



GPT Management Holdings Limited
ABN: 67 113 510 188

Interim Financial Report
30 June 2012

This interim 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 interim financial report is presented in Australian currency.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2011 and any public announcements made by GPT Management Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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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GPT Management Holdings Limited and its controlled entities

DIRECTORS' REPORT

For the half year ended 30 June 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 half year ended 30 June 2012. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group). The Company is stapled to the GPT Trust and the 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 MLC Centre, Level 51, 19 Martin Place, Sydney NSW 2000.

Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan (resigned 7 May 2012)

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

Principal Activities

During the half 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 and logistics & business park assets;
- development of properties;
- management and administration of the General Property Trust; and
- property management.

The GPT Group

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. The Trust and the Company are entities that form the GPT Group. Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

GPT Management Holdings Limited and its controlled entities

DIRECTORS' REPORT

For the half year ended 30 June 2012

Review of operations

The following provides a summary of the consolidated entity's performance for the half year ended 30 June 2012.

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain significant items that are relevant to an understanding of the consolidated entity's result have been identified. The reconciliation of Realised Operating Income (ROI) to Net profit/(loss) after tax is useful as ROI is the measure of how the consolidated entity's profitability is assessed.

ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standards. The adjustments that reconcile the ROI to Net profit/(loss) after tax for the financial period may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. The ROI results are included in the Segment note (note 2) which forms part of the interim financial report.

The net loss of the consolidated entity for the half year ended 30 June 2012 should be read in conjunction with the interim financial statements of the GPT Group.

The net loss for the half year ended 30 June 2012 is \$3.9 million (Jun 2011: loss of \$4.2 million).

The reconciliation of ROI to Net profit/(loss) after tax is set out below:

	Consolidated entity	
	30 Jun 12	30 Jun 11
	\$'000	\$'000
Core operations	(199)	(1,256)
Non-core operations	(260)	(4,817)
Financing and corporate overheads	(5,931)	(6,239)
Realised Operating Income	(6,390)	(12,312)
Change in fair value of assets (non-cash):		
Valuation increase/(decrease)		
Funds Management Europe	310	(6,149)
US Seniors Housing	-	8,323
Loss on disposal	-	(77)
Other items ¹	2,141	6,013
Net loss	(3,939)	(4,202)

¹ Other items include revaluation on borrowings, impairment, amortisation and tax impact.

- Loss after tax decreased by \$0.3 million to a loss of \$3.9 million (Jun 2011: loss of \$4.2 million)
- Realised operating income has improved from a \$12.3 million loss (Jun 2011) to a loss of \$6.4 million (Jun 2012)
- Total assets decreased by 8.4% to \$162.1 million (Dec 2011: \$176.8 million)

The improvement in Realised Operating Income (ROI) compared with June 2011 is largely the result of the wind up of non-core operations resulting in increased ROI.

Financial results – operational highlights

The financial performance and total assets by segment are summarised below. The segment realised operating income is reconciled to net profit/(loss) in note 2(a).

Portfolio/Segment	Realised	Realised	Total	Total
	Operating	Operating	Assets	Assets
	Income	Income		
	6 months to	6 months to	30 Jun 12	31 Dec 11
	30 Jun 12	30 Jun 11	\$'000	\$'000
	\$'000	\$'000		
Core				
Funds Management - Australia	108	1,083	9,915	8,839
Property Management	(307)	(2,339)	14,590	15,508
Non-core				
Discontinued operation - US Senior Housing	-	1,133	168	175
Discontinued operation - Funds Management - Europe	(275)	394	-	-
Discontinued operation - Hotel/Tourism	15	(6,344)	1,762	1,916
Financing and corporate overheads				
Corporate	(5,931)	(6,239)	135,632	150,411
Total	(6,390)	(12,312)	162,067	176,849

GPT Management Holdings Limited and its controlled entities

DIRECTORS' REPORT

For the half year ended 30 June 2012

Dividends

The Directors have not declared any dividends for the half year ended 30 June 2012 (Jun 2011: nil).

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the half year under review 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 30 June 2012, Group has bought back 88.7 million ordinary stapled securities for a total consideration of \$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 its 18 wholly owned industrial 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 GMH Group.

Environmental Regulation

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

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

The Energy Efficiency Opportunities Act 2006 requires GPT to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities and to report publicly on the assessments undertaken; including what action GPT intends to take as a result. As required under this act, GPT is registered with the Department of Resources, Energy and Tourism as a participant entity. GPT has collated energy data and identified energy opportunities for the 1 July 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 National Greenhouse and Energy Reporting Act 2007 requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2011 to 30 June 2012. GPT has implemented systems and processes for the collection and calculation of the data required for submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2012.

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

Events subsequent to the end of the half year

The Directors are not aware of any matter or circumstance occurring since 30 June 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.

Rounding of amounts

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

Auditor

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

Auditor's independence declaration

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

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

Sydney
10 August 2012



Auditor's Independence Declaration

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

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

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

A J Loveridge
Partner
PricewaterhouseCoopers

Sydney
10 August 2012

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2012

	Note	Consolidated entity	
		30 Jun 12 \$'000	30 Jun 11 \$'000
Revenue			
Fund management fees		34,373	32,405
Property management fees		14,394	11,744
Development management fees		10,099	9,141
		58,866	53,290
Other income			
Interest revenue		259	361
Net foreign exchange gain		-	27
Reversal of prior period impairment		-	2,559
Revaluation on borrowings		5,869	2,391
		6,128	5,338
Total revenue and other income		64,994	58,628
Expenses			
Remuneration expenses		45,842	40,335
Property rent and outgoings		1,898	3,406
Repairs and maintenance		2,717	1,145
Professional fees		2,174	3,623
Depreciation and amortisation expense		3,289	4,002
Finance costs		11,571	13,438
Other expenses		3,953	2,542
Total expenses		71,444	68,491
Loss from continuing operations before income tax expense		(6,450)	(9,863)
Income tax benefit		2,473	6,678
Loss after income tax expense for continuing operations		(3,977)	(3,185)
Profit/(loss) from discontinued operations	2(a)	38	(1,017)
Net loss for the half year		(3,939)	(4,202)
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		(16)	293
Total comprehensive loss for the half year		(3,955)	(3,909)
Net loss attributable to:			
- Members of the Company		(3,939)	(5,430)
- Non-controlling interest		-	1,228
Total comprehensive (loss)/income attributable to:		(3,955)	(5,137)
- Members of the Company		(3,955)	(5,137)
- Non-controlling interest		-	1,228
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)	(0.22)	(0.24)
Basic and diluted earnings/(loss) per share (cents per share) - Total	4(a)	(0.22)	(0.29)

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 30 June 2012

	Note	Consolidated entity	
		30 Jun 12 \$'000	31 Dec 11 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		15,985	14,488
Loans and receivables		24,341	37,188
Prepayments		618	1,434
		<u>40,944</u>	<u>53,110</u>
Current assets classified as held for sale	2(d)	1,930	2,091
Total Current Assets		<u>42,874</u>	<u>55,201</u>
Non-Current Assets			
Investments in associates and joint ventures		81	81
Loans and receivables		13,396	13,396
Property, plant & equipment	5	11,461	12,812
Intangible assets	6	48,511	51,344
Deferred tax assets		38,396	36,253
Other assets		7,348	7,762
		<u>119,193</u>	<u>121,648</u>
Total Non-Current Assets		<u>119,193</u>	<u>121,648</u>
Total Assets		<u>162,067</u>	<u>176,849</u>
LIABILITIES			
Current Liabilities			
Payables		37,587	49,881
Provisions		13,873	14,374
		<u>51,460</u>	<u>64,255</u>
Non-current liabilities classified as held for sale	2(d)	675	903
Total Current Liabilities		<u>52,135</u>	<u>65,158</u>
Non-Current Liabilities			
Provisions		1,450	1,358
Other liabilities		7,794	7,962
		<u>9,244</u>	<u>9,320</u>
Total Non-Current Liabilities		<u>9,244</u>	<u>9,320</u>
Total Liabilities		<u>61,379</u>	<u>74,478</u>
Net Assets		<u>100,688</u>	<u>102,371</u>
EQUITY			
Contributed equity	8	321,773	323,035
Reserves		44,602	41,084
Accumulated losses		(270,535)	(266,596)
		<u>95,840</u>	<u>97,523</u>
Total equity attributable to Company members		<u>95,840</u>	<u>97,523</u>
Non-controlling interests		4,848	4,848
Total Equity		<u>100,688</u>	<u>102,371</u>

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2012

	Consolidated Entity								
	Attributable to Company members				Attributable to non-controlling interests				
	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	-	293	-	293	-	-	-	-	293
Net income recognised directly in equity	-	293	-	293	-	-	-	-	293
Profit/(loss) for the half year	-	-	(5,430)	(5,430)	-	-	1,228	1,228	(4,202)
Total comprehensive income/(loss) for the half year	-	293	(5,430)	(5,137)	-	-	1,228	1,228	(3,909)
Transactions with Securityholders in their capacity as Securityholders:									
Movement in treasury stock reserve	-	(627)	-	(627)	-	-	-	-	(627)
Movement in employee incentive security scheme reserve	-	2,337	-	2,337	-	-	-	-	2,337
Balance at 30 June 2011	324,771	37,007	(225,458)	136,320	22,060	-	(13,307)	8,753	145,073
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	-	(16)	-	(16)	-	-	-	-	(16)
Net loss recognised directly in equity	-	(16)	-	(16)	-	-	-	-	(16)
Loss for the half year	-	-	(3,939)	(3,939)	-	-	-	-	(3,939)
Total comprehensive loss for the half year	-	(16)	(3,939)	(3,955)	-	-	-	-	(3,955)
Transactions with Securityholders in their capacity as Securityholders:									
On-market purchase of GPT stapled securities	(1,262)	-	-	(1,262)	-	-	-	-	(1,262)
Movement in treasury stock reserve	-	145	-	145	-	-	-	-	145
Movement in employee incentive security scheme reserve	-	3,389	-	3,389	-	-	-	-	3,389
Balance at 30 June 2012	321,773	44,602	(270,535)	95,840	22,060	-	(17,212)	4,848	100,688

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOW

for the half year ended 30 June 2012

	Note	Consolidated entity	
		30 Jun 12	30 Jun 11
		\$'000	\$'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		66,013	115,913
Cash payments in the course of operations (inclusive of GST)		(63,261)	(108,992)
Dividends received		980	1,329
Income tax (paid)/received		(14)	(1,614)
Interest received		280	476
		<u>3,998</u>	<u>7,112</u>
Finance costs		-	(3,555)
Net cash inflow from operating activities	9(a)	<u>3,998</u>	<u>3,557</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(151)	(7,433)
Payments for intangibles		(673)	(3,466)
Proceeds from sale of controlled entities and associates		-	2,364
Repayment of joint venture and associate loans		-	600
Net cash outflow from investing activities		<u>(824)</u>	<u>(7,935)</u>
Cash flows from financing activities			
Repayment of employee incentive scheme loans, net of distributions		-	2,632
Purchase of securities for the employee incentive scheme		(216)	-
Payments for buy-back of ordinary stapled securities		(1,262)	-
Repayment of related party borrowings		-	(3,608)
Net cash outflow from financing activities		<u>(1,478)</u>	<u>(976)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,696</u>	<u>(5,354)</u>
Cash and cash equivalents at the beginning of the half year		<u>15,530</u>	<u>18,795</u>
		<u>17,226</u>	<u>13,441</u>
Less: cash balance classified as held for sale		(1,241)	(2,423)
Cash and cash equivalents at the end of the half year	9(b)	<u>15,985</u>	<u>11,018</u>

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 30 June 2012 has been prepared in accordance with GPT Management Holdings Limited's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2011 and any public announcements made by GPT Management Holdings Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

The interim financial report was approved by the Board of Directors on 10 August 2012.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. No significant changes are expected to the consolidated entity's financial performance, financial position or accounting principles as a result of the application of the new and amended standards, mandatory for annual reporting periods beginning on or after 1 January 2012.

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

(c) New accounting standards and interpretations

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013)

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

In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly.

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 or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. 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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

1. Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

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 ending 31 December 2013.

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

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

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.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) and Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) (effective 1 January 2014 and 1 January 2013 respectively)

In December 2011, the IASB made amendments to the application guidance in IAS 32 *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 consolidated entity's current offsetting arrangements. However, the IASB has also introduced more extensive disclosure requirements into IFRS 7 which will apply from 1 January 2013. The AASB is expected to make equivalent changes to IAS 32 and AASB 7 shortly. When they become applicable, the group 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.

Annual Improvements Project - 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In May 2012, the IASB made a number of amendments to International Financial Reporting 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.

(d) 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 judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. The resulting accounting estimates may differ from the actual results under different assumptions and conditions.

The key estimates and assumptions that have a significant risk of causing a material adjustment within the next financial period to the carrying amounts of assets and liabilities recognised in these interim 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 Company assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular intangible asset that may lead to impairment.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

1. Summary of significant accounting policies (continued)

(d) Critical accounting estimates and judgements (continued)

(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 of 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 30 June 2012, there is no forecast repayment amount (Jun 2011: \$Nil) and hence a revaluation adjustment of \$8.04 million (Jun 11: \$7.17 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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting

(a) Financial Performance by Segment

The segment information provided to the Chief Executive Officer (CEO) for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2012 is set out below:

30 June 2012

	Core operations			Total continuing operations	Non-core operations			Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Fund management fees	12,646	-	21,727	34,373	-	-	-	34,373
Property management fees	-	13,817	577	14,394	-	-	-	14,394
Development management fees	-	7,617	2,482	10,099	-	-	-	10,099
Total segment revenue	12,646	21,434	24,786	58,866	-	-	-	58,866
Other income								
Interest revenue	74	42	143	259	-	-	21	280
Total other income	74	42	143	259	-	-	21	280
Total segment revenue and other income	12,720	21,476	24,929	59,125	-	-	21	59,146
Expenses								
Remuneration expenses	(2,757)	(11,694)	(31,391)	(45,842)	-	-	-	(45,842)
Property rent and outgoings	(9)	(92)	(1,797)	(1,898)	-	-	-	(1,898)
Repairs and maintenance	(9)	(5)	(2,703)	(2,717)	-	-	-	(2,717)
Professional fees	(22)	(199)	(1,953)	(2,174)	-	(275)	-	(2,449)
Depreciation and amortisation expense	-	-	(1,144)	(1,144)	-	-	-	(1,144)
Finance costs	-	(818)	(10,753)	(11,571)	-	-	-	(11,571)
Other expenses - internal recharges	(8,983)	(8,553)	17,536	-	-	-	-	-
Other expenses	(51)	(529)	(1,444)	(2,024)	-	274	-	(1,750)
Income tax (expense)/benefit	(781)	107	2,789	2,115	-	(274)	(6)	1,835
Segment result for the half year*	108	(307)	(5,931)	(6,130)	-	(275)	15	(6,390)
Fair value and other adjustments to investments in joint ventures and associates	-	-	-	-	-	310	-	310
Net foreign exchange gain/(loss)	-	-	-	-	-	(4)	-	(4)
Revaluation on borrowings	-	818	5,051	5,869	-	-	2,175	8,044
Finance costs	-	-	-	-	-	-	(2,119)	(2,119)
Amortisation expense - intangibles	-	(66)	(2,079)	(2,145)	-	-	-	(2,145)
Tax impact of reconciling items from segment result to net profit/(loss) for the half year	8	(246)	596	358	-	-	(64)	294
Other	-	-	(1,929)	(1,929)	-	-	-	(1,929)
Net profit/(loss) for the half year	116	199	(4,292)	(3,977)	-	31	7	(3,939)

* The segment result is based on Realised Operating Income (ROI).

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

(a) Financial Performance by Segment (continued)

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

30 June 2011

	Core operations			Total continuing operations	Non-core operations			Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotel/Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Revenue from hotel operations	-	-	-	-	-	-	40,785	40,785
Fund management fees	11,913	-	20,492	32,405	-	-	-	32,405
Property management fees	-	11,744	-	11,744	-	-	-	11,744
Development management fees	-	6,385	2,756	9,141	-	-	-	9,141
Total segment revenue	11,913	18,129	23,248	53,290	-	-	40,785	94,075
Other income								
Share of after tax profit of associates and joint ventures	-	-	-	-	337	1,318	-	1,655
Interest revenue	101	100	160	361	11	-	104	476
Total other income	101	100	160	361	348	1,318	104	2,131
Total segment revenue and other income	12,014	18,229	23,408	53,651	348	1,318	40,889	96,206
Expenses								
Remuneration expenses	(1,401)	(13,637)	(25,177)	(40,215)	(49)	-	(15,533)	(55,797)
Rental expenses attributable to hotel operations	-	-	-	-	-	-	(13,882)	(13,882)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	(9,804)	(9,804)
Property rent and outgoing*	(15)	(112)	(3,279)	(3,406)	-	-	(5,388)	(8,794)
Repairs and maintenance*	-	-	(1,145)	(1,145)	-	-	(2,271)	(3,416)
Professional fees	(37)	(367)	(3,219)	(3,623)	-	(51)	(196)	(3,870)
Depreciation and amortisation expense	-	-	(918)	(918)	-	-	-	(918)
Finance costs	-	(907)	(12,531)	(13,438)	-	1	(2,074)	(15,511)
Other expenses - internal recharges*	(8,508)	(8,221)	16,046	(683)	849	-	(166)	-
Other expenses	(77)	(348)	(1,436)	(1,861)	(15)	(564)	(635)	(3,075)
Income tax (expense)/benefit	(893)	3,024	2,012	4,143	-	(310)	2,716	6,549
Segment result for the half year**	1,083	(2,339)	(6,239)	(7,495)	1,133	394	(6,344)	(12,312)
Fair value and other adjustments to investments in joint ventures and associates	-	-	-	-	8,323	(6,149)	-	2,174
Net foreign exchange gain	-	-	27	27	63	196	-	286
Net gain/(loss) on disposal of assets	-	-	-	-	(467)	-	390	(77)
Revaluation on borrowings	-	907	1,484	2,391	-	-	4,782	7,173
Impairment reversal/(expense)	-	-	2,559	2,559	-	-	(116)	2,443
Finance costs	-	-	-	-	-	-	(2,210)	(2,210)
Amortisation expense - intangibles and hotels and tourism	-	(1,057)	(2,027)	(3,084)	-	-	(23)	(3,107)
Tax impact of reconciling items from segment result to net loss for the half year	-	(641)	3,176	2,535	(1,302)	-	313	1,546
Other	-	-	(118)	(118)	-	-	-	(118)
Net profit/(loss) for the half year	1,083	(3,130)	(1,138)	(3,185)	7,750	(5,559)	(3,208)	(4,202)

* These expenses have been restated in order to be consistent with the cost allocation methodology applied by the Company from 1 January 2012.

** The segment result is based on Realised Operating Income (ROI).

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

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

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

30 June 2012

	Note	Core operations \$'000	All other segments \$'000	Total continuing operations \$'000	ROI adjustments \$'000	Total Statement of Comprehensive Income \$'000
Revenue						
Fund management fees		12,646	21,727	34,373	-	34,373
Property management fees		13,817	577	14,394	-	14,394
Development management fees		7,617	2,482	10,099	-	10,099
Total segment revenue		34,080	24,786	58,866	-	58,866
Other income						
Interest revenue		116	143	259	-	259
Revaluation on borrowings	2(c)(iii)	-	-	-	5,869	5,869
Total other income		116	143	259	5,869	6,128
Total segment revenue and other income		34,196	24,929	59,125	5,869	64,994
Expenses						
Remuneration expenses		(14,451)	(31,391)	(45,842)	-	(45,842)
Property rent and outgoings		(101)	(1,797)	(1,898)	-	(1,898)
Repairs and maintenance		(14)	(2,703)	(2,717)	-	(2,717)
Professional fees		(221)	(1,953)	(2,174)	-	(2,174)
Depreciation and amortisation expense (excluding intangibles)		-	(1,144)	(1,144)	-	(1,144)
Amortisation expense - intangibles	2(c)(i)	-	-	-	(2,145)	(2,145)
Finance costs		(818)	(10,753)	(11,571)	-	(11,571)
Other expenses - internal recharges		(17,536)	17,536	-	-	-
Other expenses		(580)	(1,444)	(2,024)	(1,929)	(3,953)
Income tax (expense) / benefit		(674)	2,789	2,115	-	2,115
Add: Tax impact of reconciling items from segment result to net profit/(loss) for the half year		-	-	-	358	358
Segment result for the half year		(199)	(5,931)	(6,130)		
Net loss for the half year from continuing operations					2,153	(3,977)

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

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

30 June 2011

	Note	Core operations \$'000	All other segments \$'000	Total continuing operations \$'000	ROI adjustments \$'000	Total Statement of Comprehensive Income \$'000
Revenue						
Fund management fees		11,913	20,492	32,405	-	32,405
Property management fees		11,744	-	11,744	-	11,744
Development management fees		6,385	2,756	9,141	-	9,141
Total segment revenue		30,042	23,248	53,290	-	53,290
Other income						
Interest revenue		201	160	361	-	361
Reversal of prior period impairment	2(c)(ii)	-	-	-	2,559	2,559
Revaluation on borrowings	2(c)(iii)	-	-	-	2,391	2,391
Net foreign exchange gain		-	-	-	27	27
Total other income		201	160	361	4,977	5,338
Total segment revenue and other income		30,243	23,408	53,651	4,977	58,628
Expenses						
Remuneration expenses		(15,038)	(25,177)	(40,215)	(120)	(40,335)
Property rent and outgoings		(127)	(3,279)	(3,406)	-	(3,406)
Repairs and maintenance		-	(1,145)	(1,145)	-	(1,145)
Professional fees		(404)	(3,219)	(3,623)	-	(3,623)
Depreciation and amortisation expense (excluding intangibles)		-	(918)	(918)	-	(918)
Amortisation expense - intangibles	2(c)(i)	-	-	-	(3,084)	(3,084)
Finance costs		(907)	(12,531)	(13,438)	-	(13,438)
Other expenses - internal recharges		(16,729)	16,046	(683)	-	(683)
Other expenses		(425)	(1,436)	(1,861)	2	(1,859)
Income tax (expense)/benefit		2,131	2,012	4,143	-	4,143
Add: Tax impact of reconciling items from segment result to net profit for the half year		-	-	-	2,535	2,535
Segment result for the half year		(1,256)	(6,239)	(7,495)		
Net profit/(loss) for the half year from continuing operations					4,310	(3,185)

(c) Description of adjustments from the Segment result (ROI) to Net profit/(loss) for the half year

The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the segment result to arrive at net profit/(loss) shown in the interim financial statements are set out below:

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

(ii) **Impairment reversal/(expense)** is required by Australian Accounting Standards and is a non-cash transaction. The Company has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(iii) **Revaluation on borrowings** is required for intercompany loans with General Property Trust which were modified under the Deeds of Variation in 2010 and is a non-cash item. The Company has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(iv) **Finance costs** represent interest on the Voyages loan facility. The Company has therefore excluded this amount from ROI as it is capital in nature.

(v) **Fair value and other adjustments to investments in joint ventures and associates** is required for Australian Accounting Standards and is a non-cash transaction. The Company has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(vi) **Other** are required for Australian Accounting Standards and includes the straight lining of rental expense which is a non-cash transaction. The Company has therefore excluded this amount from ROI to reflect a cash basis in ROI.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

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

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

Given some of the assets and liabilities relate mainly to Corporate activities and have not been allocated to a reportable segment, a reconciliation of the reportable segments' assets and liabilities to total assets and liabilities as at 30 June 2012 and 31 December 2011 is set out below:

30 June 2012

	Core operations			Total continuing operations	Non-core operations			Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets								
Other current assets	9,915	3,688	27,341	40,944	-	-	-	40,944
Assets classified as held for sale	-	-	-	-	168	-	1,762	1,930
Total Current Assets	9,915	3,688	27,341	40,944	168	-	1,762	42,874
Non-Current Assets								
Investments in associates and joint ventures	-	-	81	81	-	-	-	81
Other non-current assets	-	10,902	108,210	119,112	-	-	-	119,112
Total Non-Current Assets	-	10,902	108,291	119,193	-	-	-	119,193
Total Assets	9,915	14,590	135,632	160,137	168	-	1,762	162,067
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	675	675
Other current and non-current liabilities	1,758	6,968	51,978	60,704	-	-	-	60,704
Total Liabilities	1,758	6,968	51,978	60,704	-	-	675	61,379
Net Assets	8,157	7,622	83,654	99,433	168	-	1,087	100,688

31 December 2011

	Core operations			Total continuing operations	Non-core operations			Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets								
Other current assets	8,839	4,540	39,731	53,110	-	-	-	53,110
Assets classified as held for sale	-	-	-	-	175	-	1,916	2,091
Total Current Assets	8,839	4,540	39,731	53,110	175	-	1,916	55,201
Non-Current Assets								
Investments in associates and joint ventures	-	-	81	81	-	-	-	81
Other non-current assets	-	10,968	110,599	121,567	-	-	-	121,567
Total Non-Current Assets	-	10,968	110,680	121,648	-	-	-	121,648
Total Assets	8,839	15,508	150,411	174,758	175	-	1,916	176,849
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	903	903
Other current and non-current liabilities	1,367	9,198	63,010	73,575	-	-	-	73,575
Total Liabilities	1,367	9,198	63,010	73,575	-	-	903	74,478
Net Assets	7,472	6,310	87,401	101,183	175	-	1,013	102,371

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

(e) Identification of Reportable Segments

The Company's operating segments which are based on internal reports reviewed by the CEO are:

Segment	Types of products and services which generate segment revenues
Funds Management Australia	Asset and funds management of Australian wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Property Management	Property management of Australian assets including the assets in the GPT Wholesale Shopping Centre Fund.
All other segments	Costs and revenues associated with the funds management of the General Property Trust, foreign exchange gains and losses, finance costs and Company operating costs.
Discontinued operation - US Senior Housing	Investment in the entity that operated a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets. The GPT Group completed the sale of this portfolio on 29 March 2011.
Discontinued operation - Funds Management Europe	Asset and fund management in Europe through a number of small funds managed by Internos Real Investors.
Discontinued operation - Hotel/ Tourism	Investments in an entity that operates nature-based resorts and hotel assets. The Company has substantially divested from this segment after completing the sale of the Voyages Business Platform on 23 May 2011.

3. Dividends paid and payable

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

4. Earnings/(loss) per share

	Consolidated Entity	
	30 Jun 12	30 Jun 11
	Cents	Cents
(a) Basic earnings per share		
Basic and diluted earnings per share - (loss) from continuing operations	(0.22)	(0.24)
Basic and diluted earnings per share - (loss) from discontinued operations	0.00	(0.05)
Total basic and diluted earnings per share	(0.22)	(0.29)
(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	1,794,579	1,855,529
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)	1,447	778
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per ordinary share	1,796,026	1,856,307
(c) The profit/(loss) used in the calculation of the basic earnings per share are as follows:		
	30 Jun 12	30 Jun 11
	\$'000	\$'000
Profit/(loss) reconciliation - basic and diluted		
Loss from continuing operations	(3,977)	(4,413)
Profit/(loss) from discontinued operations	38	(1,017)
Profit attributed to external non-controlling interest	-	1,228
	(3,939)	(4,202)
(d) Information concerning the classification of securities		
Performance Rights		
4,101,033 Performance Rights (Jun 2011: 4,060,829) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2012. Cumulatively, 11,558,596 Performance Rights have been issued up until 30 June 2012. However, only 1,446,643 Performance Rights are considered dilutive (Jun 2011: 777,838). As such, only 1,446,643 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. Property, plant and equipment

	Consolidated entity	
	30 Jun 12	31 Dec 11
	\$'000	\$'000
Computers		
At cost	9,793	9,372
less: accumulated depreciation and impairment	(6,030)	(5,240)
Total computers	3,763	4,132
Office, fixtures and fittings		
At cost	9,850	10,478
less: accumulated depreciation and impairment	(2,152)	(1,798)
Total office, fixtures and fittings	7,698	8,680
Total property, plant and equipment	11,461	12,812

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

6. Intangibles

	Consolidated entity	
	30 Jun 12	31 Dec 11
	\$'000	\$'000
Management rights		
At cost	54,200	54,200
less: accumulated amortisation and impairment	(43,298)	(43,232)
Total management rights	10,902	10,968
IT development and software		
At cost	47,991	48,679
less: accumulated amortisation and impairment	(10,382)	(8,303)
Total IT development and software	37,609	40,376
Total intangible assets	48,511	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 5 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.

7. Borrowings

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.

Related party borrowings – non-current

The following non-current, unsecured borrowings were provided by GPT Trust and its subsidiaries and drawn as at 30 June 2012:

- a loan facility to GPT Management Holdings Limited of AUD \$550,000,000 was drawn to \$330,452,842 (Dec 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 \$32,655,799 (Dec 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 (Dec 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 \$69,538,944 (Dec 2011: \$67,363,527). This facility expires on 24 December 2019.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

8. Contributed equity

	Note	Shares Number	Company \$'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	(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 30 June 2012	On-market buy-back	(46,982,033)	(1,262)
30 June 2012	Closing securities on issue	1,766,785,075	321,773

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 30 June 2012, the Company has acquired 88.7 million of GPT stapled securities for a total consideration of \$3.0 million.

9. Notes to the Consolidated Statement of Cash Flow

	Consolidated entity	
	30 Jun 12	30 Jun 11
	\$'000	\$'000
(a) Reconciliation of loss after income tax expense to net cash inflow from operating activities		
Net loss for the half year	(3,939)	(4,202)
Share of after tax profit of equity accounted investments	(310)	(3,829)
Net foreign currency exchange (gains)/losses	4	(286)
Net gain on disposal of assets	-	77
Employee incentive security scheme expenses	3,751	2,337
Depreciation and amortisation expense	3,289	4,025
Impairment reversal	-	(2,443)
Intercompany finance costs	13,690	14,166
Straight line rental expense	246	-
Revaluation on borrowings	(8,044)	(7,173)
Change in operating assets and liabilities:		
Decrease in receivables	8,675	21,354
Decrease in payables	(11,221)	(11,015)
Increase in deferred tax asset	(2,143)	(9,454)
Net cash inflow from operating activities	3,998	3,557

(b) Reconciliation of cash

	Consolidated entity	
	30 Jun 12	30 Jun 11
	\$'000	\$'000
Cash at bank	15,985	11,018
Total cash and cash equivalents at the end of the half year	15,985	11,018

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

10. 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.

11. Commitments

(a) Capital expenditure commitments

At 30 June 2012, the Company has commitments principally relating to the purchase of property, plant and equipment and which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Consolidated	
	30 Jun 12	31 Dec 11
	\$'000	\$'000
Due within 1 year	167	-
Total capital expenditure commitments	167	-

(b) Operating lease commitments

At 30 June 2012, future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated	
	30 Jun 12	31 Dec 11
	\$'000	\$'000
Due within 1 year	3,493	3,657
Due between 1 and 5 years	14,558	14,271
Over 5 years	13,242	15,182
Total operating lease commitments	31,293	33,110

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

12. Net tangible asset backing

	Consolidated entity	
	30 Jun 12	31 Dec 11
	\$	\$
Net tangible asset backing per security	0.03	0.03

Net tangible asset backing per share is calculated by dividing the sum of net assets less intangible assets by the total number of securities on issue as set out in note 8.

13. Events subsequent to the reporting date

The Directors are not aware of any matter or circumstance occurring since 30 June 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 GPT Management Holdings Limited's opinion:

(a) the financial report and notes set out on pages 7 to 24 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 30 June 2012 and of its performance for the half year ended on that date; and

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


Note 1(a) confirms that the financial statements also comply 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
10 August 2012



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GPT Management Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for GPT Management Holdings Limited and its controlled entities (the consolidated entity). The consolidated entity comprises both the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GPT Management Holding Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 30 June 2012 included on the GPT Group's web site. The Company's directors are responsible for the integrity of the GPT Group's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

A J Loveridge
Partner

Sydney
10 August 2012

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