The GPT Group

GPT Management Holdings Limited
ABN: 67 113 510 188

Annual Financial Report
31 December 2012

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

GPT Management Holdings Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 51, MLC Centre, 19 Martin Place, Sydney NSW 2000.

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

GPT Management Holdings Limited and its controlled entities

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DIRECTORS' REPORT
For the year ended 31 December 2012

The Directors of GPT Management Holdings Limited (the Company) present their report on the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities for the year ended 31 December 2012. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group). The Company is stapled to the General Property Trust and the GPT Group financial statements include the results of the stapled entity as a whole.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is Level 51, MLC Centre, 19 Martin Place, Sydney NSW 2000.

1. OPERATIONS AND ACTIVITIES

1.1 Principal Activities

During the year, the Company continued its strategy to simplify the business and focus on high quality Australian retail, office and logistics & business park assets.

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2011 and are:

- management of funds holding income-producing retail, office, logistics & business park assets;
- development of properties;
- management and administration of the General Property Trust; and
- property management.

1.2 Review of Operations

The net loss of the consolidated entity for the year ended 31 December 2012 should be read in conjunction with the financial statements of the GPT Group.

The net loss for the year ended 31 December 2012 is $8.6 million (Dec 2011: loss of $49.2 million).

	Consolidated entity	
	31 Dec 12 $'000	31 Dec 11 $'000
Revenue	**120,722**	110,306
Other income	**11,090**	2,445
Expenses	**(136,399)**	(156,687)
Loss from continuing operations before income tax esxpense	**(4,587)**	(43,936)
Income tax (expense) / benefit	**(2,889)**	6,865
Loss after income tax expense for continuing operations	**(7,476)**	(37,071)
Loss from discontinued operations	**(1,118)**	(12,174)
Net loss for the year	**(8,594)**	(49,245)

- Loss after tax decreased by $40.7 million to a loss of $8.6 million (Dec 2011: loss of $49.2 million)
- Total assets decreased by 7.5% to $160.1 million (December 2011: $176.8 million)

The decrease in loss after tax compared with December 2011 is largely the result of an increase in property management fees due to the internalisation of 18 wholly owned logistics & business park and office assets in February 2012, delivery of lower overall expenses via ongoing expense discipline and a lower loss from discontinued operations.

Operational highlights

(a) Funds Management

Australian platform

GPT Wholesale Office Fund (GWOF) has ownership interests in 14 assets with a value of $3.6 billion. GPT Wholesale Shopping Centre Fund (GWSCF) has ownership interests in 10 assets with a value of $2.9 billion.

The performance across the Funds' assets continues to be solid, with GWOF achieving a total return of 12.0% and GWSCF a total return of 6.2% for the year, GWSCF was impacted by writing off of stamp duty in relation to the Casuarina and Woden acquisitions at 30 June 2012.

(b) Asset Management

Asset Management continues to manage the retail, office and logistics & business park assets owned by the General Property Trust. During the year, Asset Management internalised the property management function of 18 logistics & business park and office assets.

(c) Developments

GPT currently has five developments underway (including properties held through GWOF and GWSCF):

- Highpoint Shopping Centre is being expanded by 30,000 sqm bringing the first David Jones to Western Melbourne in additional to approximately 100 specialty shops. The development is fully leased and is due to open in March 2013;
- Wollongong Central, West Kiera is being expanded by 18,000 sqm, addressing a significant undersupply of food retail in Wollongong's city centre. The development is on track for completion in March 2014;
- 161 Castlereagh Street is a new 59,220 sqm premium grade office tower in the Sydney CBD which is on track for completion in mid-2013. The project is 96% leased with a 24 month rental guarantee on the vacant space;
- 150 Collins Street is a new 20,000 sqm A grade office tower with Premium Grade services in the Melbourne CBD due for completion in mid 2014. It is 71% leased to Westpac with a 24 month rental guarantee on the vacant space; and
- Toll NQX in Karawatha QLD is a new 44,000 sqm logistics facility being developed for Toll Group on a 13.4 hectare site. The development is scheduled for completion in early 2014.

GPT retains a $2.3 billion pipeline of projects underway and future development opportunities for the medium term, subject to approvals and an appropriate level of pre-commitments.

1. OPERATIONS AND ACTIVITIES (continued)

1.2 Review of Operations (continued)

(d) Capital Management

Borrowings - Loan Variation

- During 2010, the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constituted a substantial modification to each of the loan terms and accordingly the loans were remeasured under the varied contractual terms and conditions. In the current year, a revaluation to the Statement of Comprehensive Income of $13,245,000 (Dec 2011: $5,114,000) for both continuing and discontinued operations has been recorded.

1.3 Dividends

The Directors have not declared any dividends for the year ended 31 December 2012 (Dec 2011: nil).

1.4 Significant Changes in State of Affairs

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

- On 11 May 2011, GPT Group announced an on-market buy-back of up to 5% of the Group's ordinary securities. On 26 April 2012, GPT announced the extension of the on market buy-back for an additional 12 months from 11 May 2012 and increased the maximum number of securities that can be purchased back from 5% to 10% of ordinary securities. As at 31 December 2012, Group has bought back 88.7 million ordinary stapled securities for a total consideration of $274.7 million of which the Company's share is $3.0 million. This represents 4.8% of the total ordinary stapled securities at the time of the commencement of the buy-back.

- In February 2012, the GMH Group internalised the property management function of 18 of its wholly owned logistics & business park and office assets. Prior to February 2012, the property management function of these assets had been outsourced to Jones Lang LaSalle (JLL). This internalisation was undertaken to reinforce GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes. The internalisation also creates new revenue streams for the consolidated entity.

- On 10 December 2012, GPT made an indicative and non-binding proposal to Australand Property Group in relation to the potential acquisition of its investment property portfolio and commercial and industrial business for cash. This offer was rejected by Australand Property Group.

1.5 Likely Developments and Expected Results of Operations

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

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

1.6 Environmental Regulation

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 EEO Act 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 2011 to 30 June 2012 period to ensure that the Energy Efficiency Opportunities data is made available in a public report on the GPT website by the required date of 31 December 2012.

The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2011 to 30 June 2012. GPT has implemented systems and processes for the collection and calculation of the data required which enabled submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2012.

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

1.7 Events Subsequent to Reporting Date

The Directors are not aware of any matter or circumstance occurring since 31 December 2012 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

2. DIRECTORS AND SECRETARY

2.1 Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty
Eileen Doyle
Eric Goodwin
Lim Swe Guan (retired on 7 May 2012)
Anne McDonald
Gene Tilbrook

(iii) Executive Director

Michael Cameron

2.2 Information on Directors

Rob Ferguson – Chairman
Mr Ferguson joined the Board on 25 May 2009.

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

Mr Ferguson is currently the Non-Executive Chairman of IMF (Australia) Limited, Non-Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited.

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust for 15 years and was an independent Non-Executive Director of Westfield for 10 years.

Mr Ferguson is a member of the Nomination and Remuneration Committee.

Michael Cameron – Chief Executive Officer and Managing Director
Mr Cameron joined The GPT Group as CEO and Managing Director on 1 May 2009.

Mr Cameron has over 30 years' experience in Finance and Business, including 10 years with Lend Lease, where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business.

More recently Michael was Chief Financial Officer then Group Executive of the Retail Bank Division for the Commonwealth Bank of Australia, and Chief Financial Officer of St George Bank.

Mr Cameron is a Non-Executive Director of the Great Barrier Reef Foundation and a Non-Executive Director of Suncorp Group Limited and its regulated entities.

Eric Goodwin
Mr Goodwin was appointed to the Board in November 2005.

Mr Goodwin has experience in design, construction, and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio and he was the founding Fund Manager of the Australian Prime Property Fund.

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and DUET Management No 2 Limited (responsible entity of Diversified Utility and Energy Trust No. 2).

Mr Goodwin is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Anne McDonald
Ms McDonald was appointed to the Board on 2 August 2006.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non-Executive Director of Westpac's Life and General Insurance businesses. Ms McDonald provides an advisory role to the Norton Rose Australian Partnership Council.

Ms McDonald is Chair of the Audit and Risk Management Committee.

2. DIRECTORS AND SECRETARY (continued)

2.2 Information on Directors (continued)

Lim Swe Guan (retired from the Board on 7 May 2012).
Mr Lim was appointed to the Board on 21 April 2009. Mr Lim has over two decades experience in the real estate sector in Australia and internationally, most recently as Managing Director of GIC Real Estate until February 2011.

Mr Lim was a member of the Audit and Risk Management Committee.

Brendan Crotty
Mr Crotty was appointed to the Board on 22 December 2009.

Mr Crotty brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

He is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific and a director of the Barangaroo Delivery Authority.

Mr Crotty is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Eileen Doyle
Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Hunter Valley Research Foundation (Chairman), CSIRO (Deputy Chairman), Bradken Limited and Boral Limited.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

Gene Tilbrook
Mr Tilbrook was appointed to the Board on 11 May 2010.

Mr Tilbrook brings extensive experience in finance, corporate strategy, investments and capital management.

Mr Tilbrook is a Non-Executive Chairman of Transpacific Industries Group Ltd (retiring in March 2013) and a Non-Executive Director of Fletcher Building Ltd and Aurizon Holdings Limited.

Mr Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and Curtin University and a member of the board of the UWA Perth International Arts Festival and the Bell Shakespeare Company.

Mr Tilbrook is Chair of the Nomination and Remuneration Committee.

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

2. DIRECTORS AND SECRETARY (continued)

2.3 Attendance of Directors at Board Meetings and Board Committee Meetings

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

	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	**Number of meetings eligible to attend**	**Number of meetings attended**	**Number of meetings eligible to attend**	**Number of meetings Attended**	**Number of meetings eligible to attend**	**Number of meetings attended**	**Number of meetings eligible to attend**
Chairman	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	12	12	-	-	7	7	-	-
Michael Cameron	12	12	-	-	-	-	-	-
Brendan Crotty[1]	12	12	2	2	4	4	4	4
Eileen Doyle	12	12	-	-	7	7	4	4
Eric Goodwin	12	12	5	5	-	-	4	4
Lim Swe Guan[2]	2	3	2	2	-	-	-	-
Anne McDonald	12	12	5	5	-	-	-	-
Gene Tilbrook	12	12	-	-	7	7	-	-

2.4 Directors' Relevant Interests

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

	Number of GPT Stapled Securities
Rob Ferguson	204,082
Michael Cameron	537,094 Stapled Securities 1,997,060 Performance Rights
Brendan Crotty	30,000
Eileen Doyle	1,600
Eric Goodwin	15,584
Lim Swe Guan	Nil
Anne McDonald	9,450
Gene Tilbrook	20,000

2.5 Directors' Directorships of Other Listed Companies

Details of all directorships of other listed entities held by each current Director in the three years immediately before 31 December 2012 and the period for which each directorship was held are set out below:

Rob Ferguson	IMF (Australia) Limited (since 2004) Primary Health Care Limited (since 2009)
Brendan Crotty	Brickworks Limited (since 2008)
Eileen Doyle	One Steel Limited (from 2000 until 2010) Boral Limited (since 2010) Ross Human Directions Limited (from 2005 until 2010) Bradken Limited (since 2011)
Eric Goodwin	DUET Management No. 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No. 2 (one of the stapled entities within the DUET Group) (since 2004)
Lim Swe Guan	Thakral Holdings Limited (from 2004 until 2012)
Anne McDonald	Speciality Fashion Group Limited (since 2007) Spark Infrastructure Group (since 2009)
Gene Tilbrook	Transpacific Industries Group Limited (from 2009 to 2013) Fletcher Buildings Limited (since 2009) Aurizon Holdings Limited (since 2010)
Michael Cameron	Suncorp Group Limited (since 2012)

[1] Brendan Crotty was appointed to the Audit and Risk Management Committee on 22 June 2012 and resigned from the Nomination and Remuneration Committee on 22 June 2012.
[2] Lim Swe Guan retired as a director on 7 May 2012.

3. 2012 REMUNERATION REPORT

3.1 Remuneration in Brief

The remuneration report below is for the Group. As the Directors and Senior Executive are remunerated by the Company, the report for the Group has been included in full.

The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2012 Remuneration in Brief, outlines the key remuneration decisions taken by GPT during the year, and shows the actual cash value of remuneration paid to GPT executives who – along with the non-executive Directors - comprise the key management personnel (KMP)[1]. The full Remuneration Report for 2012, starting on page 11, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2012 in accordance with statutory obligations and accounting standards.

Key remuneration drivers and actions in 2012

In 2012, the Board continued to take a conservative approach to executive remuneration. The Board actively engaged with GPT investors and stakeholders and was proactive about ensuring that there was strong alignment between GPT's performance and executive reward outcomes. Each of these actions is outlined below and in greater detail throughout the remainder of the Remuneration Report.

Base (Fixed) Pay

The disciplined execution of GPT's strategy during the year which focussed on owning and actively managing quality Australian property assets generated pleasing financial results for investors in 2012. The Board maintained a prudent approach to executive remuneration, the growth of which continued to be moderate. In the review of employee base salaries in December 2011, the Board decided to:

- implement only a modest review of base pay, effective 1 January 2012, averaging 2%; and
- maintain the freeze on Non-Executive Director fees in 2012 for the 5th successive year.

Short Term Incentives

The Board also continued to maintain a focus on ensuring that the quantum of short term incentives (STI) received by executives was:

- market based and appropriate;
- aligned to GPT's performance; and
- demanding of performance that was sufficiently challenging.

In line with the financial performance delivered by management in 2012, actual STI's received by management were towards the upper end of potential.

During calendar year 2012 the Committee undertook a review of STI arrangements with a view to:

- ensuring that the targets set continue to represent the appropriate degree of stretch for management; and
- reducing the overall STI pool to reflect a more moderate market for employee Total Compensation.

With these objectives in mind, in 2013 the Committee will:

- consider the 2012 business results and the 2013 budget in detail before setting the 2013 STI targets. With the consistent strong performance of the business in 2010, 2011 and 2012, both management and the Board are keen to set higher and more challenging targets within our prevailing risk appetite; and
- introduce an STI funding model that will reduce the overall STI outcome at benchmarks, while retaining a potential stretch STI for commensurate performance. The Committee and management are of the view that greater scarcity in STI funds will lead to better performance outcomes and a more merit based differentiation of rewards.

These changes to the STI framework will be outlined in more detail in the 2013 Remuneration Report.

Long Term Incentives

The Board sought and received approval from GPT security holders at the 2012 Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme. The scheme has three performance measures of GPT's performance, each of equal weight:

- **Total Shareholder Return (TSR)** - TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.
- **Adjusted Earnings per Security Growth (EPS Growth) relative to the Consumer Price Index (CPI) -** This performance measure sets an EPS growth range (EPS excluding fair value adjustments) for each Performance Period calculated by reference to the CPI; and
- **Total Return (TR)** - Total Return is defined as the sum of the change in Net Tangible Assets (NTA) excluding movements in GPT's equity base arising from capital raisings or capital returns, plus distributions over the Performance Period, divided by the NTA at the beginning of the Performance Period.

Taking into account feedback from investors and other stakeholders, and to ensure that performance levels were sufficiently challenging for executives, the Board increased the threshold level of performance required for an LTI award in both the EPS Growth and TR measures in the 2012 LTI.

[1] It should be noted that the KMP is also inclusive of the five highest paid executives, and should be interpreted as such throughout this report.

3. 2012 REMUNERATION REPORT (continued)

3.1 Remuneration in Brief (continued)

Long Term Incentives (continued)

The 2010 LTI, covering GPT's performance for the three calendar years of 2010-2012, concluded at the end of 2012. For the first time since the commencement of LTI plans at GPT the Group's performance exceeded the threshold performance hurdle on two of the three LTI performance measures, leading to the delivery of LTI awards to participants in the form of GPT stapled securities. The Committee believes that achievement of this ownership position by participants further strengthens their alignment with investors.

Employee Ownership

The Board believes in creating ways for employees to build an ownership stake in the business, and the benefits that this 'culture of ownership' brings in terms of loyalty, commitment and discretionary effort. For executives, and based on performance, this is achieved through the LTI.

Employees who are not eligible for the LTI may participate in the General Employee Security Ownership Plan (GESOP). Under GESOP individuals receive an additional benefit equivalent to 10% of their STI which is - after the deduction of income tax - invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

External environment

In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, and is actively monitoring the tax, regulatory and governance activities impacting remuneration. In 2012, the Board sought external advice on market practice and prevailing regulatory and governance standards from Ernst & Young, Johnson, and Freehills. The Board did not receive any Remuneration Recommendations from Remuneration Consultants as defined under the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel

The disclosed remuneration of GPT's KMP in the Remuneration Report on page 20 is calculated in accordance with statutory obligations and accounting standards. As a result, it is based on accounting principles and includes accounting values for current and prior years' LTI grants which have not vested (and may never vest) as they are dependent on performance measures being met.

GPT has chosen to include in the Remuneration in Brief the following table (Table 1) on the next page, which discloses the Cash and Other Benefits received by GPT's KMP, as distinct from the accounting expense. As a result, it does not align to Australian Accounting Standards as it is on a cash basis; Table 13 on page 20 details the statutory accounting balances. Table 1 also includes an outline of the current and potential GPT security ownership position of executives effective 31 December 2012 that has been established during their career to date with GPT.

3. 2012 REMUNERATION REPORT (continued)

3.1 Remuneration in Brief (continued)

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel (continued)

Table 1 - Actual Cash and Other Benefits received by GPT's KMP

		Cash & Other Benefits actually received by executives in 2012					*Current GPT security ownership at 31/12/12*		*GPT Performance Rights that Lapsed in 2012*	*Future GPT securities subject to performance at 31/12/12*
Senior Executive	**Position**	**Base (Fixed) Pay** ($'000)	**STI** ($'000)	**LTI [1]** ($'000)	**Other [2]** ($'000)	**Total** ($'000)	**Previously Vested GPT Security Holding [3]** (# of securities)	**GPT Securities that Vested in 2012 [4]** (# of securities)	**2010 LTI Performance Rights that Lapsed [5]** (# of rights)	**Unvested GPT Securities & Performance Rights [6]** (# of securities & rights)
Michael Cameron	*Managing Director and Chief Executive Officer*	1,450.0	1,512.9	1,214.6	226.0	4,403.5	66,103	490,940	247,102	1,730,010
James Coyne	*General Counsel / Company Secretary*	480.0	247.2	317.1	3.3	1,047.6	-	89,552	64,522	322,171
Matthew Faddy	*Head of Asset Management*	500.0	438.7	227.7	2.4	1,168.8	-	64,305	46,333	282,307
Mark Fookes [7]	*Chief Financial Officer*	775.0	586.7	506.1	5.3	1,873.1	-	142,902	102,960	520,173
Nicholas Harris	*Head of Funds Management*	725.0	595.5	411.6	4.2	1,736.3	-	116,227	83,741	450,677
Carmel Hourigan [8]	*Head of Investment Management*	104.7	-	-	350.0	454.7	-	-	-	315,690
Anthony McNulty	*Head of Development Retail and Major Projects*	563.7	455.7	276.3	3.0	1,298.7	-	78,024	56,217	369,155
Michael O'Brien [9]	*Group Executive Corporate Development*	830.0	692.8	556.7	3.8	2,083.3	76,909	157,193	113,255	557,089
John Thomas [10]	*Head of Development Commercial and Industrial*	337.2	265.0	-	1.0	603.2	-	-	-	172,720

[1] For the purposes of recording a value in Table 1 for LTI, the number of GPT Group performance rights that vested under the 2010 LTI for each participant have been valued using GPT's fourth quarter 2012 volume weighted average security price (VWAP) of $3.5415. More details about the 2010 LTI and GPT's performance against the various performance measures are set out in Tables 9 and 10.

[2] Other includes the value of sign on Performance Rights from 2009 that vested in 2012 (Michael Cameron), sign on payments (Carmel Hourigan), Death & Total/Permanent Disablement insurance premiums, superannuation plan administration fees, executive health assessments, and other benefits.

[3] Vested GPT Security Holding is the actual number of vested GPT securities held by individuals as a result of their employment that vested prior to 2012. This excludes GPT securities bought privately by the individual.

[4] GPT Securities that Vested in 2012 represent the actual number of GPT securities that have vested to the individual in 2012. For all individuals, this figure represents GPT securities that vested as a result of GPT's performance in the 2010 LTI covering the performance period 2010-2012. For Michael Cameron specifically, the figure comprises

- 342,966 Performance Rights that vested under the 2010 LTI;
- 81,871 deferred securities from his 2009 Short Term Incentive that vested on 31 March 2012; and
- 66,103 Performance Rights from his sign on package at the commencement of his employment on 1 May 2009 that vested on 30 June 2012.

[5] 2010 LTI Performance Rights that Lapsed sets out the number of performance rights that were awarded to a participant in the 2010 LTI that did not vest at the end of the 2010-2012 performance period, and as a result, lapsed.

[6] Unvested GPT Securities and Performance Rights is the total of unvested GPT securities and Performance Rights granted over the years that are currently on foot and excludes any GPT securities or Performance Rights that may have lapsed up to 31 December 2012. This number comprises sign on rights that are yet to vest (Carmel Hourigan), deferred STI into equity that is yet to vest (Michael Cameron) and grants of Performance Rights under the various LTI schemes that are subject to the various performance measures and are yet to vest (all executives). This highlights the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, any securities or Performance Rights listed in this column should be considered "at risk", are not guaranteed, and indeed may never vest.

[7] Mark Fookes was Head of Investment until he was appointed Chief Financial Officer on 1 October 2012.

[8] Carmel Hourigan joined GPT on 8 November 2012.

[9] Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

[10] John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report

Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2012, which forms part of the Directors Report and has been prepared in accordance with section 300A of the Corporations Act 2001 for the Group for the year ended 31 December 2012.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's key management personnel (KMP) – including the five highest paid executives - who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives). The data provided in the Remuneration Report was audited as required under section 308(3C) of the Corporations Act.

In 2012 the Nomination & Remuneration Committee (the Committee) initially comprised 4 Non-Executive Directors:

- Gene Tilbrook (Chairman)
- Brendan Crotty[1]
- Eileen Doyle
- Rob Ferguson

The Committee provides advice and recommendations to the Board on:

- criteria for selection of Directors;
- nominations for appointment as Directors (either between AGMs or to stand for election);
- criteria for reviewing the performance of Directors individually and the GPT Board collectively;
- remuneration policies for Directors and Committee members;
- remuneration policy for senior executives;
- incentive plans for employees; and
- any other related matters regarding executives or the Board.

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

Key Issues and Changes made in 2012

Remuneration Outcomes aligned to GPT's Performance

In 2012 GPT continued to resolutely pursue the Group's articulated strategy of owning and actively managing quality Australian property assets. While the financial performance was pleasing, market conditions remained cautious and growth in executive pay levels continued to be moderate. Against that background the Board continued to exercise caution with regard to executive remuneration. The main areas of activity in 2012 are outlined in Table 2, below:

Table 2 – Main areas of activity in 2012

Activity	Who is affected?	Explanation
Maintain restraint on executive salaries	Leadership Team and other employees	Base remuneration increases for 2012 were capped at an average 2% across the business.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees in 2012 for Non-Executive Directors for the 5th successive year.
Review of STI targets and overall STI quantum	All employees	In 2012 the Committee has worked with management and agreed that in 2013 STI will be driven off higher targets than in 2012. In addition, in 2013 the Group will introduce an STI funding model that will lead to a lower overall potential STI pool; by infusing greater scarcity into STI funding the Board and management believe better performance outcomes can be achieved by a more merit based differentiation of rewards.
Strengthened 2012 LTI Performance Measures	Leadership Team and other participating executives	To more tightly align with GPT's articulated financial performance objectives, the Board decided to increase the Threshold level of performance required for an LTI award in both the EPS growth and TR measures in the 2012 LTI (see Table 9 on page 17. These adjustments were approved by security holders at the Annual General Meeting in May 2012.
Continued initiative to build culture of ownership	All employees excluding the LTI participants	Under the General Employee Security Ownership Plan (GESOP) an amount equivalent to 10% of an individuals' STI was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

[1] Brendan Crotty left the Committee on 22 June 2012, and as a result the Committee concluded the year with the 3 remaining members.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

Key Issues and Changes made in 2012 (continued)

CEO Remuneration Structure and Contract Terms

The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Table 3 – Key terms of Michael Cameron's Remuneration Arrangements

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of the CEO against: • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
Remuneration mix	In 2012, Mr Cameron's remuneration mix was as follows: Base (Fixed) Pay: $1,450,000. STI: $0 to $1,812,500 based on performance and paid in cash (ie 0% to 125% of base pay). Further details on STI terms are set out on pages 15 and 16. LTI: $0 to $2,175,000 based on performance and continued service and delivered in GPT stapled securities (ie 0% to 150% of base pay). Further details on LTI terms (including performance measures) are set out on pages 16, 17 and 18.
External Directorships	Under GPT policy Mr Cameron is eligible to take up one external Directorship. In 2012 Mr Cameron was invited to join the Suncorp Group Board. All Board fees received by Mr Cameron associated with this appointment are paid to GPT.
Contract duration	A rolling 12 month contract.
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) pay.

GPT's Remuneration Strategy

Alignment of GPT's Remuneration Strategy and Business Strategy

The Board is conscious of the need to set a remuneration strategy that supports and drives achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving challenging targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The following diagram (Diagram 1) shows the key objectives of GPT's remuneration policy and how these are implemented through our remuneration structures.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Diagram 1 – GPT's Strategic Goals and the link to Remuneration Structures

GPT's Strategic Goals

- Leading Relative Total Shareholder Return (TSR)
- Average EPS Growth > CPI plus 1%
- In the long term, deliver Total Returns > 9% per annum
- Create and sustain environments that enrich people's lives

Total Remuneration Components

Base (Fixed) Pay

- Base level of reward
- Set around Australian market median using external benchmark data
- Varies based on employee's experience, skills and performance
- External & internal relativities considered

Short Term Incentive

- Set around market median for Target performance with potential to approach top quartile for Stretch outcomes
- Determined by performance against a mix of Balanced Scorecard measures which include Financial & Non-Financial measures
- Financials include Group Earnings (Realised Operating Income) per Security and (if applicable) Portfolio (Net Return to Owner) or Property level metrics
- Non-Financial objectives also focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation, as applicable
- Delivered in cash annually

Long Term Incentive

- Set at market median for Target performance with potential to achieve top quartile for Stretch outcomes
- Determined by GPT performance against Financial performance measures
- Tested over a 3 year performance period – no re-test
- No value derived unless GPT meets or exceeds challenging performance measures
- Delivered in equity to align long term shareholder and executive interests

Attract, retain, motivate and reward high calibre executives to deliver superior performance by:

- Providing competitive rewards
- Opportunity to achieve incentives beyond base pay based on performance

Align executive rewards to GPT's performance and security holder interests by:

- Assessing incentives against multiple financial and non-financial business measures that are aligned with GPT strategy, with an equity component
- Putting significant components of Total Remuneration at risk

Total Remuneration Mix

As depicted in Diagram 1 above, the remuneration structure at GPT is a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

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

The Total Remuneration mix of components for those executives with ongoing employment at the end of 2012 is set out in Table 4, below:

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

***Total Remuneration Mix* (continued)**

Table 4 – Total Remuneration Mix of Fixed and At Risk Remuneration

Senior Executive	Position	Fixed Remuneration	Variable or "At Risk" Remuneration [1]	
		Base Pay	STI	LTI
Michael Cameron	*Managing Director and Chief Executive Officer*	36%	36%	28%
James Coyne	*General Counsel/Secretary*	50%	25%	25%
Matthew Faddy	*Head of Asset Management*	43%	35%	22%
Mark Fookes	*Chief Financial Officer*	43%	35%	22%
Nicholas Harris	*Head of Funds Management*	43%	35%	22%
Carmel Hourigan	*Head of Investment Management*	43%	35%	22%
Anthony McNulty	*Head of Development Retail and Major Projects*	43%	35%	22%
Michael O'Brien	*Group Executive Corporate Development*	43%	35%	22%
John Thomas	*Head of Development Commercial and Industrial*	40%	40%	20%

[1] The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.

Base (Fixed) Pay

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

Table 5 – Base Pay

What is included in Base (Fixed) Pay?	Base pay includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base Pay reviewed?	Base pay is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are appropriate and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of the CEO annually by Ernst & Young, much of it focussed on publicly available data from annual reports. In 2012, the Committee also sought market data on the Leadership team from Johnson. More broadly, the business relies on benchmarking relevant to the property sector including the Avdiev Property Industry Remuneration Report. For more specialist functional roles management will source multiple benchmarks from reputable recruitment agencies and other informed sources.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Short Term Incentives (STI) (variable component)

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

Table 6 – GPT's STI Plan

<table>
<tr><td>What is the STI plan?</td><td>The STI is an 'at-risk' incentive awarded annually in the form of cash subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).</td></tr>
<tr><td>Who participates in the STI plan?</td><td>All permanent GPT employees with greater than 3 months service at the end of the applicable calendar year are eligible – subject to performance – to receive an STI.</td></tr>
<tr><td>Why does the Board consider the STI an appropriate incentive?</td><td>Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.</td></tr>
<tr><td>Are both target and stretch performance measures set?</td><td>Yes. Stretch performance measures can reward exceptional performance beyond the acceptable Target outcomes, and can motivate individuals to strive for the mutual benefit of themselves and the business.</td></tr>
<tr><td>What is the value of the STI opportunity?</td><td>The STI opportunity is expressed as a percentage of Base (fixed) pay, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges:
<table>
<tr><th>Level</th><th>Target Incentive Range</th><th>Stretch Incentive Range</th></tr>
<tr><td>CEO</td><td>100%</td><td>125%</td></tr>
<tr><td>Executives</td><td>50-80%</td><td>62.5-100%</td></tr>
<tr><td>General employees</td><td>10-30%</td><td>12.5-37.5%</td></tr>
</table>
If a minimum or Threshold level of objective achievement is not delivered then STI would be nil. STI outcomes are capped at the Stretch level.</td></tr>
<tr><td>What are the Financial performance measures?</td><td>In 2012 the main Group Financial performance measure was Earnings (Realised Operating Income) per Ordinary Security and based on Board discretion of:
Threshold: 22.8cps (2% growth on the 2011 result)
Target: 23.3cps (4% growth on the 2011 result)
Stretch: 23.7cps (6% growth on the 2011 result)
While all employees have a common Group Financial performance measure, whether there are other additional performance measures depends on the individuals' role, as does the (indicative) mix between Financial and Non-Financial measures:
<table>
<tr><th>Level</th><th>Financial Measures</th><th>Non-Financial Measures</th></tr>
<tr><td>CEO</td><td>70%</td><td>30%</td></tr>
<tr><td>Executives</td><td>60%</td><td>40%</td></tr>
<tr><td>General employees</td><td>20%</td><td>80%</td></tr>
</table>
Financial measures are applied at the Group, Portfolio, and Asset level.</td></tr>
<tr><td>What are the Non-financial performance measures?</td><td>Non-Financial measures include Balanced Scorecard items focussed on the Customer, Internal processes, and People & Knowledge perspectives.

In addition, they may also focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation.</td></tr>
<tr><td>How is performance measured?</td><td>Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal Performance Agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.</td></tr>
<tr><td>Who assesses performance against targets?</td><td>The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Leadership Team.</td></tr>
</table>

Short Term Incentive Outcomes

In 2012 GPT achieved an Earnings (Realised Operating Income) per Ordinary Security growth result of 8% (24.2cps) which would exceed the Stretch target of 6% (23.7cps). However, the Committee exercised its discretion to adjust ROI down by adding back some below the line costs and eliminating the benefits of interest rate hedge changes, and as a result the STI award was based on an adjusted EPS growth of 4.65%.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Short Term Incentive Outcomes (continued)

Table 7 – Short Term Incentive Outcomes

Senior Executive	Position	Actual STI Awarded ($)	Actual STI Awarded as a % of Maximum STI	% of Maximum STI Award Forfeited
Michael Cameron	Chief Executive Officer	$ 1,512,939	83.47%	16.53%
James Coyne	General Counsel/Secretary	$ 247,174	82.39%	17.61%
Matthew Faddy	Head of Asset Management	$ 438,725	87.75%	12.26%
Mark Fookes	Chief Financial Officer	$ 586,672	75.70%	24.30%
Nicholas Harris	Head of Funds Management	$ 595,483	82.14%	17.86%
Carmel Hourigan [1]	Head of Investment Management			
Anthony McNulty	Head of Development Retail and Major Projects	$ 455,690	80.83%	19.17%
Michael O'Brien	Group Executive Corporate Development	$ 692,822	83.47%	16.53%
John Thomas [2]	Head of Development Commercial and Industrial	$ 264,978	65.23%	34.77%

[1] As Carmel Hourigan joined GPT on 8 November 2012 she was not eligible for an STI in 2012.
[2] As John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012, his Actual STI Awarded only relates to the period from 1 July – 31 December 2012.

Long Term Incentives (LTI) (variable component)

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

Table 8 – GPT's LTI Plan

What is the purpose of the LTI plan?	The purpose of the LTI plan is to align senior executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, his direct reports, and a small number of other senior executives with the greatest ability to impact on the long term performance of GPT. In 2012, 29 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2012 LTI is based on a percentage of the participants' base pay with the maximum (Stretch) opportunity in 2012 as follows: • for the CEO it was equivalent to 150% of base pay • for Leadership Team members it was 100% of base pay • for all other participants it was equivalent to 75% of base pay
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. For the 2012 LTI, the number of Rights granted was determined by dividing GPT's last quarter 2011 volume weighted average security price (VWAP) of $3.1361 into the grant value.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive distributions, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise. During 2012, several executives left the group in 'good leaver' scenarios and were allowed to retain a portion of the performance rights granted to them, pro-rated to their period of service during the life of the applicable plan(s), to be measured at the end of the applicable plan(s) life in the same manner as ongoing employees.
What are the performance hurdles?	See table 9.
Are Rights subject to retesting if they do not vest on initial testing?	No. There is no retesting of Rights that do not vest after being first tested for satisfaction against the performance measures at the end of the 3 year period.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

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

The performance measures and hurdles for GPT's LTI plan, which have been approved by GPT security holders, are summarised in table 9, below, along with the results for each plan at the end of the applicable three year period (where known).

Table 9 – GPT LTI Plan Performance Measures, Hurdles & Results

LTI	LTI Performance Measurement Period	Performance Measure	Performance Measure Hurdle	Weighting	Results	Percentage of 2010 Performance Rights vesting for each Performance Measure [1] (%)
2010	2010-2012	Relative TSR versus the top 80% of the ASX 200 Property Index	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3rd	GPT's TSR performance of 43% ranked 3rd out of the 7 participants, which translated to a percentile of 66.7.	82.70%
		Earnings per security growth (EPS) vs the CPI [2]	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3rd	GPT achieved EPS growth of 10.5% versus CPI of 8% and CPI plus 1% of 11%.	91.67%
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3rd	GPT achieved a compound annual TR of 7.32%, which was below the Threshold of 8%.	0%
2011	2011-2013	Relative TSR versus the top 80% of the ASX 200 Property Index	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3rd		
		Earnings per security growth (EPS) vs the CPI	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3rd		
2012	2012-2014	Relative TSR versus the top 80% of the ASX 200 Property Index	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3rd		
		Earnings per security growth (EPS) vs the CPI	50% of rights vest if EPS growth = CPI plus 1%, up to 100% if EPS growth = CPI plus 1.5% percentile (pro rata vesting in between).	1/3rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	50% of rights vest at 9% TR, up to 100% at 9.5% TR (pro-rata vesting in between).	1/3rd		

[1] Refer to Table 1 to see how many Performance Rights vested and lapsed for each participant in the 2010 LTI.
[2] The EPS growth calculation for 2010 relies on a rebased 2009 EPS figure of 21.30cps versus the 2010 result of 20.74cps. The rebasing of 2009 was required to adjust the 2009 EPS result of 23.83cps (4.77 cps on a pre 5:1 consolidation basis) to take into account the dilutive effect of the capital raising. The approach is to assume the raising happened on 1 January 2009, that is, the interest saving from reducing debt starts on 1 January 2009 rather than 17 June 2009, with the adjusted earnings for the 2009 year divided by the greater number of average shares.

GPT Management Holdings Limited and its controlled entities

DIRECTORS' REPORT
For the year ended 31 December 2012

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

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

Table 10 (below) sets out the executives' LTI plan participation level (i.e. in terms of grant size), fair value, and the maximum recognised value in future years (see footnote 2 to table 10 for an explanation of these concepts):

Table 10 – LTI Plan Participation Levels and Fair Value

Senior Executive	Position	LTI Scheme	Performance Rights Granted	Grant Date	Fair Value	Vesting Date [1]	Maximum Recognised Value in Future Years [2]
Michael Cameron	*Managing Director and Chief Executive Officer*	2010	590,068	19-May-10	$2.06	31-Dec-12	$0
		2011	713,455	08-Jun-11	$2.38	31-Dec-13	$661,450
		2012	693,537	08-May-12	$2.34	31-Dec-14	$1,244,433
James Coyne	*General Counsel/Secretary*	2010	154,074	19-May-10	$2.06	31-Dec-12	$0
		2011	169,115	08-Jun-11	$2.38	31-Dec-13	$156,788
		2012	153,056	08-May-12	$2.34	31-Dec-14	$274,633
Matthew Faddy	*Head of Asset Management*	2010	110,638	19-May-10	$2.06	31-Dec-12	$0
		2011	122,873	08-Jun-11	$2.38	31-Dec-13	$113,916
		2012	159,434	08-May-12	$2.34	31-Dec-14	$286,077
Mark Fookes	*Chief Financial Officer*	2010	245,862	19-May-10	$2.06	31-Dec-12	$0
		2011	273,051	08-Jun-11	$2.38	31-Dec-13	$253,147
		2012	247,122	08-May-12	$2.34	31-Dec-14	$443,418
Nicholas Harris	*Head of Funds Management*	2010	199,968	19-May-10	$2.06	31-Dec-12	$0
		2011	219,498	08-Jun-11	$2.38	31-Dec-13	$203,498
		2012	231,179	08-May-12	$2.34	31-Dec-14	$414,811
Carmel Hourigan [3]	*Head of Investment Management*	2010	-	19-May-10	$2.06	31-Dec-12	$0
		2011	-	08-Jun-11	$2.38	31-Dec-13	$0
		2012	160,073	08-Nov-12	$2.34	31-Dec-14	$349,217
Anthony McNulty	*Head of Development Retail and Major Projects*	2010	134,241	19-May-10	$2.06	31-Dec-12	$0
		2011	193,778	08-Jun-11	$2.38	31-Dec-13	$179,653
		2012	175,377	08-May-12	$2.34	31-Dec-14	$314,684
Michael O'Brien	*Group Executive Corporate Development*	2010	270,448	19-May-10	$2.06	31-Dec-12	$0
		2011	292,429	08-Jun-11	$2.38	31-Dec-13	$271,113
		2012	264,660	08-May-12	$2.34	31-Dec-14	$474,887
John Thomas [4]	*Head of Development Commercial and Industrial*	2010	-	19-May-10	$2.06	31-Dec-12	$0
		2011	-	08-Jun-11	$2.38	31-Dec-13	$0
		2012	172,720	01-Jul-12	$2.34	31-Dec-14	$323,155

[1] Vesting date is the date that marks the end of the 3-year LTI performance period. At this point the performance measure will be assessed against the performance hurdle to see if any Performance Rights vest.

[2] This represents the fair value of rights as at grant date that are yet to be expensed. "Fair value" is independently determined on the grant date of each tranche of Performance Rights using Monte Carlo and Binomial tree pricing models which take into account the following factors: the expected life of the Performance Rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the Performance Rights. As a result, the figures derived, while accurate for the valuation requirements of the relevant accounting standards, do not bear any resemblance to the actual gross value that may or may not be realised by a participating executive. The LTI accrual numbers in the Senior Executive Remuneration Disclosures in Table 13 on page 20 represent the current (2012) calendar year expenses of the executives participation in the various plans on foot whereas the maximum recognised value in future years represents the expenses which will be recognised from an accounting perspective in the future until the end of the relevant LTI plan performance period.

[3] Carmel Hourigan joined GPT on 8 November 2012 hence her grant date for the 2012 LTI differs from her peers.

[4] John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012; as a result his grant date for the 2012 LTI also differs from his peers.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

GPT Performance Outcomes

Table 11 (below) shows GPT's performance against key metrics over the last 5 years. It should be noted that during FY2010 GPT undertook a five for one unit consolidation.

Table 11 – GPT's 5 Year Performance

		2008	2009	2010	2011	2012
Realised Operating Income	$m	468.8	375.8	410.0	438.8	456.4
Total Securityholder Return (TSR)	%	(74.9)	(14.4)	2.9	10.5	26.9
Earnings (Realised Operating Income) per Security (EPS) [1]	cents	88.5	24.0	20.7	22.4	24.2
EPS growth	%	(37.1)	(74.2)	(13.0)	8.1	8.0
Distributions per Security (DPS) [1]	cents	88.5	22.5	16.3	17.8	19.3
Total Return	%	(46.6)	(40.7)	9.1	4.9	9.5
NTA (per security) [1]	$	7.15	3.45	3.60	3.59	3.73
Security price at end of calendar year[1]	$	4.60	3.05	2.94	3.07	3.68

[1] Adjusted for 5 to 1 security consolidation in May 2010.

Service Agreements

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

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

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

The terms of Mr Cameron's contract were outlined on page 12. The material terms of the service agreements for the remainder of the KMP (i.e. other than the CEO) who were employed by the Group at 31 December 2012 are set out in Table 12 (below):

Table 12 – Material terms of service agreements for the KMP

Term	Conditions
Duration	Open ended.
Termination by Executive	3 months notice. GPT may elect to make a payment in lieu of notice.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months notice. Severance payments may be made subject to GPT policy. Treatment of unvested STI and LTI will be at Board and management discretion under the terms of the relevant plans.
Post-employment restraints	Non-solicitation of GPT employees for 12 months post-employment.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures

The following table provides a breakdown of GPT's KMP in accordance with statutory requirements and accounting standards. It should be noted that of the Variable or "At Risk" components, STI Bonus shows actual cash payments made to executives, whereas the LTI Award Accrual and the Grant or Vesting of Performance Rights are accounting valuations and may only be payable to executives under certain performance conditions or circumstances (as per the footnotes).

Table 13 – Senior Executive Remuneration Disclosures

	Fixed Pay			*Variable or "At Risk"*				
Senior Executive	**Base Pay**	**Superanuation**	**Non-Monetary [1]**	**STI Bonus**	**LTI Award Accrual [2]**	**Grant or Vesting of Performance Rights [3,4,5]**	**Cash Payment on Termination**	**Total**
Michael Cameron								
Managing Director and Chief Executive Officer								
31 December 2012	**1,455,313**	**16,123**	**9,160**	**1,512,939**	**1,503,501**	**18,220**	**-**	**4,515,256**
31 December 2011	1,382,201	15,487	13,542	1,597,955	989,895	74,873	-	4,073,953
J. Coyne								
General Counsel/Co. Secretary								
31 December 2012	**469,124**	**16,123**	**3,330**	**247,174**	**361,360**	**-**	**-**	**1,097,111**
31 December 2011	488,781	15,487	3,523	284,081	280,703	-	-	1,072,575
M. Faddy [6]								
Head of Asset Management								
31 December 2012	**489,457**	**16,123**	**2,405**	**438,725**	**287,842**	**-**	**-**	**1,234,552**
31 December 2011	-	-	-	-	-	-	-	-
M. Fookes [7]								
Chief Financial Officer								
31 December 2012	**769,030**	**16,123**	**5,288**	**586,672**	**581,165**	**-**	**-**	**1,958,278**
31 December 2011	808,044	15,487	4,128	682,000	442,081	-	-	1,951,740
N. Harris								
Head of Funds Management								
31 December 2012	**718,219**	**16,123**	**4,192**	**595,483**	**486,758**	**-**	**-**	**1,820,775**
31 December 2011	650,263	15,487	3,835	534,618	362,816	-	-	1,567,019
C. Hourigan [8]								
Head of Investment Management								
31 December 2012	**100,630**	**4,118**	**350,000**	**-**	**25,354**	**47,068**	**-**	**527,170**
31 December 2011	-	-	-	-	-	-	-	-
A. McNulty								
Head of Development Retail and Major Projects								
31 December 2012	**547,627**	**16,123**	**2,960**	**455,690**	**380,822**	**-**	**-**	**1,403,222**
31 December 2011	553,592	15,487	2,761	354,750	267,177	-	-	1,193,767
M. O'Brien [9]								
Group Executive Corporate Development								
31 December 2012	**824,947**	**16,123**	**3,789**	**692,822**	**628,017**	**-**	**-**	**2,165,698**
31 December 2011	841,513	15,487	2,761	827,452	486,635	21,730	-	2,195,578
J. Thomas [10]								
Head of Development Commercial and Industrial								
31 December 2012	**328,948**	**8,235**	**982**	**264,978**	**81,010**	**-**	**-**	**684,153**
31 December 2011	-	-	-	-	-	-	-	-
Former KMP's [11]								
M. Tierney								
Fund Manager, GPT Wholesale Shopping Centre Fund								
31 December 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2011	500,518	15,487	3,597	330,233	241,172	-	-	1,091,007
J. Johnstone								
Head of Transactions								
31 December 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2011	590,318	15,487	1,095	495,264	329,860	-	-	1,432,024
Total								
31 December 2012	**5,703,295**	**125,214**	**382,106**	**4,794,483**	**4,335,829**	**65,288**	**-**	**15,406,215**
31 December 2011	5,815,230	123,896	35,242	5,106,353	3,400,339	96,603	-	14,577,663

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures (continued)

[1] The amount set out under 'Non-Monetary' may include Death & Total/Permanent Disability Insurance Premiums, superannuation plan administration fees, executive health assessments and other benefits.

[2] The purpose of the LTI Award Accrual column is to record the amount of the fair value of Performance Rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives.

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

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	$300,000	115,363	Service: 50% of the Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.
Michael O'Brien	Recognition of 7 month's service as Acting CEO	$200,000	76,909	Service: 50% of Performance Rights converted to GPT securities for nil consideration on 1 July 2010. The remaining 50% converted to GPT securities for nil consideration on 1 July 2011.

[4] One off grants of Performance Rights were made in 2010 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	To address the impact of the May 2009 one for one rights issue on Mr Cameron's sign-on grant of rights (see detailed explanation in the 2010 Remuneration Report)	$34,697	16,843	Service; 50% of Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.

[5] One off grants of Performance Rights were made in 2012 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Carmel Hourigan	Sign on package	$500,000	155,617	Service; 50% of Performance Rights will convert to GPT securities for nil consideration on 1 September 2013. The remaining 50% will convert to GPT securities for nil consideration on 1 September 2014.

[6] Matt Faddy became a KMP on 1 January 2012.

[7] Mark Fookes was Head of Investment until he was appointed Chief Financial Officer on 1 October 2012.

[8] Carmel Hourigan joined GPT on 8 November 2012.

[9] Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

[10] John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Industrial and Commercial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

[11] Michelle Tierney and Jonathan Johnstone were not KMP in calendar year 2012.

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors

Remuneration Policy

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

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
  - Main Board fees
  - Committee fees
  - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is remunerated via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any short or long term incentive arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report.

Remuneration Arrangements

As noted earlier in the Remuneration Report, the Board determined that there would be no increase in Non-Executive Director fees for 2012, continuing the freeze on Non-Executive Director fees that commenced in 2008.

The Chair is paid a main board fee which is 2.5 times the standard Board member fee to reflect the additional workload and responsibilities associated with the role. The Chairman does not receive fees for any Committees on which he serves.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of $1,650,000 per annum which was approved by GPT security holders at the Annual General Meeting on 11 May 2011. As an executive director, Michael Cameron does not receive fees from this pool but was remunerated as one of GPT's Senior Executives.

Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2012 were as follows:

Table 14 – Board and Board Committee Fees

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee
Chairman [1]					
	2012	**$346,500**	**$34,650**	**$11,000**	**$23,100**
	2011	$346,500	$34,650	$11,000	$23,100
Members					
	2012	**$138,600**	**$17,325**	**$8,000**	**$11,550**
	2011	$138,600	$17,325	$8,000	$11,550

[1] 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee.

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

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the 2012 and 2011 calendar years is as follows:

3. 2012 REMUNERATION REPORT (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors (continued)

The following table provides a breakdown of Non-Executive Director remuneration in accordance with statutory requirements and accounting standards.

Table 15 – Non-Executive Remuneration Disclosures

	Fixed Pay			
	Salary & Fees	Superannuation [1]	Non-Monetary [2]	Total
Directors				
R. Ferguson				
Chairman				
31 December 2012	**$ 346,788**	**$ 16,123**	**$ -**	**$ 362,911**
31 December 2011	$ 346,500	$ 15,487	$ -	$ 361,987
B. Crotty				
31 December 2012	**$ 161,182**	**$ 14,506**	**$ -**	**$ 175,688**
31 December 2011	$ 158,150	$ 14,442	$ -	$ 172,592
E. Doyle				
31 December 2012	**$ 161,150**	**$ 14,503**	**$ -**	**$ 175,653**
31 December 2011	$ 161,150	$ 14,503	$ -	$ 175,653
E. Goodwin				
31 December 2012	**$ 163,925**	**$ 14,753**	**$ -**	**$ 178,678**
31 December 2011	$ 163,925	$ 14,753	$ -	$ 178,678
S.G. Lim [3]				
31 December 2012	**$ 54,909**	$ -	**$ -**	**$ 54,909**
31 December 2011	$ 155,925	$ -	$ -	$ 155,925
A. McDonald				
31 December 2012	**$ 173,430**	**$ 15,609**	**$ 1,310**	**$ 190,349**
31 December 2011	$ 173,250	$ 15,396	$ 1,343	$ 189,989
G. Tilbrook				
31 December 2012	**$ 161,700**	**$ 14,553**	**$ 1,265**	**$ 177,518**
31 December 2011	$ 161,700	$ 14,533	$ 1,300	$ 177,533
Total				
31 December 2012	**$ 1,223,084**	**$ 90,047**	**$ 2,575**	**$ 1,315,706**
31 December 2011	$ 1,320,600	$ 89,114	$ 2,643	$ 1,412,357

No termination benefits were paid during the financial year.

1 Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.

2 The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan and Death & Total/Permanent Disability Insurance Premiums.

3 S.G Lim retired from the Board on 7 May 2012.

4. OTHER DISCLOSURES

4.1 Indemnification and Insurance of Directors and Officers

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

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

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

4.2 Proceedings on behalf of the Company

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. At Slater & Gordon's invitation, GPT entered into mediation discussions on a without prejudice basis in an attempt to determine whether the parties could reach agreement in relation to the dispute. Failing an agreed resolution of the matter, Slater & Gordon has now commenced proceedings on behalf of certain persons who claim that they 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.

GPT rejects the allegations and intends to defend the claim which is listed for hearing in 2013. 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.

4.3 Non-Audit Services

During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 25 to the financial statements.

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

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

4.4 Rounding of Amounts

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

4.5 Auditor

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

4.6 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 the following page.

Signed in accordance with a resolution of the Directors.

Rob Ferguson	Michael Cameron
Chairman	Managing Director and Chief Executive Officer

Sydney
13 February 2013

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

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

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

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

AJ Loveridge

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
13 February 2013

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GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2012

	Note	Consolidated entity 31 Dec 12 $'000	31 Dec 11 $'000
Revenue			
Fund management fees		**70,339**	69,025
Property management fees		**30,668**	21,037
Development management fees		**19,715**	20,244
		120,722	110,306
Other income			
Interest revenue		**481**	601
Revaluation on borrowings		**10,609**	1,844
		11,090	2,445
Total revenue and other income		**131,812**	112,751
Expenses			
Remuneration expenses	5(a)	**82,290**	86,606
Property rent and outgoings		**4,274**	6,754
Repairs and maintenance		**4,633**	4,518
Professional fees		**5,122**	8,497
Depreciation and amortisation expense	5(b)	**7,130**	7,343
Net loss on disposal of assets		**13**	91
Impairment expense	5(c)	**820**	5,574
Finance costs	5(d)	**21,644**	26,919
Net foreign exchange loss/(gain)		**34**	(27)
Other expenses		**10,439**	10,412
Total expenses		**136,399**	156,687
Loss from continuing operations before income tax expense		**(4,587)**	(43,936)
Income tax (expense)/benefit	6(a)	**(2,889)**	6,865
Loss after income tax expense for continuing operations		**(7,476)**	(37,071)
Loss from discontinued operations	8(d)	**(1,118)**	(12,174)
Net loss for the year		**(8,594)**	(49,245)
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		**(12)**	730
Total comprehensive loss for the year		**(8,606)**	(48,515)
Net loss attributable to:			
- Members of the Company		**(8,594)**	(46,568)
- Non-controlling interest		**-**	(2,677)
Total comprehensive (loss)/income attributable to:			
- Members of the Company		**(8,606)**	(45,838)
- Non-controlling interest		**-**	(2,677)
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings/(loss) per share (cents per share) from continuing operations	4(a)	**(0.42)**	(1.86)
Basic and diluted earnings/(loss) per share (cents per share) from discontinued operations	4(a)	**(0.06)**	(0.66)
Basic and diluted earnings/(loss) per share (cents per share) - Total	4(a)	**(0.48)**	(2.52)

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

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2012

	Note	Consolidated entity 31 Dec 12 $'000	31 Dec 11 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	21(b)	**19,990**	14,488
Loans and receivables	7(a)	**26,841**	37,188
Prepayments		**722**	1,434
		47,553	53,110
Assets classified as held for sale	8(c)	**102**	2,091
Total Current Assets		**47,655**	55,201
Non-Current Assets			
Investments in associates and joint ventures		**82**	81
Loans and receivables	7(b)	**13,445**	13,396
Property, plant & equipment	9	**10,742**	12,812
Intangible assets	10	**49,914**	51,344
Deferred tax assets	6(c)	**31,908**	36,253
Other assets		**6,354**	7,762
Total Non-Current Assets		**112,445**	121,648
Total Assets		**160,100**	176,849
LIABILITIES			
Current Liabilities			
Payables	11	**37,556**	49,881
Provisions	12	**12,392**	14,374
		49,948	64,255
Liabilities classified as held for sale	8(c)	**-**	903
Total Current Liabilities		**49,948**	65,158
Non-Current Liabilities			
Provisions	12	**1,339**	1,358
Other liabilities		**7,584**	7,962
Total Non-Current Liabilities		**8,923**	9,320
Total Liabilities		**58,871**	74,478
Net Assets		**101,229**	102,371
EQUITY			
Contributed equity	14	**321,812**	323,035
Reserves	15	**49,759**	41,084
Accumulated losses	16	**(275,190)**	(266,596)
Total equity attributable to Company members		**96,381**	97,523
Non-controlling interests	16	**4,848**	4,848
Total Equity		**101,229**	102,371

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

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2012

		Consolidated Entity								
		Attributable to Company members				Attributable to non-controlling interests				
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Balance at 1 January 2011		324,771	35,004	(220,028)	139,747	22,060	-	(14,535)	7,525	147,272
Movement in foreign currency translation reserve	15	-	730	-	730	-	-	-	-	730
Net income recognised directly in equity		-	730	-	730	-	-	-	-	730
Loss for the year	16	-	-	(46,568)	(46,568)	-	-	(2,677)	(2,677)	(49,245)
Total comprehensive income/(loss) for the year		-	730	(46,568)	(45,838)	-	-	(2,677)	(2,677)	(48,515)
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	14	(1,736)	-	-	(1,736)	-	-	-	-	(1,736)
Movement in treasury stock reserve	15	-	(480)	-	(480)	-	-	-	-	(480)
Movement in employee incentive security scheme reserve	15	-	5,830	-	5,830	-	-	-	-	5,830
Balance at 31 December 2011		323,035	41,084	(266,596)	97,523	22,060	-	(17,212)	4,848	102,371
Balance at 1 January 2012		**323,035**	**41,084**	**(266,596)**	**97,523**	**22,060**	**-**	**(17,212)**	**4,848**	**102,371**
Movement in foreign currency translation reserve	15	**-**	**(12)**	**-**	**(12)**	**-**	**-**	**-**	**-**	**(12)**
Net loss recognised directly in equity		**-**	**(12)**	**-**	**(12)**	**-**	**-**	**-**	**-**	**(12)**
Loss for the year	16	**-**	**-**	**(8,594)**	**(8,594)**	**-**	**-**	**-**	**-**	**(8,594)**
Total comprehensive loss for the year		**-**	**(12)**	**(8,594)**	**(8,606)**	**-**	**-**	**-**	**-**	**(8,606)**
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	14	**(1,223)**	**-**	**-**	**(1,223)**	**-**	**-**	**-**	**-**	**(1,223)**
Movement in treasury stock reserve	15	**-**	**291**	**-**	**291**	**-**	**-**	**-**	**-**	**291**
Movement in employee incentive security scheme reserve	15	**-**	**8,396**	**-**	**8,396**	**-**	**-**	**-**	**-**	**8,396**
Balance at 31 December 2012		**321,812**	**49,759**	**(275,190)**	**96,381**	**22,060**	**-**	**(17,212)**	**4,848**	**101,229**

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

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 December 2012

	Note	Consolidated entity 31 Dec 12 $'000	31 Dec 11 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**120,503**	187,367
Cash payments in the course of operations (inclusive of GST)		**(111,115)**	(166,024)
Dividends received		**980**	1,329
Income tax paid		**(16)**	(1,648)
Interest received		**524**	823
		10,876	21,847
Finance costs		**-**	(6,202)
Net cash inflow from operating activities	21(a)	**10,876**	15,645
Cash flows from investing activities			
Payments for property, plant and equipment		**(298)**	(9,372)
Payments for intangibles		**(4,926)**	(4,731)
Proceeds from sale of controlled entities and associates		**1,192**	2,089
Loans advanced to joint ventures and associates		**-**	(2,650)
Repayment of joint venture and associate loans		**-**	600
Net cash outflow from investing activities		**(4,032)**	(14,064)
Cash flows from financing activities			
Repayment of employee incentive scheme loans, net of distributions		**-**	2,152
Purchase of securities for the employee incentive scheme		**(216)**	-
Payments for buy-back of ordinary stapled securities		**(1,223)**	(1,736)
Repayment of related party borrowings		**(945)**	(5,262)
Net cash outflow from financing activities		**(2,384)**	(4,846)
Net increase/(decrease) in cash and cash equivalents		**4,460**	(3,265)
Cash and cash equivalents at the beginning of the year		**15,530**	18,795
		19,990	15,530
Less: cash balance classified as held for sale		**-**	(1,042)
Cash and cash equivalents at the end of the year	21(b)	**19,990**	14,488

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

1. Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Going Concern

As at 31 December 2012, the consolidated entity reported a net loss of $8,594,000 (2011: loss of $49,245,000) and a net deficiency of current assets over current liabilities of $2,293,000 (2011: net deficiency of $9,957,000). However the consolidated entity has a positive net asset position of $101,229,000 (2011: $102,371,000) and has reported operating cash inflows during the year of $10,876,000 (2011: $15,645,000).

During 2010, the terms of the Australian subsidiaries' intercompany loans with General Property Trust were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans is limited to the surplus cash of the individual companies at their loan maturity date. This constituted a substantial modification to each of the loan terms and accordingly the loans were remeasured under the varied contractual terms and conditions, resulting in a revaluation to the Consolidated Statement of Comprehensive Income of $13,245,000 (2011: $5,114,000) for both continuing and discontinued operations.

The financial report has been prepared on a going concern basis in the belief that the consolidated entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. With respect to the net asset deficiency of current assets over current liabilities at 31 December 2012, the consolidated entity has access to undrawn financing facilities of $253.5 million.

Compliance with IFRS

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

New Accounting Standards and Interpretations Issued but not yet Applied

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 *Presentation of Financial Statements* which 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. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The consolidated entity intends to adopt the new standard from 1 January 2013.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *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 and 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. The consolidated entity has performed a detailed analysis of the new guidance in the context of various investees and does not expect the new standard to have a significant impact on its composition.

AASB 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. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The consolidated entity has performed a detailed analysis of the new guidance in the context of various investees and does not expect the new standard to have a significant impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 128. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's investments.

AASB 127 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements.

Amendments to AASB 128 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.

The consolidated entity 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 period ending 31 December 2013.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity 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. The consolidated entity 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 2012-3 Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities and AASB 2012-2 Disclosures -Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014 and 1 January 2013 respectively)

In June 2012, the AASB approved amendments to the application guidance in AASB 132 Financial Instruments: Presentation, to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. These amendments are effective from 1 January 2014. They are unlikely to affect the accounting for any of the entity's current offsetting arrangements. However, the AASB has also introduced more extensive disclosure requirements into AASB 7 which will apply from 1 January 2013. When they become applicable, the consolidated entity will have to provide a number of additional disclosures in relation to its offsetting arrangements. The consolidated entity intends to apply the new rules for the first time in the financial year commencing 1 January 2013.

AASB 2012-5 Amendments to Australian Accounting Standard arising from Annual Improvements 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In June 2012, the AASB approved a number of amendments to Australian Accounting Standards as a result of the 2009-2011 annual improvements project. GPT will apply the amendments from 1 January 2013. The consolidated entity does not expect that any adjustments will be necessary as the result of applying the revised rules.

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) and 2012-6 Mandatory Effective Date of AASB 9 and Transition Disclosures (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 2015 but is available for early adoption. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The consolidated entity does not plan to adopt this standard early and the extent of the impact has not yet been determined. The consolidated entity does not plan to adopt this standard early.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through profit and loss.

The financial statements were approved by the Board of Directors on 13 February 2013.

(b) Accounting for GPT Management Holdings Limited

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

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

(c) Parent entity financial information

The financial information for the parent entity, GPT Management Holdings Limited, disclosed in note 17 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the report of GPT Management Holdings Limited. Distributions received from subsidiaries, associates and joint venture entities are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

1. Summary of significant accounting policies (continued)

(d) Principles of consolidation

(i) Controlled entities

The consolidated financial statements comprise the assets and liabilities of all controlled entities and the results of all controlled entities for the financial year then ended. The Company and its controlled entities are collectively referred to in this financial report as the consolidated entity.

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

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

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Company. All inter-entity transactions, balances and unrealised gains on transactions between the Company's entities have been eliminated in full. Unrealised losses are eliminated.

Non-controlling interests not held by the Company are allocated their share of net profit after income tax expense in the Statement of Comprehensive Income and are presented within equity in the Consolidated Statement of Financial Position, separately from the Company's equity.

(ii) Associates

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

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

(iii) Joint ventures

Joint venture entities

Investments in joint venture entities are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, the Company's share of the joint ventures' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from joint ventures are recognised in the consolidated financial statements as a reduction of the carrying amount of the investment.

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

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

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Foreign operations

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

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken to the foreign currency translation reserve on consolidation.

1. Summary of significant accounting policies (continued)

(f) Income tax

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

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

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

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

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

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

(g) Goods and Services Tax (GST)

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

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

(h) Segment reporting

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

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

Operating segments are identified based on the information provided to the chief operating decision maker – being the Leadership Team of the consolidated entity and also with consideration to other factors including the existence of a Portfolio Head/Manager and the level of segment information presented to the Board of Directors.

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

1. Summary of significant accounting policies (continued)

(i) Revenue recognition

Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Acquisition fee revenue is recognised once external equity raisings are complete or substantially complete and the sale of the fund is unconditional.

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

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

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

(j) Finance costs

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

(k) Expenses

Property expenses and outgoings include property outgoings incurred in relation to management of the investment properties and are recognised on an accruals basis.

(l) Cash and cash equivalents

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

(m) Receivables

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

Other loans and receivables

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

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

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

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

A discontinued operation is a part of the consolidated entity's business that:

- it has disposed of or has classified as held for sale and that represents a major line of its business or geographical area of operations, or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

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

1. Summary of significant accounting policies (continued)

(o) Property, plant and equipment

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

Depreciation and amortisation

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their expected useful lives, as follows:

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

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

(p) Leases

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

(q) Lease incentive

Incentive assets such as cash, rent free periods, lessee or lessor owned fitouts may be provided by lessors when they enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental expenses.

(r) Intangible assets

(i) Management rights

The management rights include asset and property management rights of retail shopping centres. The rights are amortised over the useful life, which range from 3 years to indefinite.

(ii) IT development and software

Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over the period, which is the length of time over which the benefits are expected to be received, generally ranging from 3 to 10 years.

(s) Financial assets and liabilities

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

The Company's classification is set out below:

Financial asset/liability	Classification	Valuation basis	
Cash	Fair value through profit and loss	Fair value	Refer to note 1(l)
Receivables	Loans and receivables	Amortised cost	Refer to note 1(m)
Payables	Financial liability at amortised cost	Amortised cost	Refer to note 1(t)
Borrowings	Financial liability at amortised cost	Amortised cost	Refer to note 1(v)

Derecognition of financial instruments

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

(t) Payables

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

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

1. Summary of significant accounting policies (continued)

(u) Provisions

Provisions are recognised when the consolidated entity has a present legal, equitable or constructive obligation as a result of past transactions or events, It is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Refer to note 1(y) for provisions for dividends.

(v) Borrowings

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

(w) Employee benefits

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

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

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

(ii) Retirement benefit obligations

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

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

(iii) Share based payments

Employee incentive scheme

Security based compensation benefits are provided to employees via the schemes comprising the Employee Incentive Scheme (EIS), refer to note 19.

GPT Group Stapled Security Rights Plan

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

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

The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

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

(x) Contributed equity

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

1. Summary of significant accounting policies (continued)

(y) Dividends

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

(z) Earnings per share (EPS)

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

(aa) Rounding of amounts

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

(ab) Critical accounting estimates and judgements

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

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

(i) Impairment of loans and receivables

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

(ii) Impairment of intangibles

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

(iii) Share based payment transactions

The Company measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. 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.

(iv) Repayment fund for loan assignment

The determination of the repayment fund relating to the loan assignment from the Trust to the Company is based on a ten year forecast cash flow for amounts payable. At 31 December 2012, there is no forecast repayment amount (2011: $Nil) and hence a revaluation adjustment of $13.2 million (2011: $5.1 million) for both continuing and discontinued operations has been recorded.

(v) 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.

(ac) Other Comprehensive Income

Other comprehensive income in the Statement of Comprehensive Income reflects the re-measurements of certain assets or balances as a result of movements in price or valuation. In the case of the consolidated entity, these items will mainly include foreign exchange translation adjustments on foreign subsidiaries. Where the underlying item giving rise to the foreign currency translation adjustments is sold or realised, the foreign currency translation adjustments recognised in other comprehensive income are then recognised in earnings (or comprehensive income) in the Statement of Comprehensive Income.

2. Segment reporting

Financial performance and total assets and liabilities by segment

The Chief Operating Decision Maker has been identified as the Leadership Team of the consolidated entity which is responsible for the strategic decision making within the consolidated entity. During 2012, the Group changed its management reporting to focus on reporting performance at a Group level. Therefore Management of the consolidated entity has determined that the consolidated entity now operates in a single segment based on the information provided to the Leadership Team of the consolidated entity. Refer to the GPT Group consolidated financial statements for more detailed segment analysis at the Group level.

The amounts provided to the Leadership team in respect of financial performance are measured in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

3. Dividends paid and payable

No dividends have been paid or declared for the financial year (2011: nil).

4. Earnings/(loss) per share

	Consolidated Entity	
	31 Dec 12	31 Dec 11
	Cents	Cents
(a) Basic earnings per share		
Basic and diluted earnings per share - (loss) from continuing operations	(0.42)	(1.86)
Basic and diluted earnings per share - (loss) from discontinued operations	(0.06)	(0.66)
Total basic and diluted earnings per share	(0.48)	(2.52)

(b) Weighted average number of ordinary stapled securities	**Number of shares '000s**	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	**1,780,606**	1,845,170
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)	**1,927**	732
Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share	**1,782,533**	1,845,902

(c) The profit/(loss) used in the calculation of the basic earnings per share are as follows:

Profit/(loss) reconciliation - basic and diluted	**31 Dec 12 $'000**	31 Dec 11 $'000
Loss from continuing operations	**(7,476)**	(34,394)
Profit/(loss) from discontinued operations	**(1,118)**	(12,174)
Profit attributed to external non-controlling interest	**-**	(2,677)
	(8,594)	(49,245)

(d) Information concerning the classification of securities

Performance Rights

4,261,106 Performance Rights (2011: 4,060,829) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2012. Cumulatively, 12,207,565 Performance Rights relating to the existing plans have been issued up until 31 December 2012. However, only 1,927,146 Performance Rights are considered as dilutive. As such, only 1,927,146 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.

5. Expenses

	Consolidated Entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
(a) Remuneration expenses		
Restructure costs	**6,200**	-
Other remuneration expenses	**76,090**	86,606
Total remuneration expenses	**82,290**	86,606
(b) Depreciation and amortisation		
Amortisation of management rights	**318**	1,123
Amortisation of other intangibles	**4,519**	4,022
Depreciation of plant and equipment	**2,293**	2,221
Less: Depreciation and amortisation - Discontinued operations	**-**	(23)
Total depreciation and amortisation	**7,130**	7,343
(c) Impairment expense		
Other - loans receivable	**820**	5,574
Total impairment expense	**820**	5,574
(d) Finance costs		
Related parties	**21,644**	26,919
Total finance costs	**21,644**	26,919

6. Tax

	Consolidated Entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
(a) Income tax expense		
Current income tax expense/(benefit)	**16**	(12,637)
Deferred income tax expense	**4,345**	5,073
Income tax expense/(benefit) in the Statement of Comprehensive Income	**4,361**	(7,564)
Income tax (benefit)/expense attributable to:		
Loss from continuing operations	**2,889**	(6,865)
Profit/(loss) from discontinued operations	**1,472**	(699)
Aggregate income tax expense/(benefit)	**4,361**	(7,564)
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(4,587)**	(43,936)
Profit/(loss) from discontinued operations before income tax expense	**354**	(12,873)
Net loss before income tax expense	**(4,233)**	(56,809)
Prima facie income tax benefit at 30% tax rate (2011: 30%)	**(1,270)**	(17,043)
Tax effect of amounts not deductible/assessable in calculating income tax expense:		
Adjustments in respect of current income tax of previous years	**(3,587)**	(7,143)
Share of after tax losses of investments in associates and joint ventures	**(93)**	(901)
Amortisation of intangibles	**40**	337
Impairment expense	**246**	1,707
Revaluation on borrowings	**(3,974)**	(1,534)
Foreign subsidiary losses not deductible for tax	**348**	2,761
Bad debt deductions denied on related party interest	**1,358**	-
Withholding tax on foreign income	**16**	350
Depreciation not deductible	**2,157**	-
Other	**2,627**	5,204
Impairment of deferred tax asset	**6,493**	8,698
Income tax expense/(benefit)	**4,361**	(7,564)
(c) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Employee benefits	**5,111**	9,041
Overhead costs	**8,334**	7,639
Other accruals and provisions	**879**	930
Other	**558**	584
Tax losses	**17,026**	18,059
Total deferred tax asset	**31,908**	36,253
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**36,253**	27,791
Credited to the Statement of Comprehensive Income	**(3,311)**	(5,569)
(Utilised)/Unutilised tax losses	**(1,034)**	14,031
Closing balance at the end of the financial year	**31,908**	36,253
(d) Deferred tax liability		
The balance comprises temporary differences attributable to:		
Depreciation	**-**	-
Other	**-**	-
Total deferred tax liability	-	-
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**-**	495
Charged to the Statement of Comprehensive Income	**-**	(495)
Closing balance at the end of the financial year	**-**	-

7. Loans and receivables

		Note	Consolidated entity 31 Dec 12 $'000	31 Dec 11 $'000
(a)	**Current assets**			
	Trade receivables		**17,165**	15,210
	Other debtors		**3,324**	2,210
	Related party receivables		**6,352**	19,768
	Total current loans and receivables		**26,841**	37,188
(b)	**Non-Current assets**			
	Loan to Lend Lease GPT (Rouse Hill) Pty Limited	(i)	**7,850**	10,250
	Loans to related parties		**5,595**	3,146
	Total non-current loans and receivables		**13,445**	13,396

(i) The loan is provided to Lend Lease GPT (Rouse Hill) Pty Limited as part of the funding of the joint venture agreement. During 2012, loan repayments of $2,400,000 have been received and no impairment has been booked, in 2011 the loan was impaired by $5,574,000 to $10,250,000 based on an external valuation. The loan is interest free with a term of 10 years.

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

(a) Details of discontinued operations

For the year ended 31 December 2012, there were three discontinued operations: Hotel/Tourism Portfolio, Funds Management – Europe and US Senior Housing Portfolios. These operations were classified as discontinued operations in the 2011 annual financial report.

As part of GPT's commitment to the active ownership, management and development of high quality Australian real estate in the retail, office and industrial sectors, management has continued with its plans to exit from the Hotel/Tourism sector and offshore assets. An update on the progress of these disposals post 31 December 2011 and the remaining investments for each discontinued operation as at 31 December 2012, are discussed in detail below.

(i) Hotel / Tourism
The Group has substantially completed its exit from the Hotel/Tourism portfolio with nil remaining balances in the segment.

(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 does not qualify as a sale under Australian Accounting Standards. As a result, at 31 December 2012 GPT Europe 2 Sarl continues to recognise the 38.04% investment in DAF, which has a carrying value of nil.

(iii) US Seniors Housing
On 29 March 2011, GPT substantially completed the sale of the US Seniors Housing Portfolio to Health Care REIT Inc (HCN). The remaining balances represent wind up working capital of the investment in B-VII Operations Holding Co LLC.

(b) Assets classified as held for sale

There are no other assets held for sale other than those assets disclosed below.

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

(c) Details of assets and liabilities of discontinued operations

The table below sets out the assets and liabilities that continue to be owned by the consolidated entity at 31 December 2012, (discussed in note 8(a)). These assets and liabilities are presented as an aggregate amount on the lines “non-current assets and liabilities held for sale in the Statement of Financial Position.

		Discontinued Operations				
		US Senior Housing	**Funds Management Europe**	**Hotel/ Tourism**	**Total**	Total
		31 Dec 12	**31 Dec 12**	**31 Dec 12**	**31 Dec 12**	31 Dec 11
	Note	**$'000**	**$'000**	**$'000**	**$'000**	$'000
Assets classified as held for sale						
Cash at bank and at call		**-**	**-**	**-**	**-**	1,042
Loans and receivables		**-**	**-**	**-**	**-**	874
Investments in associates and joint ventures	(i)	**102**	**-**	**-**	**102**	175
Total Assets classified as held for sale		**102**	**-**	**-**	**102**	2,091
Liabilities classified as held for sale						
Trade payables and accruals		**-**	**-**	**-**	**-**	903
Total Liabilities classified as held for sale		**-**	**-**	**-**	**-**	903

(i) Investments in associated and joint ventures comprise:

- the 38.04% investment in DAF held at nil. Refer to note 8(a)(ii) for further details; and
- the 95% investment in B-VII Operations Holding Co LLC held at $0.1 million.

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

The table below sets out the financial performance and cashflow information up to 31 December 2012 for the discontinued operations that continue to be owned by the Company 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.

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Revenue	**4,182**	47,349
Expenses	**(3,828)**	(60,222)
Profit/(loss) before income tax	**354**	(12,873)
Income tax (expense)/credit	**(1,472)**	699
Loss after income tax of discontinued operations	**(1,118)**	(12,174)
Net cash inflow from operating activities	**1,805**	1,511
Net cash inflow from investing activities	**1,192**	1,162
Net cash outflow from financing activities	**(945)**	(5,262)
Net increase/(decrease) in cash from discontinued operations	**2,052**	(2,589)

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

(e) Details of all disposals in the Statement of Comprehensive Income and Statement of Financial Position

The net profit/(loss) on sale of the discontinued operations and in the general course of business during the year were:

	Consolidated Entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Details of disposals during the year:		
Consideration (net of transaction costs)	**1,192**	(3,332)
Total consideration	**1,192**	(3,332)
Carrying amount of net assets sold	**-**	(2,199)
Foreign exchange (loss)/profit realised on disposal	**-**	(467)
Profit / (loss) on sale before income tax	**1,192**	(5,998)
Income tax expense	**-**	-
Profit / (loss) on sale after income tax	**1,192**	(5,998)
The carrying amounts of assets and liabilities as at the date of disposal were:		
Cash at bank and at call	**-**	1,392
Trade receivables	**-**	824
Inventories	**-**	3,489
Property, plant and equipment	**-**	112
Other assets	**-**	801
Total assets	**-**	6,618
Trade payables and accruals	**-**	2,043
Other liabilities	**-**	2,376
Total liabilities	**-**	4,419
Net assets	**-**	2,199

Consideration (net of transaction costs) represents reversal of previously accrued transaction costs no longer required.

9. Property, plant and equipment

	Consolidated entity 31 Dec 12 $'000	Consolidated entity 31 Dec 11 $'000
Computers		
At cost	**9,932**	9,372
less: accumulated depreciation and impairment	**(6,819)**	(5,240)
Total computers	**3,113**	4,132
Office, fixtures and fittings		
At cost	**10,141**	10,478
less: accumulated depreciation and impairment	**(2,512)**	(1,798)
Total office, fixtures and fittings	**7,629**	8,680
Total property, plant and equipment	**10,742**	12,812

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Year ended 31 December 2012			
Opening carrying value	**4,132**	**8,680**	**12,812**
Additions	**577**	**(337)**	**240**
Disposals	**(17)**	**-**	**(17)**
Depreciation charge	**(1,579)**	**(714)**	**(2,293)**
Closing carrying value	**3,113**	**7,629**	**10,742**
Year ended 31 December 2011			
Opening carrying value	2,240	3,421	5,661
Additions	3,770	5,762	9,532
Disposals	(183)	-	(183)
Depreciation charge	(1,695)	(503)	(2,198)
Closing carrying value	4,132	8,680	12,812

10. Intangibles

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Management rights		
At cost	**54,809**	54,200
less: accumulated amortisation and impairment	**(43,550)**	(43,232)
Total management rights	**11,259**	10,968
IT development and software		
At cost	**51,477**	48,679
less: accumulated amortisation and impairment	**(12,822)**	(8,303)
Total IT development and software	**38,655**	40,376
Total intangible assets	**49,914**	51,344

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

	Management rights $'000	Computer software $'000	Total $'000
Year ended 31 December 2012			
Opening carrying value	**10,968**	**40,376**	**51,344**
Additions	**609**	**2,798**	**3,407**
Amortisation	**(318)**	**(4,519)**	**(4,837)**
Closing carrying value	**11,259**	**38,655**	**49,914**
Year ended 31 December 2011			
Opening carrying value	12,091	39,667	51,758
Additions	-	4,731	4,731
Amortisation	(1,123)	(4,022)	(5,145)
Closing carrying value	10,968	40,376	51,344

Management rights
The management rights include asset and property management rights of retail shopping centres. The rights are amortised over the useful life, which range from 3 years to indefinite.

IT development and software
Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over the period, which is the length of time over which the benefits are expected to be received, generally ranging from 3 to 10 years.

11. Payables

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Current		
Trade payables	**1,776**	1,541
Accruals	**28,954**	42,150
Other payables	**6,826**	6,190
Total payables	**37,556**	49,881

12. Provisions

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Current Provisions		
Employee benefits	**6,513**	8,662
Other	**5,879**	5,712
Total Current Provisions	**12,392**	14,374
Non Current Provisions		
Employee benefits	**1,339**	1,358
Total Non Current Provisions	**1,339**	1,358

	Employee Entitlements	**Other**	**Total**
	$'000	**$'000**	**$'000**
Year ended 31 December 2012			
Opening balance	**10,020**	**5,712**	**15,732**
Arising during the year	**6,292**	**841**	**7,133**
Utilised during the year	**(8,460)**	**(674)**	**(9,134)**
Closing balance	**7,852**	**5,879**	**13,731**
Year ended 31 December 2011			
Opening balance	8,590	5,266	13,856
Arising during the year	5,918	818	6,736
Utilised during the year	(4,488)	(372)	(4,860)
Closing balance	10,020	5,712	15,732

13. Borrowings

A summary of the Company's financing facilities is set out below.

	31 December 2012		
	Total facility	**Used facility**	Unused facility
	$'000	**$'000**	$'000
Related party	790,000	536,530	253,470
Total financing resources available at the end of the year	**790,000**	**536,530**	253,470

Loan assignment - variation

In 2010, the terms of the Company and its subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans was limited to the surplus cash of the individual companies at their loan maturity date (refer to note 1(ab)(iv)).

Related party borrowings – non current

The following non current, unsecured borrowings were provided by GPT Trust and its subsidiaries and drawn as at 31 December 2012;

- a loan facility to GPT Management Holdings Limited of AUD $550,000,000 was drawn to $334,476,632 (2011: $325,402,723). This facility expires on 31 December 2015.
- a loan facility to GPT Property Management Ltd of AUD $50,000,000 was drawn to $33,375,494 (2011: $31,837,551). This facility expires on 31 December 2015.
- a loan facility to GPT International Pty Limited of AUD $120,000,000 was drawn to $98,678,136 (2011: $98,678,136). This facility expires on 12 June 2017.
- a loan facility to Voyages Hotels & Resorts of AUD $70,000,000 was drawn to $70,000,000 (2011: $67,363,527). This facility expires on 24 December 2019.

Consistent with prior periods these loans have been revalued to nil.

14. Contributed equity

		Note	Shares Number	Shares $'000
Ordinary stapled securities				
1 January 2011	Opening securities on issue		1,855,529,431	324,771
1 July 2011 to 31 December 2011	On-market buy-back	(a)	(41,762,323)	(1,736)
31 December 2011	Closing securities on issue		1,813,767,108	323,035
1 January 2012	Opening securities on issue		**1,813,767,108**	**323,035**
1 January 2012 to 31 December 2012	On-market buy-back	(a)	**(46,982,033)**	**(1,223)**
31 December 2012	**Closing securities on issue**		**1,766,785,075**	**321,812**

(a) On-market buy-back

On 11 May 2011, GPT announced an on-market buy-back of up to 5% of the Group's ordinary securities, this was subsequently increased to 10% as announced on 26 April 2012. As at 31 December 2012, the Company has acquired 88.7 million (2011: 41.8 million) of GPT stapled securities for a total consideration of $3.0 million (2011: $1.7 million), being the Company's share of the total consideration paid by the Group.

15. Reserves

	Note	31 Dec 12 $'000	31 Dec 11 $'000
Employee incentive scheme reserve	(a)	**18,142**	9,746
Treasury stock reserve	(b)	**(189)**	(480)
Foreign currency translation reserve	(c)	**31,806**	31,818
Total reserves		**49,759**	41,084

Reconciliations

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

(a) Employee incentive scheme reserve

Balance at 1 January 2011	3,916
Employee incentive schemes expense, net of tax	6,228
Purchase of securities	(398)
Balance at 31 December 2011	9,746
Balance at 1 January 2012	**9,746**
Employee incentive scheme expenses, net of tax	**8,612**
Purchase of securities	**(216)**
Balance at 31 December 2012	**18,142**

(b) Treasury stock reserve

Balance at 1 January 2011	-
On-market purchase of GPT stapled securities	(707)
Amortisation of stapled securities	227
Balance at 31 December 2011	(480)
Balance at 1 January 2012	**(480)**
On-market purchase of GPT staped securities	**-**
Amortisation of staped securities	**291**
Balance at 31 December 2012	**(189)**

(c) Foreign currency translation reserve

Balance at 1 January 2011	31,088
Net foreign exchange translation adjustments, net of tax	730
Balance at 31 December 2011	31,818
Balance at 1 January 2012	**31,818**
Net foreign exchange translation adjustments, net of tax	**(12)**
Balance at 31 December 2012	**31,806**
Total balance at 31 December 2011	41,084
Total balance at 31 December 2012	**49,759**

15. Reserves (continued)

Nature and purpose of reserves:

Foreign currency translation reserve

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

Treasury Stock reserve

The treasury stock reserve is used to record the issue and repayment of securities under the GPT Group Deferred Stapled Security Plan. Refer to note 19(b)(ii).

Employee incentive scheme reserve

The employee incentive scheme reserve is used to recognise the notional fair value of the implied option in respect of Performance Rights issued under the GPT Group Stapled Security Rights Plan (refer to Performance Rights LTI Plan in this report as described in note 19(a)(ii).

16. Accumulated losses

	Company $'000	Non-controlling interest $'000	Total $'000
Consolidated entity			
Balance at 1 January 2011	(220,028)	7,525	(212,503)
Net loss for the year	(46,568)	(2,677)	(49,245)
Balance at 31 December 2011	(266,596)	4,848	(261,748)
Balance at 1 January 2012	**(266,596)**	**4,848**	**(261,748)**
Net loss for the year	**(8,594)**	**-**	**(8,594)**
Balance at 31 December 2012	**(275,190)**	**4,848**	**(270,342)**

17. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Balance Sheet

	Parent entity 31 Dec 12 $'000	Parent entity 31 Dec 11 $'000
Assets		
Total Current Assets	**116,464**	175,031
Total Non-Current Assets	**128,058**	127,300
Total Assets	**244,522**	302,331
Liabilities		
Total Current Liabilities	**114,924**	128,176
Total Non-Current Liabilities	**140,449**	113,481
Total Liabilities	**255,373**	241,657
Net Assets	**(10,851)**	60,674
Equity		
Contributed equity	**321,812**	323,035
Reserves	**17,951**	6,002
Accumulated losses	**(350,614)**	(268,363)
Total equity attributable to Company members	**(10,851)**	60,674

With respect to the net asset deficiency at 31 December 2012, the parent entity has access to undrawn financing facilities of $253.5 million.

17. Parent entity financial information (continued)

(a) Summary financial information (continued)

Profit and loss

	Parent entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Net profit/(loss) for the year	**(82,251)**	(20,836)
Total comprehensive income for the year	**(82,251)**	(20,836)

(b) Commitments

At 31 December 2012, the parent entity has commitments relating to the purchase of property, plant and equipment, which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Parent entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Due within one year	**49**	-
Due between one and five years	**-**	-
Over five years	**-**	-
Total capital expenditure commitments	**49**	-

At 31 December 2012, the parent entity has future minimum rentals payable under non-cancellable operating leases are as follows:

	Parent entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Due within one year	**3,749**	3,657
Due between one and five years	**15,613**	14,271
Over five years	**11,251**	15,182
Total operating lease commitments	**30,613**	33,110

18. Key management personnel disclosures

(a) Details of key management personnel

(i) Directors

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

Chairman - Non-Executive Director
Rob Ferguson

Non-Executive Directors
Brendan Crotty
Eileen Doyle
Eric Goodwin
Lim Swe Guan (retired 7 May 2012)
Anne McDonald
Gene Tilbrook

Executive Director
Michael Cameron

18. Key management personnel disclosures (continued)

(a) Details of Key Management Personnel (continued)

(ii) Other key management personnel

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

Michael O'Brien	Group Executive – Corporate Development
Nicholas Harris	Head of Funds Management
Mark Fookes	Chief Financial Officer
Matthew Faddy	Head of Asset Management
Anthony McNulty	Head of Development – Retail and Major Projects
James Coyne	General Counsel and Company Secretary
Carmel Hourigan	Head of Investment Management
John Thomas	Head of Development – Logistics and Business Parks

(b) Key management personnel compensation

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Short term employee benefits	**12,106**	11,193
Post employment benefits	**215**	198
Long term incentive award accrual	**4,336**	3,071
Other long term benefits	**65**	97
Total key management personnel compensation	**16,722**	14,559

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 8 to 23 of the Directors' Report.

(c) Equity instrument disclosures relating to key management personnel

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

	Balance 1 Jan 2011	Purchases/ (Sales)*	Balance 31 Dec 2011	Purchases/ (Sales)	Balance 31 Dec 2012
Directors					
Rob Ferguson	204,082	-	204,082	-	204,082
Brendan Crotty	30,000	-	30,000	-	30,000
Eileen Doyle	1,600	-	1,600	-	1,600
Eric Goodwin	15,584	-	15,584	-	15,584
Lim Swe Guan	-	-	-	-	-
Anne McDonald	9,450	-	9,450	-	9,450
Gene Tilbrook	20,000	-	20,000	-	20,000
Michael Cameron	163,742	307,249	470,991	66,103	537,094
Senior Executives					
Michael O'Brien	152,581	(71,172)	81,409	-	81,409
James Coyne	35,261	(35,261)	-	-	-
Mark Fookes	148,124	(68,124)	80,000	-	80,000
Nicholas Harris	1,083,169	(48,169)	1,035,000	-	1,035,000
Anthony McNulty	-	-	-	-	-
Michelle Tierney**	73,029	(36,514)	36,515	-	-
Matthew Faddy***	-	-	-	-	-
Carmel Hourigan***	-	-	-	-	-
John Thomas	-	-	-	-	-

*Represents movement of securities due to the winding up of the Legacy LTI Scheme on 20 February 2011.
** Michelle Tierney has ceased to be a KMP on 1 January 2012.
*** Matthew Faddy and Carmel Hourigan had become KMP effective from 1 January 2012 and 8 November 2012 respectively.

18. Key management personnel disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

(ii) Certain Senior Executives of The GPT Group were granted with performance rights under the GPT Group Stapled Securities Rights Plan (refer to note 19(a)(ii) for further detail). The table below sets out the number of performance rights issued to each of the key management personnel until 31 December 2012:

	Grant date	Vesting date*	Exercise price	Granted	Lapsed	Balance 31 Dec 2012	Vested at 31/12/2012*
Director			$				
Michael Cameron	29 April 2009	From 30 June 2011 to 30 June 2012	-	528,823	(396,617)	-	66,103
	19 May 2010	31 December 2012	-	590,068	-	590,068	-
	8 June 2011	31 December 2013	-	713,455	-	713,455	-
	23 May 2012	31 December 2014	-	693,537	-	693,537	-
Senior Executives							
Michael O'Brien	19 May 2010	31 December 2012	-	270,448	-	270,448	-
	8 June 2011	31 December 2013	-	292,429	-	292,429	-
	23 May 2012	31 December 2014	-	264,660	-	264,660	-
James Coyne	19 May 2010	31 December 2012	-	154,074	-	154,074	-
	8 June 2011	31 December 2013	-	169,115	-	169,115	-
	23 May 2012	31 December 2014	-	153,056	-	153,056	-
Mark Fookes	19 May 2010	31 December 2012	-	245,862	-	245,862	-
	8 June 2011	31 December 2013	-	273,051	-	273,051	-
	23 May 2012	31 December 2014	-	247,122	-	247,122	-
Nicholas Harris	19 May 2010	31 December 2012	-	199,968	-	199,968	-
	8 June 2011	31 December 2013	-	219,498	-	219,498	-
	23 May 2012	31 December 2014	-	231,179	-	231,179	-
Anthony McNulty	19 May 2010	31 December 2012	-	134,241	-	134,241	-
	8 June 2011	31 December 2013	-	193,778	-	193,778	-
	23 May 2012	31 December 2014	-	175,377	-	175,377	-
Matthew Faddy	19 May 2010	31 December 2012	-	110,638	-	110,638	-
	8 June 2011	31 December 2013	-	122,873	-	122,873	-
	23 May 2012	31 December 2014	-	159,434	-	159,434	-
Carmel Hourigan	8 November 2012	From 1 September 2013 to 1 September 2014	-	155,617	-	155,617	-
John Thomas	1 July 2012	31 December 2014	-	172,720	-	172,720	-

*The vesting decision on the performance rights with 31 December 2012 vesting date will depend on the results of the performance conditions.

(d) Other transactions with key management personnel

During the year, GPT has received $40,000 in director fees from Michael Cameron for acting as a Director of Suncorp Group Limited.

There have been no transactions with key management personnel other than those transactions detailed in this note.

19. Share based payments

(a) Employee Incentive Scheme

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

The EIS has two qualifying levels – the General Employee Security Ownership Plan and Long Term Incentive (LTI) Scheme.

The LTI Scheme is represented by the Performance Rights Plan approved at the 2009 AGM in May 2009, revised and approved at the 2010 AGM in May 2010.

(i) The General Employee Security Ownership Plan

The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced a basic General Employee Security Ownership Plan (GESOP) in March 2010 for individuals who do not participate in the LTI.

Under the plan individuals who participate will receive an additional benefit equivalent to 10% of their STI which was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year.

(ii) The Long Term Incentive (LTI) Scheme

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

At the 2009 Annual General Meeting GPT securityholders approved the introduction of a more contemporary Performance Rights LTI Plan. At the 2010 Annual General Meeting, the Performance Rights LTI Plan was altered with new performance conditions and was approved by the GPT securityholders.

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

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

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

(a) Performance conditions
(b) Grant dates
(c) Expected vesting dates
(d) Share price at the grant date
(e) Expected life
(f) Dividend yield
(g) Risk free interest rate
(h) Volatility

The fair value of these Performance Rights granted during 2012 is \$2.34 per Performance right (Dec 11: \$2.38 per performance right).
Total share based payment expense recognised during the year ended 31 December 2012 was \$8,612,295 (Dec 11: \$6,243,233).

(b) Other Share-based Incentive Scheme

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

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

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

Implemented in September 2008, the DSSP allows eligible participants to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with.

19. Share based payments (continued)

The GPT stapled securities/rights issued under all Employee Incentive Schemes to participating employees is set out below:

	Number of GPT stapled securities issued during the year		Total number of GPT stapled securities issued	
	31 Dec 2012	31 Dec 2011	**31 Dec 2012**	31 Dec 2011
GPT stapled securities issued under the General Employee Security Ownership Plan	**177,490**	169,504	**146,050**	154,520
GPT stapled securities issued under the The GPT Group All Employee Stapled Security Plan	**-**	-	**-**	2,248
GPT stapled securities issued under the The GPT Group Deferred Stapled Security Plan	**-**	241,146	**406,721**	407,454
	Number of GPT share rights issued during the year		**Total number of GPT share rights issued**	
GPT performance rights issued under GPT Group Stapled Securities Rights Plan	**4,261,106**	4,060,829	**11,051,770**	7,577,189

20. Related party transactions

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

(b) Controlled entities, joint ventures and associates
Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 7.

(c) Key management personnel
Disclosures relating to key management personnel and remuneration paid to directors of the ultimate parent entity are set out in note 18.

20. Related party transactions (continued)

(d) Transactions with related parties

	Consolidated 31 Dec 12 $'000	Consolidated 31 Dec 11 $'000
Transactions with General Property Trust (Trust):		
Revenue		
Fund management fees from Trust	**46,187**	45,267
Property management fees from Trust	**12,892**	9,300
Development management fees from Trust	**9,930**	10,993
Management costs recharged from Trust	**10,971**	7,011
Expenses		
Property rent and outgoings paid to Trust	**(4,322)**	(13,882)
Interest paid to Trust	**(25,636)**	(23,970)
Payables/receivables to/from Trust		
Receivables from Trust	**6,352**	7,673
Other transactions with Trust		
Revaluation of borrowings to Trust - continued and discontinued operations	**13,245**	5,114
Transactions with employees:		
Contributions to superannuations funds on behalf of employees	**(3,542)**	(4,767)
Suncorp Directorship payment from Michael Cameron	**40**	-
Transactions with GPT Wholesale Office Fund (GWOF):		
Revenue		
Responsible Entity fees received from GWOF	**15,591**	14,490
Development management fees received from GWOF	**2,468**	1,500
Directors fees recharged to GWOF	**115**	131
GWOF receivables and other transactions		
Current receivable outstanding from GWOF	**5,937**	4,115
Current payable outstanding to GWOF	**(30)**	-
Transactions with GPT Wholesale Shopping Centre Fund (GWSCF):		
Revenue		
Responsible Entity fees received from GWSCF	**11,374**	9,420
Asset management fees from GWSCF	**8,875**	8,017
Development management fees from GWSCF	**8,805**	5,260
Directors fees recharged to GWSCF	**120**	141
Management costs recharged to GWSCF	**2,786**	3,308
Payroll costs recharged to GWSCF	**4,756**	4,161
GWSCF receivables:		
Current receivable outstanding from GWSCF	**8,271**	7,685
Overhead recharges - from GWSCF	**-**	282

21. Notes to the Consolidated Statement of Cash Flow

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
(a) Reconciliation of loss after income tax expense to net cash inflow from operating activities		
Net loss for the year	**(8,594)**	(49,245)
Share of after tax profit of equity accounted investments	**(310)**	(3,004)
Net foreign currency exchange losses/(gains)	**32**	(54)
Net gain on disposal of assets	**(1,179)**	6,089
Employee incentive security scheme expenses	**8,904**	6,455
Depreciation and amortisation expense	**7,130**	7,366
Impairment expense	**820**	5,690
Intercompany finance costs	**25,636**	27,458
Lease incentive amortisation	**829**	779
Revaluation on borrowings	**(13,245)**	(5,114)
Change in operating assets and liabilities:		
Decrease in receivables	**538**	29,821
Decrease in payables	**(14,030)**	(1,639)
Decrease / (increase) in deferred tax asset	**4,345**	(8,957)
Net cash inflow from operating activities	**10,876**	15,645

(b) Reconciliation of cash

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Cash at bank	**19,990**	14,488
Total cash and cash equivalents at the end of the year	**19,990**	14,488

22. Contingent assets and liabilities

Class action
In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. At Slater & Gordon's invitation, GPT entered into mediation discussions on a without prejudice basis in an attempt to determine whether the parties could reach agreement in relation to the dispute. Failing an agreed resolution of the matter, Slater & Gordon has now commenced proceedings on behalf of certain persons who claim that they 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.

GPT rejects the allegations and intends to defend the claim which is listed for hearing in 2013. 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 the Ayers Rock Resort, the Company has indemnified the purchaser, the 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.

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

23. Commitments

(a) Capital expenditure commitments

At 31 December 2012, the Company has commitments relating to the purchase of property, plant and equipment and other investments, which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Due within one year	**49**	-
Due between one and five years	**-**	-
Over five years	**-**	-
Total capital expenditure commitments	**49**	-

(b) Operating leases commitments

At 31 December 2012 the future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$'000	$'000
Due within one year	**3,749**	3,657
Due between one and five years	**15,613**	14,271
Over five years	**11,251**	15,182
Total operating lease commitments	**30,613**	33,110

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

24. Financial and capital risk management disclosures

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

(a) Financial risk management

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

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

The consolidated entity uses various methods to measure and manage these types of risks. The main methods include monitoring levels of exposure and conducting sensitivity analysis in the case of interest rate and foreign exchange risks. Ageing analysis, monitoring of credit allowances and dealing with financial institutions which have a minimum credit rating of A- (or its equivalent) from one of Standard & Poor's (S&P) or Moody's Investor Services (Moody's) are methods undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

24. Financial and capital risk management disclosures (continued)

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the consolidated entity. The consolidated entity has exposure to credit risk on all financial assets included in its statement of financial position.

This risk is managed by:

- establishing credit limits for customers and financial institutions to ensure that the consolidated entity only trades and invests with approved counterparties to enable it to manage its exposure to individual entities;
- providing loans as an investment to joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances on an ongoing basis; and
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis.

The maximum exposure to credit risk as at 31 December 2012 is the carrying amounts of financial assets recognised in the statement of financial position of the consolidated entity. The consolidated entity holds no significant collateral as security and consistently monitors the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

Cash transactions are limited to financial institutions that meet the treasury risk management policy's minimum credit rating criteria. Credit risk arising on loans and receivables balances is monitored on an ongoing basis. The consolidated entity will continue to monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

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

Consolidated entity

	31 December 2012						31 December 2011					
	Not Due	**0-30 days**	**31-60 days**	**61-90 days**	**90+ days**	**Total**	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000	$'000	$'000
Current Receivables	**-**	**23,340**	**380**	**29**	**3,092**	**26,841**	-	35,933	1,380	-	749	38,062
Non current loans and receivables	**50,352**	**-**	**-**	**-**	**-**	**50,352**	50,303	-	-	-	-	50,303
Impairment of receivables	**(36,907)**	**-**	**-**	**-**	**-**	**(36,907)**	(36,907)	-	-	-	-	(36,907)
Total loans and receivables	**13,445**	**23,340**	**380**	**29**	**3,092**	**40,286**	13,396	35,933	1,380	-	749	51,458

(c) Liquidity risk

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

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

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities (refer to note 13), the ability to close out market positions and the option to raise funds through the issue of new stapled securities or DRP.

The table below shows an analysis of the contractual maturities of liabilities which forms part of the consolidated entity's assessment of liquidity risk.

	31 December 2012					31 December 2011				
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000	$'000
Liabilities										
Non-Derivatives										
Payables	**37,556**	**-**	**-**	**-**	**37,556**	49,881	-	-	-	49,881
Capital commitments	**49**	**-**	**-**	**-**	**49**	-	-	-	-	-
Total liabilities	**37,605**	**-**	**-**	**-**	**37,605**	49,881	-	-	-	49,881
Less Cash and cash equivalents	**19,990**	**-**	**-**	**-**	**19,990**	14,488	-	-	-	14,488
Total	**17,615**	**-**	**-**	**-**	**17,615**	35,393	-	-	-	35,393

The Company has unused facilities with the Trust as at 31 December 2012.

24. Financial and capital risk management disclosures (continued)

(d) Refinancing risk

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

The consolidated entity is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available from the Trust.

During 2010, the consolidated entity reduced its refinancing risk by varying the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial variation to each of the loan terms. The loans have been remeasured under the varied contractual terms and conditions.

(e) Interest rate risk

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

(i) Interest rate risk contracts – loan receivables

The income and the associated operating cash flows of the consolidated entity's assets are substantially independent of changes in market interest rates.

(ii) Interest rate risk contracts – borrowings

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

(f) Foreign exchange risk

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

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

(i) Foreign currency assets and liabilities

The loans to the joint ventures are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in the foreign currency translation reserve. Borrowings are revalued at the end of each reporting period with the fair value movement reflected in the statement of comprehensive income as exchange gains or losses on foreign currency borrowings, refer accounting policy note 1(e).

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

	Euros		United States Dollars		British Pounds	
	2012	2011	**2012**	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Assets						
Cash and cash equivalents	**1,067**	88	**159**	181	**-**	-
Interests in equity accounted investments	**-**	-	**102**	175	**-**	-
Loans and receivables	**545**	1,017	**-**	-	**-**	-
	1,612	1,105	**261**	356	**-**	-
Liabilities						
Other liabilities	**283**	81	**24**	-	**-**	29
	283	81	**24**	-	**-**	29
Net assets/(liabilities)	**1,329**	1,024	**237**	356	**-**	(29)

(g) Fair value

At 31 December 2012, for the consolidated entity, the carrying value of financial assets and financial liabilities as shown in the Consolidated Statement of Financial Position approximates their fair value.

25. Auditor's remuneration

During the year, the following amounts were paid or payable by the Company or any other entity in the consolidated entity for services provided by the auditor of the Company, PricewaterhouseCoopers.

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$	$
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**241,117**	265,000
Total remuneration for audit services	**241,117**	265,000
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**129,341**	171,469
Total remuneration for other assurance services	**129,341**	171,469
Total remuneration for audit and assurance services	**370,458**	436,469
Non audit related services		
PricewaterhouseCoopers Australia		
Other services	**195,065**	107,654
Affiliates of PricewaterhouseCoopers Australia firm including overseas firms		
Taxation services	**11,975**	94,298
Total remuneration for non audit related services	**207,040**	201,952
Total auditor's remuneration	**577,498**	638,421

26. Net tangible asset backing

	Consolidated entity	
	31 Dec 12	31 Dec 11
	$	$
Net tangible asset backing per security	**0.03**	0.03

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of securities on issue set out in note 14.

27. Events subsequent to the reporting date

The Directors are not aware of any matter or circumstance occurring since 31 December 2012 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

GPT Management Holdings Limited and its controlled entities

DIRECTORS' DECLARATION

In the Directors of the GPT Management Holdings Limited's opinion for the financial year ended 31 December 2012:

(a) the financial statements and notes set out on pages 26 to 61 are in accordance with the *Corporations Act 2001*, including:

- complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Consolidated entity's financial position as at 31 December 2012 and of its performance for the financial year ended on that date; and

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

Note 1(a) confirms that the 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 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 Management Holdings Limited
Sydney
13 February 2013

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

Report on the financial report

We have audited the accompanying financial report of GPT Management Holdings Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for GPT Management Holdings Limited and its controlled entities (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757
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DX 77 Sydney, Australia
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Independence

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

Auditor's opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 23 of the directors' report for the year ended 31 December 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2012, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

AJ Loveridge

AJ Loveridge
Partner

Sydney
13 February 2013