownership ("as if complete" basis) at a capitalisation rate of 6.75% has been used to support the carrying value as at 30 June 2011 (Dec 10: external valuation on 100% ownership and "as if complete" basis was \$660 million at a capitalisation rate of 6.75%).

(5) This property under development is now known as 5 Murray Rose, Sydney Olympic Park, NSW.

Investment properties held in associates and joint ventures are set out in note 6.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

6. Equity accounted investments

	Note	Consolidated entity	
		30 Jun 11 \$M	31 Dec 10 \$M
Investments in joint ventures	6(a)(i)	824.2	820.9
Investments in associates	6(a)(ii)	1,111.2	1,304.1
Total investments in associates and joint ventures		1,935.4	2,125.0

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 11 \$M	31 Dec 10 \$M
		30 Jun 11 %	31 Dec 10 %		
(i) Joint Ventures					
Entities incorporated in Australia					
1 Farrer Place Trust ⁽¹⁾	Investment property	50.00	50.00	321.7	320.6
2 Park Street Trust ⁽¹⁾	Investment property	50.00	50.00	354.7	354.6
DPT Operator Pty Limited ⁽¹⁾	Managing property	50.00	50.00	0.1	0.1
Erina Property Trust ⁽¹⁾	Investment property	50.00	50.00	125.5	124.5
Horton Trust ⁽¹⁾	Investment property	50.00	50.00	22.2	21.1
Lend Lease GPT (Rouse Hill) Pty Limited ^{(1) (3)}	Property development	50.00	50.00	-	-
Total investment in joint ventures				824.2	820.9
(ii) Associates					
Entities incorporated in Australia					
GPT Wholesale Office Fund ^{(1) (2)}	Property investment	26.40	33.27	725.1	897.6
GPT Wholesale Shopping Centre Fund ^{(1) (2)}	Property investment	20.23	21.86	373.5	393.9
Lend Lease (Twin Waters) Pty Limited ⁽¹⁾	Property development	49.00	49.00	12.6	12.6
Total investments in associates				1,111.2	1,304.1

- The entity has a 30 June balance date.
- During the period, GPT has completed a \$211.5 million sell-down of its investments in both GWOF (\$178.2 million) and GWSCF (\$33.3 million). These transactions resulted in a decrease in GPT's investments in GWOF to 26.40% and GWSCF to 20.23%.
- GPT has a 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at the New Rouse Hill, in partnership with Landcom and the NSW Department of Planning.

(b) Share of joint ventures and associates' commitments

The Group's share of its associates and joint ventures' capital expenditure commitments for the purchase of property, plant and equipment which have been approved but not provided for at 30 June 2011, operating lease and other commitments are as follows:

	Australia		United States		Total	
	30 Jun 11 \$M	31 Dec 10 \$M	30 Jun 11 \$M	31 Dec 10 \$M	30 Jun 11 \$M	31 Dec 10 \$M
Capital expenditure	83.5	91.7	-	1.6	83.5	93.3
Operating lease	-	-	-	0.3	-	0.3
Other	-	-	-	0.6	-	0.6
Total joint venture and associates' commitments	83.5	91.7	-	2.5	83.5	94.2

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

7. Borrowings

	Note	Consolidated entity	
		30 Jun 11 \$M	31 Dec 10 \$M
Current - secured			
Bank facility - One One One Eagle Street	7(a)(v)	44.3	34.3
Total current borrowings - secured		44.3	34.3
Total current borrowings		44.3	34.3
Non-Current - unsecured			
Bank borrowings			
Multi option syndicated facility - Australian Dollar	7(a)(i)	1,355.0	1,253.0
Multi option syndicated facility - US Dollar	7(a)(i)	-	107.8
Bank facilities - Australian Dollar	7(a)(ii)	-	476.1
Multi option facility - Australian Dollar	7(a)(iii)	175.0	175.0
Medium term notes	7(b)	211.0	211.0
CPI Coupon Indexed Bond	7(c)	85.0	85.0
Total non-current borrowings - unsecured		1,826.0	2,307.9
Non-Current - secured			
Bank facility - Somerton	7(a)(iv)	76.0	76.0
Bank facility - One One One Eagle Street	7(a)(v)	44.2	34.3
Total non-current borrowings - secured		120.2	110.3
Total non-current borrowings		1,946.2	2,418.2
Total borrowings		1,990.5	2,452.5

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

Due within one year	44.3	34.3
Due between one and five years	1,642.0	2,123.9
Due after five years	304.2	294.3
	1,990.5	2,452.5

(a) Bank facilities

Unsecured

(i) Euro multi option syndicated facility

A €2,010 million (AUD \$2,721.0 million) multi option syndicated facility became available to the Consolidated entity on 26 October 2007.

The facility had two maturity tranches as follows:

- Tranche A and B: €1,005 million matured 26 October 2010 and is no longer available, and
- Tranche C: €1,005 million maturing 26 October 2012.

At 30 June 2011, Tranche C is drawn to AUD \$1,355.0 million (Dec 10: AUD \$1,253.0 million and US \$110.0 million (AUD \$107.8 million)).

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

7. Borrowings (continued)

(a) Bank facilities (continued)

Unsecured (continued)

(ii) Bank Loans

The Group has the following bank facilities:

1. \$200 million bank loan maturing on 26 October 2015. At 30 June 2011, this facility is undrawn (Dec 10: \$147 million).
2. \$300 million forward start bilateral facility. This facility has a maturity date of 1 October 2015 and is available from October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility. This facility can commence at any time earlier at the Group's option.
3. \$300 million forward start bilateral facility with a maturity date of 11 November 2017. Tranche A of this facility is available from 30 November 2011 to refinance the \$150 million secured facility over One One One Eagle Street (refer to point (v) below) and Tranche B from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility.
4. €55 million (AUD \$74.5 million) forward start bilateral facility. This facility has a maturity date of 26 October 2017 and is available from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility. This facility will restate into an AUD denominated limit on the forward start date.
5. \$200 million forward start bilateral facility which gives GPT the option to exercise in October 2012 to commence the facility from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility. If GPT exercises the option to commence the loan, the maturity date is October 2016.
6. \$325 million bilateral facility with a maturity date of 26 October 2018. Tranche A of this facility is available from 22 August 2011 to refinance the \$175 million multi option facility and Tranche B from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility.

The Group had the following bank facilities which were repaid and cancelled during the period:

1. Two AUD bilateral facilities totalling AUD \$440 million (Dec 10: \$194 million) with a maturity date of 31 March 2015.
2. An AUD \$140 million bilateral facility (Dec 10: \$140 million) with a maturity date of 31 March 2013.

(iii) Multi option facility

The Group has a \$175 million multi option facility available which matures on 22 August 2011. At 30 June 2011, this facility is fully drawn. A new bilateral facility has been established in 2010 to refinance this facility on maturity (refer to (ii)(6) above) with the same lender, and accordingly has been reclassified as non-current.

Secured

(iv) Bank facilities

A floating rate bill facility was established for the GPT/Austrak Joint Venture to fund the capital expenditure requirements of the Austrak Business Park, Somerton, Victoria for \$152.4 million (GPT 50% share: AUD \$76.2 million). The facility matures on 31 March 2013. The facility is a non-recourse loan to GPT, secured by a mortgage over Austrak Business Park, Somerton, Victoria. As at 30 June 2011, the facility is drawn to \$152.0 million (GPT 50% share: \$76.0 million) (Dec 10: \$152.0 million (GPT 50% share: \$76.0 million)).

(v) One One One Eagle Street

\$150.5 million facility is available to the Group for the purpose of funding GPT's one third share of the construction of One One One Eagle Street, Brisbane, QLD. The facility is secured by a mortgage over the One One One Eagle Street Property. At 30 June 2011, the facility is drawn to \$88.5 million (Dec 10: \$68.5 million) and matures on 30 November 2011. This facility was provided by two lenders, one of which has provided GPT with a \$150 million forward start unsecured bilateral facility which refinances this facility from the maturity date (refer to (ii)(3) above). Despite this facility having been refinanced from maturity, given the new forward start facility is only provided by one of the lenders, half of the drawn amount as at 30 June 2011 is reflected as current interest bearing liabilities.

(b) Medium Term Notes (MTNs) program

At 30 June 2011, fixed rate MTNs have a principal value of AUD \$200 million (Dec 10: AUD \$200.0 million) and floating rate MTNs have a principal value of AUD \$12 million (Dec 10: \$12.0 million) maturing in August 2013. GPT Group holds \$1 million of MTNs, netted against the MTN liabilities. The net principal value at 30 June 2011 is AUD \$211 million (Dec 10: \$211 million).

(c) CPI coupon indexed bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 8.52% per annum (Dec 2010: 8.29%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 30 June 2011, the principal value is AUD \$85 million (Dec 10: \$85 million). The CPI coupon indexed bonds mature on 10 December 2029. In December 2010, GPT entered into an interest rate derivative to swap from paying fixed rate plus CPI to paying fixed 5%. The CPI bonds still remain outstanding with the effect of the derivative being the removal of GPT's exposure to CPI growth and lowering of the fixed interest rate.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

7. Borrowings (continued)

(d) Financing Facilities

A summary of GPT's finance facilities is below:

	Note	30 Jun 11		
		Total facility	Used facility	Unused facility
		\$M	\$M	\$M
Euro multi option syndicated facility - multi currency	7(a)(i)	1,360.5	1,355.0	5.5
Bank borrowings				
Bank loan	7(a)(ii)	200.0	-	200.0
Multi option facilities	7(a)(iii)	175.0	175.0	-
Bank facilities - Somerton	7(a)(iv)	76.2	76.0	0.2
Bank facilities - One One One Eagle Street	7(a)(v)	150.5	88.5	62.0
Medium Term Notes	7(b)	212.0	211.0	1.0
CPI coupon indexed bonds	7(c)	85.0	85.0	-
		2,259.2	1,990.5	268.7
Cash and cash equivalents				50.9
Total financing resources available at end of the half year				319.6

The table above excludes forward start facilities.

(e) Maturity profile of financing facilities

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$M	\$M
Due within one year	75.2	75.2
Due between one and five years	1,848.7	2,382.8
Due after five years	335.3	335.3
Total financing facilities	2,259.2	2,793.3

(f) Gearing Ratios

(i) Headline Gearing

At 30 June 2011, the percentage of debt to total tangible assets is 21.4% (Dec 10: 25.3%) and the percentage on a net debt (net of cash) basis is 21.0% (Dec 10: 24.9%).

(ii) Look through Gearing

In calculating the 'look through' gearing, GPT's interest in joint ventures and associates are proportionately consolidated based on GPT's ownership interest. At 30 June 2011, the percentage of 'look through' debt to total assets is 23.0% (Dec 10: 30.2%) and the percentage on a net debt (net of cash) basis is 22.6% (Dec 10: 29.9%).

(g) Debt Covenants

GPT's borrowings are subject to a range of covenants, according to the specific purpose and nature of the loans. Most facilities include one or more of the following covenants:

- a 40% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a minimum interest cover ratio of 2 times, being EBIT (Realised Operating Income before taxes and finance costs) divided by finance costs.

A breach of these covenants for individual facilities may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. The Group performed a review of debt covenants as at 30 June 2011 and no breaches were identified.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

8. Contributed equity

		Note	GPT Stapled Securities Number	GPT \$M	Other entities stapled to GPT \$M	Total \$M
(i) Ordinary stapled securities						
1 Jan 2010	Opening securities on issue		9,277,584,743	7,914.7	324.7	8,239.4
19 May 2010	5 to 1 consolidation of stapled securities	8(a)	(7,422,055,312)	-	-	-
31 Dec 2010	Closing securities on issue		<u>1,855,529,431</u>	<u>7,914.7</u>	<u>324.7</u>	<u>8,239.4</u>
1 Jan 2011	Opening securities on issue		<u>1,855,529,431</u>	<u>7,914.7</u>	<u>324.7</u>	<u>8,239.4</u>
30 Jun 2011	Closing securities on issue		<u>1,855,529,431</u>	<u>7,914.7</u>	<u>324.7</u>	<u>8,239.4</u>
(ii) Exchangeable securities						
1 Jan 2010	Opening securities on issue		<u>2,500</u>	<u>240.6</u>	<u>-</u>	<u>240.6</u>
31 Dec 2010	Closing securities on issue		<u>2,500</u>	<u>240.6</u>	<u>-</u>	<u>240.6</u>
1 Jan 2011	Opening securities on issue		<u>2,500</u>	<u>240.6</u>	<u>-</u>	<u>240.6</u>
30 Jun 2011	Closing securities on issue	8(b)	<u>2,500</u>	<u>240.6</u>	<u>-</u>	<u>240.6</u>
Total Contributed Equity				8,155.3	324.7	8,480.0

(a) Consolidation of ordinary stapled securities

On 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole security. The consolidation took effect and was completed on 19 May 2010. The effect of the consolidation was to reduce the number of stapled securities on issue by 7,422,055,312 on 19 May 2010 to 1,855,529,431.

(b) Exchangeable Securities

On 27 November 2008, 2,500 Exchangeable Securities were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at \$100,000 per exchangeable security (ES). The ES are exchangeable into stapled securities at GIC RE's option subject to obtaining necessary approvals at an initial exchange price of \$3.883 (Dec 10: \$3.883) per stapled security in accordance with the terms of the agreement. The ES offer discretionary distributions of 10% p.a and carry voting rights in GPT.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

9. Commitments

(a) Capital expenditure commitments

At 30 June 2011, GPT has commitments principally relating to the development of investment properties which have been approved but not recognised as liabilities in the Statement of Financial Position as set out below:

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$M	\$M
Due within 1 year	71.3	141.1
Due between 1 and 5 years	9.3	19.2
Over 5 years	-	-
Total capital expenditure commitments	80.6	160.3

(b) Operating lease commitments

At 30 June 2011, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	2.3	3.8
Due between 1 and 5 years	8.6	15.7
Over 5 years	10.1	27.8
Total operating lease commitments	21.0	47.3

GPT has entered into commercial leases on office equipment and office premises.

10. Contingent assets and liabilities

Class action

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. This is said to be on behalf of certain persons who purchased GPT securities from 27 February 2008 and held securities on 7 July 2008. The allegations surround the adequacy and timing of disclosures to the market in this period. No proceedings have yet been issued. GPT was invited to enter into discussions on a without prejudice basis with Slater and Gordon and those discussions are ongoing. Failing an agreed resolution of the matter, Slater and Gordon have confirmed they intend to commence proceedings.

GPT rejects the allegations and intends to defend the claim if proceedings are commenced. GPT does not expect that any payment it could be required to make would have a material adverse effect on the Group's operational or strategic objectives, or its financial strength.

Sale of Ayers Rock Resort

As part of the agreement for the sale of Ayers Rock Resort, GPT has indemnified the purchaser, Indigenous Land Corporation, and its subsidiary, ILC Tourism, as follows:

- for a maximum of \$20 million in respect of a breach of the Vendor's Warranties, providing the purchaser makes a claim within 2 years from the date of completion, being 23 May 2011; and
- for a maximum of \$2.5 million in respect of any breach of Environmental Law, Contamination or any other Environmental Claim relating to the condition of Ayers Rock Resort on or prior to completion, providing the purchaser notifies the vendor within 2 years from the date of completion. Included in this \$2.5 million cap is a maximum of \$0.6 million to cover the cost of remediation work by the purchaser in the event it is required as a result of landfill testing.

It is unlikely that any notification will be received in relation to environmental matters and it is not anticipated that a claim will be brought in relation to an alleged breach of the Vendor Warranties.

Sale of the US Senior Housing Portfolio

As part of the agreement for the sale of US Senior Housing Portfolio, GPT, through its investment in Benchmark GPT LLC and B-VII Operations Holding Co, has provided indemnification to the purchaser, Health Care REIT Inc, for a maximum of US \$25 million for any breach of representation, warranties and covenants specified in the Sale Agreement and all obligations arising from any pre settlement liabilities.

It is considered that the probability of paying any indemnification is low but GPT has determined to minimise the risk by entering into Seller-Based Representation and Warranties Insurance which is for a US \$10 million limit of liability and covering a maximum period of 6 years.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

10. Contingent assets and liabilities (continued)

Highpoint Shopping Centre

Highpoint Property Group has the right to put its 33.33% interest, or a part thereof (but not less than 8.33%), in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre to the GPT Wholesale Shopping Centre Fund (GWSCF). GWSCF already has a 50% interest in the property. The option, which was put in place at the time of GPT's acquisition of an interest in the Centre in 2006, passed to GWSCF with the creation of the fund in March 2007. The option is exercisable during a 30 day window each year commencing on 1 July, although notice of the intent to put is required to be given by the Highpoint Property Group by 31 March each year. The interest would be sold to GWSCF and the sale price would be determined by an independent market valuation process. If GWSCF does not acquire the interest and another party is not nominated to acquire it, the GPT Group would be required to do so. The board of the responsible entity of GWSCF would determine whether GWSCF acquires a further interest in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre under the put option. The board of the responsible entity of GWSCF is independent from the board of the GPT Group. This put option expires in 2016. No notice of intent to exercise the put option was received by the required date for the current financial year's exercise period.

Apart from the matters referred to above, there are no other material contingent assets or liabilities at reporting date.

11. Notes to the Statement of Cash Flow

(a) Reconciliation of net profit after income tax expense to net cash inflows from operating activities

	Consolidated entity	
	30 Jun 11	30 Jun 10
	\$M	\$M
Net profit for the half year	243.1	145.2
Fair value adjustments to investment properties	(71.7)	(5.8)
Share of after tax profit / loss of investments in associates and joint ventures (net of distributions)	(3.1)	(51.2)
Fair value adjustments to derivatives	32.6	68.9
Net foreign exchange loss	-	15.2
Reversal of prior year impairment	(2.6)	(9.5)
Impairment expense	0.1	8.7
Revaluation of hotel properties	22.9	(2.8)
Net gain / loss on disposal of assets	(4.8)	0.8
Cost to sell for non-current assets held for sale	-	4.5
Depreciation and amortisation	6.1	6.6
Non-cash employee benefits - share based payments	2.4	3.2
Non-cash revenue adjustments	9.7	11.3
Non-cash expense adjustments	4.9	0.2
Interest capitalised	(5.9)	(15.4)
Impairment of trade receivables	0.3	0.2
Change in operating assets and liabilities		
(Increase) / decrease in operating assets	(12.9)	9.5
(Decrease)/ increase in operating liabilities	(32.9)	(1.5)
Net cash inflows from operating activities	188.2	188.1

(b) Reconciliation of cash

Cash at bank and on hand	50.9	39.3
Total cash and cash equivalents at end of the half year	50.9	39.3

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

12. Earnings per stapled security

	Note	Consolidated Entity	
		30 Jun 11 Cents	30 Jun 10 Cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earning per security - Profit from continuing operations		13.2	6.0
Basic and diluted earning per security - (Loss) / Profit from discontinued operations		(0.2)	3.4
Total basic and diluted earning per security attributable to ordinary securityholders of the Trust		13.0	9.4
(b) Attributable to ordinary stapled securityholders of The GPT Group			
Basic and diluted earning per security - Profit from continuing operations		12.9	5.2
Basic and diluted earning per security - (Loss) / Profit from discontinued operations		(0.5)	2.0
Total basic and diluted earning per security attributable to ordinary stapled securityholders of The GPT Group		12.4	7.2
The earnings and securities used in the calculations of basic and diluted earnings per ordinary stapled security are as follows:			
(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security			
		30 Jun 11	30 Jun 10
		\$M	\$M
Net Profit from continuing operations attributable to the securityholders of the Trust		257.5	124.3
Net (Loss) / Profit from discontinued operations attributable to the securityholders of the Trust		(3.0)	62.5
		254.5	186.8
Less: distribution to the holders of Exchangeable Securities **		(12.4)	(12.4)
Basic and diluted earnings of the Trust		242.1	174.4
Add: Net (Loss) from continuing operations attributable to the securityholders of other stapled entities		(5.6)	(16.3)
Add: Net Profit / (Loss) from discontinued operations attributable to the securityholders of other stapled entities		(5.8)	(25.3)
Basic and diluted earnings of the Company		(11.4)	(41.6)
Basic and diluted earnings of The Group		230.7	132.8
		No. of securities millions	No. of securities millions
		30 Jun 11	30 Jun 10*
(d) Weighted average number of ordinary stapled securities			
Weighted average number of ordinary stapled securities used as the denominator in calculating:			
Basic earnings per ordinary stapled security - Trust and The Group		1,855.5	1,855.5
Adjustments for calculation of diluted earnings per share:			
Performance rights (weighted average basis)	12(e)	0.8	0.1
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calculating diluted earnings per ordinary stapled security		1,856.3	1,855.6

* The June 2010 weighted average number of securities and EPS have been adjusted for the share/stapled security consolidation effective on 19 May 2010. Refer to note 8(a) for further details on the share/stapled security consolidation.

** These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security. Refer to note 8(b) for further details on the Exchangeable Securities.

(e) Information concerning the classification of securities

Performance Rights

4,128,202 Performance Rights (Dec 10: 3,818,257) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2011. Cumulatively, 12,503,236 Performance Rights have been issued up until 30 June 2011. However, only 777,838 Performance Rights are considered dilutive. As such, only 777,838 Performance Rights have been included in the determination of diluted earnings per security. No Performance Rights have been included in the determination of basic earnings per share.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

13. Net tangible asset backing

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$	\$
Net tangible asset backing per stapled security/unit	3.64	3.60

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of potential stapled securities, assuming the conversion of the exchangeable securities at an exchange price of \$3.883 (Dec 10: \$3.883).

14. Events subsequent to reporting date

The following events have occurred subsequent to 30 June 2011:

- On 25 August 2011, a distribution of 4.3 cents per stapled security was declared for the quarter ended 30 June 2011 which is expected to be paid on 30 September 2011 (refer to note 3(a)(ii)).
- Post 30 June 2011 and until 23 August 2011, as part of the on-market buy-back announced on 11 May 2011, GPT has bought back 16.0 million ordinary stapled securities for \$47.7 million. This represents 0.9% of total ordinary securities.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2011 that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

THE GPT GROUP

DIRECTORS' DECLARATION

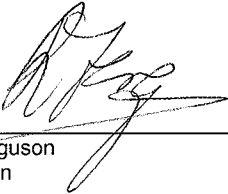
In the directors of the Responsible Entity's opinion:

- (a) the financial report and notes set out on pages 9 to 37 are in accordance with the *Corporations Act 2001*, including:
 - complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of The GPT Group's financial position as at 30 June 2011 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that The GPT Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the interim financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

GPT RE Limited

Sydney
25 August 2011



Independent auditor's review report to the unitholders of General Property Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for The GPT Group (the consolidated entity). The consolidated entity comprises both the Trust and the entities it controlled during that half-year, including GPT Management Holdings Limited and its controlled entities.

Directors' responsibility for the half-year financial report

The directors of GPT RE Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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 2011 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 The GPT Group, 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.

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Independent auditor's review report to the unitholders of General Property Trust (continued)

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 2011 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 General Property Trust 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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'A J Loveridge'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'A J Loveridge'.

A J Loveridge
Partner

Sydney
25 August 2011