



The GPT Group
ABN: 58 071 755 609

Interim Financial Report
30 June 2012

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

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

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

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DIRECTORS' REPORT

for the half year ended 30 June 2012

The Directors of GPT RE Limited, the Responsible Entity of the General Property Trust (the Trust), present their report together with the interim financial report of the Trust and its controlled entities (Consolidated entity) for the half year ended 30 June 2012. The Consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, the GPT Group (GPT or the Group).

Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan (resigned on 7 May 2012)

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2011 and are:

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

The GPT Group

The stapled securities of the GPT Group are quoted on the Australian Securities Exchange under the code GPT and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited (Company). Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Review of operations

The following provides a summary of GPT'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 GPT's result have been identified. The reconciliation of Realised Operating Income (ROI) to Net profit after tax is useful as ROI is the measure of how GPT'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 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 financial report.

The Net profit after tax for the half year ended 30 June 2012 is \$275.5 million (2011: \$243.1 million).

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DIRECTORS' REPORT

for the half year ended 30 June 2012

Review of operations (continued)

The reconciliation of ROI to Net profit after tax is set out below:

	Consolidated entity		
	6 mths to	6 mths to	6 mths to
	30 Jun 2012	31 Dec 2011	30 Jun 2011
	\$M	\$M	\$M
Core operations	290.5	276.4	281.8
Non-core operations	8.7	11.2	20.7
Financing and corporate overheads	(72.0)	(70.3)	(81.0)
Realised Operating Income	227.2	217.3	221.5
Change in fair value of assets (non-cash):			
Valuation increase / (decrease)			
Core Domestic Portfolio and Funds Management (Australia)	122.1	3.4	85.3
Hotel/Tourism Portfolio	-	0.4	(25.1)
Funds Management Europe	0.3	(8.2)	(6.1)
Release of Foreign Currency Translation Reserve	-	(47.6)	-
(Loss) / profit on disposals	(2.5)	(6.3)	1.5
Financial Instruments mark to market value and net foreign exchange gain / (loss)	(55.1)	(117.7)	(32.6)
Other items*	(16.5)	(38.2)	(1.4)
Net profit after tax	275.5	3.1	243.1

*Other items include non-cash IFRS revenue adjustments, amortisation expense and relevant tax impact.

Financial results

- Realised operating income (ROI) increased by 2.6% to \$227.2 million (Jun 11: \$221.5 million)
- Net profit after tax increased by 13.3% to \$275.5 million (Jun 11: \$243.1 million)
- Total assets decreased by 3.1% to \$9,000.5 million (Dec 11: \$9,287.6 million)
- Total borrowings decreased by 10.8% to \$1,912.0 million (Dec 11: \$2,144.1 million)
- Headline gearing (net debt basis) decreased to 20.2% (Dec 11: 22.9%). Look through gearing (net debt basis) decreased to 23.1% (Dec 11: 24.4%)
- ROI per ordinary stapled security increased by 6.2% to 12.0 cents (Jun 11: 11.3 cents)
- Distribution per ordinary stapled security increased by 11.8% to 9.5 cents (Jun 11: 8.5 cents)
- Net tangible assets per stapled security* increased to \$3.65 (Dec 11: \$3.59)

* Includes the impact of potential securities assuming the conversion of the exchangeable securities at an exchange price of \$3.883.

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DIRECTORS' REPORT

for the half year ended 30 June 2012

Review of operations (continued)

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

Portfolio/Segment	Realised Operating Income 6 mths to 30 Jun 2012 \$M	Realised Operating Income 6 mths to 31 Dec 2011 \$M	Realised Operating Income 6 mths to 30 Jun 2011 \$M	Total Assets 30 Jun 2012 \$M	Total Assets 31 Dec 2011 \$M
Core					
Retail	161.0	151.4	152.3	4,432.6	4,918.4
Office	64.4	61.3	60.3	2,015.0	1,938.1
Logistics and Business Parks	31.6	28.2	27.8	905.2	832.5
Funds Management - Australia	33.5	35.5	41.4	1,033.9	1,021.7
Non-core					
Discontinued operation - US Seniors Housing	-	-	8.6	0.2	0.2
Discontinued operation - Funds Management - Europe	-	1.6	0.7	8.8	9.0
Discontinued operation - Hotel / Tourism	8.7	9.6	11.4	144.3	223.9
Financing and corporate overheads					
Corporate	(72.0)	(70.3)	(81.0)	460.5	343.8
Total	227.2	217.3	221.5	9,000.5	9,287.6

Distributions

	30 Jun 12 cents	30 Jun 11 cents
Distribution per stapled security*	9.5	8.5

* Includes the March 2012 quarterly distribution of 4.6 cents paid on 25 May 2012 and the June 2012 quarterly distribution of 4.9 cents which is expected to be paid on 7 September 2012.

No provision for the quarterly June distribution has been recognised in the Statement of Financial Position as at 30 June 2012 as the distribution was not declared until 10 August 2012, which was after the end of the half year.

Distribution policy

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

Significant changes in the state of affairs

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

- In February 2012, the GPT 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.
- On 30 March 2012, GPT acquired CitiPort Business Park at 650-672 Lorimer Street and 272-310 Salmon Street, Port Melbourne, Victoria for a total consideration of \$61 million.
- On 11 May 2011, GPT 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 from 5% to 10% of ordinary securities. As at 30 June 2012, the Group has bought back 88.7 million ordinary stapled securities for a total consideration of \$274.7 million. This represents 4.8% of total ordinary stapled securities at the time of the commencement of the buy-back.

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DIRECTORS' REPORT

for the half year ended 30 June 2012

Significant changes in the state of affairs (continued)

- On 25 June 2012, GPT sold a 50% interest in Casuarina shopping centre in Darwin and its 50% interest in Westfield Woden shopping centre in Canberra to the GPT Wholesale Shopping Centre Fund for \$229.7 million and \$322.5 million respectively.

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 following events have occurred subsequent to 30 June 2012:

- On 26 July 2012, GPT priced a \$100 million fixed rate Medium Term Notes (MTNs) debt issue for a term of 6.5 years providing additional liquidity to fund short and medium term capital requirements. These MTNs were settled on 2 August 2012.
- On 3 August 2012, GPT sold two thirds of GPT's Newcastle CBD landholdings to Landcom, the NSW State Government's land and property developer, for \$20 million.
- On 3 August 2012, GPT acquired 83 Derby Street, Silverwater, NSW for \$25.1 million and 10 Interchange Drive, Eastern Creek NSW for \$28.6 million.
- On 10 August 2012, a distribution of 4.9 cents per stapled security was declared for the quarter ended 30 June 2012 which is expected to be paid on 7 September 2012 (refer to note 3(a)(ii)).

Other than the above, 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Rounding of amounts

The Group is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts shown in the Directors' Report and financial report have been rounded off to the nearest tenth of a million dollars in accordance with that Class Order, 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 8.

THE GPT GROUP

DIRECTORS' REPORT

for the half year ended 30 June 2012

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Rob Ferguson', written over a horizontal line.

Rob Ferguson
Chairman

A handwritten signature in blue ink, appearing to read 'Michael Cameron', written over a horizontal line.

Michael Cameron
Managing Director and Chief Executive Officer

Sydney
10 August 2012



Auditor's Independence Declaration

As lead auditor for the review of the GPT Group 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 General Property Trust and the entities it controlled during the period.

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

A J Loveridge
Partner
PricewaterhouseCoopers

Sydney
10 August 2012

THE GPT GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2012

	Note	Consolidated entity	
		30 Jun 12	30 Jun 11
		\$M	\$M
Revenue			
Rent from property investments		303.7	287.3
Property and fund management fees		17.5	17.8
Development project revenue		6.1	3.1
		327.3	308.2
Other income			
Fair value adjustments to investment properties		107.2	71.7
Share of after tax profit of equity accounted investments		77.7	82.0
Interest revenue - cash and short term money market securities		1.5	1.3
Net foreign exchange gain		-	5.2
Reversal of prior period impairment		-	2.6
		186.4	162.8
Total revenue and other income		513.7	471.0
Expenses			
Property expenses and outgoings		84.2	77.6
Management and other administration costs		43.8	39.5
Depreciation and amortisation expense		3.3	4.0
Finance costs		60.7	71.9
Net loss on fair value of derivatives		55.2	32.6
Net loss on disposal of assets		2.5	0.1
		249.7	225.7
Profit before income tax expense		264.0	245.3
Income tax benefits		2.5	6.6
Profit after income tax expense		266.5	251.9
Profit / (loss) from discontinued operations	2(a)	9.0	(8.8)
Net profit for the half year		275.5	243.1
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		(0.3)	4.9
Total comprehensive income for the half year		275.2	248.0
Net profit / (loss) attributable to:			
- Securityholders of the Trust		287.4	254.5
- Securityholders of other entities stapled to the Trust		(11.9)	(11.4)
Total comprehensive income / (loss) attributable to:			
- Securityholders of the Trust		287.1	259.1
- Securityholders of other entities stapled to the Trust		(11.9)	(11.1)
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	12(a)	14.8	13.2
Earnings per unit (cents per unit) - profit / (loss) from discontinued operations	12(a)	0.5	(0.2)
Earnings per unit (cents per unit) - Total	12(a)	15.3	13.0
Basic earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	12(b)	14.2	12.9
Earnings per security (cents per security) - profit / (loss) from discontinued operations	12(b)	0.5	(0.5)
Earnings per security (cents per security) - Total	12(b)	14.7	12.4
Diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	12(c)	14.1	12.9
Earnings per security (cents per security) - profit / (loss) from discontinued operations	12(c)	0.5	(0.5)
Earnings per security (cents per security) - Total	12(c)	14.6	12.4

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	Note	Consolidated entity	
		30 Jun 12	31 Dec 11
		\$M	\$M
ASSETS			
Current Assets			
Cash and cash equivalents		132.1	42.0
Loans and receivables		71.3	151.5
Derivative assets		5.6	0.2
Tax receivables		34.9	34.9
Prepayments		6.1	5.6
		<u>250.0</u>	<u>234.2</u>
Non-current assets classified as held for sale	4	30.7	440.6
Total Current Assets		<u>280.7</u>	<u>674.8</u>
Non-Current Assets			
Investment properties	5	6,492.0	6,423.6
Equity accounted investments	6	1,863.8	1,859.6
Property, plant & equipment		11.5	12.8
Loans and receivables		151.5	150.9
Other assets		0.2	0.2
Intangible assets		48.5	51.3
Derivative assets		113.9	78.2
Deferred tax assets		38.4	36.2
		<u>8,719.8</u>	<u>8,612.8</u>
Total Non-Current Assets		<u>8,719.8</u>	<u>8,612.8</u>
Total Assets		<u>9,000.5</u>	<u>9,287.6</u>
LIABILITIES			
Current Liabilities			
Payables		160.1	208.0
Borrowings	7	406.6	512.6
Derivative liabilities		1.2	1.0
Provisions		15.6	16.6
		<u>583.5</u>	<u>738.2</u>
Non-current liabilities classified as held for sale	4	1.9	2.6
Total Current Liabilities		<u>585.4</u>	<u>740.8</u>
Non-Current Liabilities			
Borrowings	7	1,505.4	1,631.5
Derivative liabilities		174.3	127.5
Provisions		1.5	1.4
		<u>1,681.2</u>	<u>1,760.4</u>
Total Non-Current Liabilities		<u>1,681.2</u>	<u>1,760.4</u>
Total Liabilities		<u>2,266.6</u>	<u>2,501.2</u>
Net Assets		<u>6,733.9</u>	<u>6,786.4</u>
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	8	7,883.5	8,030.2
Reserves		(15.5)	(15.2)
Accumulated losses		(521.7)	(625.8)
		<u>7,346.3</u>	<u>7,389.2</u>
Total equity of GPT Trust securityholders		<u>7,346.3</u>	<u>7,389.2</u>
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	8	321.8	323.0
Reserves		44.6	41.1
Accumulated losses		(978.8)	(966.9)
		<u>(612.4)</u>	<u>(602.8)</u>
Total equity of other stapled securityholders		<u>(612.4)</u>	<u>(602.8)</u>
Total Equity		<u>6,733.9</u>	<u>6,786.4</u>

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2012

Consolidated Entity									
Note	Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				Total equity \$M
	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	
Balance at 1 January 2011	8,155.3	(69.7)	(578.2)	7,507.4	324.7	35.0	(912.6)	(552.9)	6,954.5
Movement in foreign currency translation reserve	-	4.6	-	4.6	-	0.3	-	0.3	4.9
Net income recognised directly in equity	-	4.6	-	4.6	-	0.3	-	0.3	4.9
Profit / (loss) for the half year	-	-	254.5	254.5	-	-	(11.4)	(11.4)	243.1
Total comprehensive income / (loss) for the half year	-	4.6	254.5	259.1	-	0.3	(11.4)	(11.1)	248.0
Transactions with Securityholders in their capacity as Securityholders:									
Movement in treasury stock reserve	-	3.2	-	3.2	-	(0.6)	-	(0.6)	2.6
Movement in employee incentive security scheme reserve	-	-	-	-	-	2.3	-	2.3	2.3
Distribution paid or payable	3	-	(175.7)	(175.7)	-	-	-	-	(175.7)
Balance at 30 June 2011	8,155.3	(61.9)	(499.4)	7,594.0	324.7	37.0	(924.0)	(562.3)	7,031.7
Balance at 1 January 2012	8,030.2	(15.2)	(625.8)	7,389.2	323.0	41.1	(966.9)	(602.8)	6,786.4
Movement in foreign currency translation reserve	-	(0.3)	-	(0.3)	-	-	-	-	(0.3)
Net (loss) recognised directly in equity	-	(0.3)	-	(0.3)	-	-	-	-	(0.3)
Profit / (loss) for the half year	-	-	287.4	287.4	-	-	(11.9)	(11.9)	275.5
Total comprehensive income / (loss) for the half year	-	(0.3)	287.4	287.1	-	-	(11.9)	(11.9)	275.2
Transactions with Securityholders in their capacity as Securityholders:									
On-market securities buy-back	(146.7)	-	-	(146.7)	(1.2)	-	-	(1.2)	(147.9)
Movement in treasury stock reserve	-	-	-	-	-	0.1	-	0.1	0.1
Movement in employee incentive security scheme reserve	-	-	-	-	-	3.4	-	3.4	3.4
Distribution paid or payable	3	-	(183.3)	(183.3)	-	-	-	-	(183.3)
Balance at 30 June 2012	7,883.5	(15.5)	(521.7)	7,346.3	321.8	44.6	(978.8)	(612.4)	6,733.9

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CASH FLOW

for the half year ended 30 June 2012

	Note	Consolidated entity	
		30 Jun 12 \$M	30 Jun 11 \$M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		360.4	384.5
Cash payments in the course of operations (inclusive of GST)		(163.0)	(193.1)
Distributions received from equity accounted investments		59.3	70.7
Interest received		8.2	5.0
Income taxes received / (paid)		-	(0.9)
		<u>264.9</u>	<u>266.2</u>
Finance costs		(71.4)	(78.0)
Net cash inflows from operating activities	11(a)	<u>193.5</u>	<u>188.2</u>
Cash flows from investing activities			
Payments for investment properties		(93.5)	(29.6)
Proceeds from disposal of investment properties		595.3	-
Payments for properties under development		(49.8)	(65.2)
Payments for property, plant and equipment		(0.2)	(10.1)
Net proceeds from sale of property, plant & equipment		58.8	81.0
Payments for intangibles		(0.7)	(1.5)
Net investment in equity accounted investments		(1.1)	(1.4)
Proceeds from disposal of controlled entities and associates		-	213.8
Proceeds from disposal of assets in US Seniors Housing Portfolio (net of tax)		-	231.0
Loan repayment from equity accounted investments		1.4	60.0
Payments for cost to sell on assets held for sale		(0.4)	(7.2)
Net cash inflows from investing activities		<u>509.8</u>	<u>470.8</u>
Cash flows from financing activities			
Net repayment of bank facilities		(232.2)	(465.6)
Repayments of employee incentive scheme loans, net of distributions		-	2.5
Purchase of securities for the employee incentive scheme		(0.2)	-
Payments on termination and restructure of derivatives		(49.3)	(11.7)
Payments for the on-market buy back of securities		(147.9)	-
Distributions paid to securityholders		(183.4)	(175.7)
Net cash (outflows) from financing activities		<u>(613.0)</u>	<u>(650.5)</u>
Net increase in cash and cash equivalents		<u>90.3</u>	<u>8.5</u>
Cash and cash equivalents at the beginning of the half year		<u>43.0</u>	<u>44.8</u>
		<u>133.3</u>	<u>53.3</u>
Less: Cash balance classified as assets held for sale		(1.2)	(2.4)
Cash and cash equivalents at the end of the half year	11(b)	<u>132.1</u>	<u>50.9</u>

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

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 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 General Property Trust's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

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

The 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 GPT's financial performance, financial position or accounting principles as a result of the application of the new and amended standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 January 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. GPT 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. GPT 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.

THE GPT GROUP

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)

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. GPT does not expect the new standard to have a significant impact on the type of information disclosed in relation to GPT'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 GPT 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.

GPT does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual report 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. GPT is a disclosing entity and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial report of GPT.

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 statement of financial position or the profit or loss in the current period. GPT 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 GPT'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. GPT 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 group does not expect that any adjustments will be necessary as the result of applying the revised rules.

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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

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

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

(i) Valuation of property investments

Critical judgements are made by GPT in respect of the fair values of investments in associates and joint ventures and investment properties including investment properties under development at 30 June 2012. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions existing at reporting date, using generally accepted market practices. The critical assumptions underlying management's estimates of fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, discount rates that reflect current market uncertainties and current and recent property investment prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of property investments may differ.

(ii) Valuation of financial instruments

The fair values of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for GPT's derivatives may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

(iii) Impairment of loans and receivables

Assets are assessed for impairment each reporting date by evaluating whether any impairment triggers exist. Where impairment triggers exist, management review the allocation of cash flows to those assets and estimate a fair value for the assets. Critical judgements are made by GPT in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

(iv) Impairment of intangibles

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

(v) Share based payment transactions

The Group measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation and Binomial tree pricing models. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact the share based payment expense and equity.

(vi) Recoverability of deferred tax assets

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

(d) Rounding of amounts

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

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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.

	Core operations					Total Core operations	Non-Core operations			Total
	Retail	Office	Logistics and Business Parks	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue										
Rent from investment properties	218.3	57.7	39.8	-	-	315.8	-	-	-	315.8
Property and fund management fees	4.8	-	-	12.7	-	17.5	-	-	-	17.5
Development project revenue	5.4	0.6	0.1	-	-	6.1	-	-	-	6.1
Total segment revenue	228.5	58.3	39.9	12.7	-	339.4	-	-	-	339.4
Other income										
Share of after tax profits of equity accounted investments	4.7	24.5	-	33.5	-	62.7	-	-	-	62.7
Interest revenue - associates and other investments	-	-	-	-	-	-	-	0.3	8.7	9.0
Total other income	4.7	24.5	-	33.5	-	62.7	-	0.3	8.7	71.7
Total segment revenue and other income	233.2	82.8	39.9	46.2	-	402.1	-	0.3	8.7	411.1
Less:										
Property expenses and outgoings	(62.6)	(14.2)	(7.4)	-	-	(84.2)	-	-	-	(84.2)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs, and income tax expense	170.6	68.6	32.5	46.2	-	317.9	-	0.3	8.7	326.9
Management and other administration costs	(9.7)	(5.7)	(1.3)	(11.9)	(12.6)	(41.2)	-	-	-	(41.2)
Depreciation and amortisation expense	-	-	-	-	(1.1)	(1.1)	-	-	-	(1.1)
Income tax benefits / (expense)	0.1	1.5	0.4	(0.8)	0.9	2.1	-	(0.3)	-	1.8
Finance costs	-	-	-	-	(59.2)	(59.2)	-	-	-	(59.2)
Segment result for the half year *	161.0	64.4	31.6	33.5	(72.0)	218.5	-	-	8.7	227.2
Fair value adjustments to investment properties	72.2	31.2	3.8	-	-	107.2	-	-	-	107.2
Fair value and other adjustments to equity accounted investments	3.2	(0.4)	-	12.2	-	15.0	-	0.3	-	15.3
Amortisation of Intangibles	(0.1)	-	-	-	(2.1)	(2.2)	-	-	-	(2.2)
Fair value movement of derivatives	-	-	-	-	(55.2)	(55.2)	-	-	-	(55.2)
Net foreign exchange gain / (loss)	-	-	-	-	-	-	0.1	-	-	0.1
Net (loss) / gain on disposal of assets	(1.8)	-	(0.7)	-	-	(2.5)	-	-	-	(2.5)
Non-cash IFRS revenue adjustments	(5.6)	(4.5)	(2.0)	-	-	(12.1)	-	-	-	(12.1)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year	(0.2)	-	-	-	0.6	0.4	-	-	(0.1)	0.3
Others	(0.6)	(0.2)	-	-	(1.8)	(2.6)	-	-	-	(2.6)
Net profit / (loss) for the half year	228.1	90.5	32.7	45.7	(130.5)	266.5	0.1	0.3	8.6	275.5

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

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

THE GPT GROUP

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.

	Core operations					Total Core operations	Non-Core operations			Total
	Retail	Office	Logistics and Business Parks	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue										
Rent from investment properties	209.2	53.9	33.9	-	-	297.0	-	-	-	297.0
Revenue from hotel operations	-	-	-	-	-	-	-	-	40.8	40.8
Property and fund management fees	5.9	-	-	11.9	-	17.8	-	-	-	17.8
Development project revenue	1.9	1.2	-	-	-	3.1	-	-	-	3.1
Total segment revenue	217.0	55.1	33.9	11.9	-	317.9	-	-	40.8	358.7
Other income										
Share of after tax profits of equity accounted investments	4.5	22.2	-	40.6	-	67.3	5.3	1.3	-	73.9
Interest revenue - associates and other investments	-	-	-	-	-	-	1.3	0.3	-	1.6
Total other income	4.5	22.2	-	40.6	-	67.3	6.6	1.6	-	75.5
Total segment revenue and other income	221.5	77.3	33.9	52.5	-	385.2	6.6	1.6	40.8	434.2
Less:										
Property expenses and outgoings	(57.8)	(14.1)	(5.7)	-	-	(77.6)	-	-	-	(77.6)
Expenses from hotel operations	-	-	-	-	-	-	-	-	(34.2)	(34.2)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs, and income tax expense	163.7	63.2	28.2	52.5	-	307.6	6.6	1.6	6.6	322.4
Management and other administration costs*	(13.7)	(2.9)	(0.4)	(10.1)	(12.2)	(39.3)	0.7	(0.6)	-	(39.2)
Depreciation and amortisation expense	-	-	-	-	(0.9)	(0.9)	-	-	-	(0.9)
Income tax benefits / (expense)	2.3	-	-	(1.0)	2.7	4.0	1.3	(0.3)	2.7	7.7
Finance costs	-	-	-	-	(70.6)	(70.6)	-	-	2.1	(68.5)
Segment result for the half year **	152.3	60.3	27.8	41.4	(81.0)	200.8	8.6	0.7	11.4	221.5
Fair value adjustments to investment properties	77.4	(6.8)	1.1	-	-	71.7	-	-	-	71.7
Fair value and other adjustments to equity accounted investments	1.9	0.2	-	12.6	-	14.7	(3.3)	(6.1)	-	5.3
Revaluation of Hotel Properties	-	-	-	-	-	-	-	-	(22.9)	(22.9)
Depreciation and amortisation expense - management rights and hotels & tourism	(1.1)	-	-	-	(2.0)	(3.1)	-	-	(2.1)	(5.2)
Reversal of prior year impairment - loan and receivables	-	-	-	-	2.6	2.6	-	-	-	2.6
Impairment expense - other	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Fair value movement of derivatives	-	-	-	-	(32.6)	(32.6)	-	-	-	(32.6)
Net foreign exchange gain / (loss)	-	-	-	-	5.2	5.2	(5.4)	0.2	-	-
Net gain / (loss) on disposal of assets	-	-	-	-	(0.1)	(0.1)	4.4	-	0.5	4.8
Non-cash IFRS revenue adjustments	(5.5)	(3.7)	(0.5)	-	-	(9.7)	-	-	-	(9.7)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year	(0.6)	-	-	-	3.2	2.6	5.0	-	0.3	7.9
Others	-	-	-	-	(0.2)	(0.2)	-	-	-	(0.2)
Net profit / (loss) for the half year	224.4	50.0	28.4	54.0	(104.9)	251.9	9.3	(5.2)	(12.9)	243.1

* Management and other administration costs have been restated in order to be consistent with the cost allocation methodology applied by the GPT Group from 1 January 2012.

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

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

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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

30 June 2012

	Note	Core operations \$M	All other segments \$M	Total continuing operations \$M	ROI adjustments \$M	Total Statement of Comprehensive income \$M
Revenue						
Rent from investment properties		315.8	-	315.8	-	315.8
Property and fund management fees		17.5	-	17.5	-	17.5
Development project revenue		6.1	-	6.1	-	6.1
Total segment revenue		339.4	-	339.4	-	339.4
Less: Non-cash IFRS revenue adjustments	2(c)(i)	-	-	-	(12.1)	(12.1)
		339.4	-	339.4	(12.1)	327.3
Other income						
Share of after tax profits of equity accounted investments (excluding fair value adjustments)		62.7	-	62.7	-	62.7
Fair value and other adjustments to equity accounted investments	2(c)(ii)	-	-	-	15.0	15.0
Interest revenue - cash and short term money market securities	2(c)(vi)	-	-	-	1.5	1.5
Fair value adjustments to investment properties	2(c)(iii)	-	-	-	107.2	107.2
Total other income		62.7	-	62.7	123.7	186.4
Total segment revenue and other income		402.1	-	402.1	111.6	513.7
Less:						
Property expenses and outgoings		(84.2)	-	(84.2)	-	(84.2)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense		317.9	-	317.9	111.6	429.5
Management and other administration costs		(28.6)	(12.6)	(41.2)	-	(41.2)
Other expenses		-	-	-	(2.6)	(2.6)
Depreciation and amortisation expense (excluding intangibles)		-	(1.1)	(1.1)	-	(1.1)
Amortisation expense - intangibles	2(c)(v)	-	-	-	(2.2)	(2.2)
Finance costs		-	(59.2)	(59.2)	-	(59.2)
Less: Interest revenue included in finance costs	2(c)(vi)	-	-	-	(1.5)	(1.5)
Net loss on fair value of derivatives	2(c)(iv)	-	-	-	(55.2)	(55.2)
Net loss on disposal of assets	2(c)(viii)	-	-	-	(2.5)	(2.5)
Income tax benefits		1.2	0.9	2.1	-	2.1
Add: Tax impact of reconciling items from Segment result to Net profit for the half year		-	-	-	0.4	0.4
Segment result for the half year		290.5	(72.0)	218.5		
Net profit for the half year from continuing operations					48.0	266.5

THE GPT GROUP

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

	Core operations	All other segments	Total continuing operations	ROI adjustments	Total Statement of Comprehensive income
Note	\$M	\$M	\$M	\$M	\$M
Revenue					
Rent from investment properties	297.0	-	297.0	-	297.0
Property and fund management fees	17.8	-	17.8	-	17.8
Development project revenue	3.1	-	3.1	-	3.1
Total segment revenue	317.9	-	317.9	-	317.9
Less: Non-cash IFRS revenue adjustments	2(c)(i)	-	-	(9.7)	(9.7)
	317.9	-	317.9	(9.7)	308.2
Other income					
Share of after tax profits of equity accounted investments (excluding fair value adjustments)	67.3	-	67.3	-	67.3
Fair value and other adjustments to equity accounted investments	2(c)(ii)	-	-	14.7	14.7
Interest revenue - cash and short term money market securities	2(c)(vi)	-	-	1.3	1.3
Fair value adjustments to investment properties	2(c)(iii)	-	-	71.7	71.7
Reversal of prior period impairment	2(c)(vii)	-	-	2.6	2.6
Net foreign exchange gain	-	-	-	5.2	5.2
Total other income	67.3	-	67.3	95.5	162.8
Total segment revenue and other income	385.2	-	385.2	85.8	471.0
Less:					
Property expenses and outgoings	(77.6)	-	(77.6)	-	(77.6)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense					
	307.6	-	307.6	85.8	393.4
Management and other administration costs	(19.5)	(19.8)	(39.3)	-	(39.3)
Other expenses	-	-	-	(0.2)	(0.2)
Depreciation and amortisation expense (excluding intangibles)	-	(0.9)	(0.9)	-	(0.9)
Amortisation expense - intangibles	2(c)(v)	-	-	(3.1)	(3.1)
Finance costs	-	(70.6)	(70.6)	-	(70.6)
Less: Interest revenue included in finance costs	2(c)(vi)	-	-	(1.3)	(1.3)
Net loss on fair value of derivatives	2(c)(iv)	-	-	(32.6)	(32.6)
Net loss on disposal of assets	2(c)(viii)	-	-	(0.1)	(0.1)
Income tax benefits / (expense)	(1.0)	5.0	4.0	-	4.0
Add: Tax impact of reconciling items from Segment result to Net profit for the half year	-	-	-	2.6	2.6
Segment result for the half year	287.1	(86.3)	200.8		
Net profit for the half year from continuing operations				51.1	251.9

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

2. Segment reporting (continued)

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

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

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

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

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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

	Note	Core operations					Total Core operations	Non-Core operations			Total
		Retail	Office	Logistics and Business Parks	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Current Assets											
Current assets		20.0	-	-	-	250.0	270.0	0.2	8.8	1.7	280.7
Total Current Assets		20.0	-	-	-	250.0	270.0	0.2	8.8	1.7	280.7
Non-Current Assets											
Investment properties		4,250.2	1,336.6	905.2	-	-	6,492.0	-	-	-	6,492.0
Equity accounted investments		151.4	678.4	-	1,033.9	0.1	1,863.8	-	-	-	1,863.8
Property, plant and equipment		-	-	-	-	11.5	11.5	-	-	-	11.5
Loans and receivables		-	-	-	-	8.9	8.9	-	-	142.6	151.5
Intangible assets		11.0	-	-	-	37.5	48.5	-	-	-	48.5
Other non-current assets		-	-	-	-	152.5	152.5	-	-	-	152.5
Total Non-Current Assets		4,412.6	2,015.0	905.2	1,033.9	210.5	8,577.2	-	-	142.6	8,719.8
Total Assets		4,432.6	2,015.0	905.2	1,033.9	460.5	8,847.2	0.2	8.8	144.3	9,000.5
Current and non-current liabilities		-	-	-	-	2,264.7	2,264.7	0.5	-	1.4	2,266.6
Total Liabilities		-	-	-	-	2,264.7	2,264.7	0.5	-	1.4	2,266.6
Net Assets		4,432.6	2,015.0	905.2	1,033.9	(1,804.2)	6,582.5	(0.3)	8.8	142.9	6,733.9

31 December 2011

	Note	Core operations					Total Core operations	Non-Core operations			Total
		Retail	Office	Logistics and Business Parks	Funds Management Australia	All other segments		Discontinued operation - US Seniors Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Current Assets											
Current assets		39.2	373.2	16.7	-	153.2	582.3	0.2	9.0	83.3	674.8
Total Current Assets		39.2	373.2	16.7	-	153.2	582.3	0.2	9.0	83.3	674.8
Non-Current Assets											
Investment properties		4,720.3	887.5	815.8	-	-	6,423.6	-	-	-	6,423.6
Equity accounted investments		147.9	677.4	-	1,021.7	12.6	1,859.6	-	-	-	1,859.6
Property, plant and equipment		-	-	-	-	12.8	12.8	-	-	-	12.8
Loans and receivables		-	-	-	-	10.3	10.3	-	-	140.6	150.9
Intangible assets		11.0	-	-	-	40.3	51.3	-	-	-	51.3
Other non-current assets		-	-	-	-	114.6	114.6	-	-	-	114.6
Total Non-Current Assets		4,879.2	1,564.9	815.8	1,021.7	190.6	8,472.2	-	-	140.6	8,612.8
Total Assets		4,918.4	1,938.1	832.5	1,021.7	343.8	9,054.5	0.2	9.0	223.9	9,287.6
Current and non-current liabilities		-	-	-	-	2,498.6	2,498.6	0.5	-	2.1	2,501.2
Total Liabilities		-	-	-	-	2,498.6	2,498.6	0.5	-	2.1	2,501.2
Net Assets		4,918.4	1,938.1	832.5	1,021.7	(2,154.8)	6,555.9	(0.3)	9.0	221.8	6,786.4

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for the half year ended 30 June 2012

2. Segment reporting (continued)

(e) Identification of Reportable Segments

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

Segment	Types of products and services which generate segment revenues
Retail	Regional, sub-regional and community shopping centres, Homemaker City (bulky goods) centres, retail re-developments and new retail developments as well as development and property management of retail assets.
Office	Office space with associated retail space and office developments.
Logistics and Business Parks	Traditional logistics and business park assets with capacity for organic growth through the development of vacant land as well as logistics and business park re-developments and property management of logistics and business park assets.
Funds Management - Australia	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
All Other Segments	Finance, principally interest costs and Group operating costs.
Discontinued operation - US Seniors Housing	Investment in a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets. GPT completed the sale of this portfolio on 29 March 2011 and the remaining balances represent miscellaneous balances that will be realised once liquidation of those entities occurs.
Discontinued operation - Funds Management Europe	Equity investments in two small closed-end funds (a legacy of GPT's ownership of GPT Halverton) managed by Internos Real Investors.
Discontinued operation – Hotels & Tourism	Investments in nature-based resorts and hotel assets. GPT has divested all of its resorts after completing the sale of Ayers Rock Resort on 23 May 2011 and now earns interest income on the deferred settlement proceeds. Final proceeds will be received in May 2016. The remaining balances represent miscellaneous balances that will be realised once liquidation of those entities occurs.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

3. Distributions paid and payable to securityholders

		Consolidated Entity	
		30 Jun 12	30 Jun 11
		\$M	\$M
(a) Stapled Securityholders			
(i) Distributions paid			
Quarter ended December 2011:	4.9 cents per stapled security paid on 16 March 2012 (4.6 cents per stapled security paid on 25 March 2011)	88.7	85.4
Quarter ended March 2012:	4.6 cents per stapled security paid on 25 May 2012 (4.2 cents per stapled security paid on 27 May 2011)	82.2	77.9
Total distributions paid		170.9	163.3
(ii) Distributions proposed and not recognised as a liability ⁽¹⁾			
Quarter ended June 2012:	4.9 cents per stapled security to be paid on 7 September 2012 (4.3 cents per stapled security paid on 23 September 2011)	86.6	79.1
(b) Exchangeable Securities Securityholders ⁽²⁾			
(i) Distributions paid			
Period from 28 November 2011 to 27 May 2012	10% per exchangeable security	12.4	12.4
(ii) Distributions payable			
Period from 28 May 2012 to 30 June 2012	10% per exchangeable security	2.4	2.4

(1) The June quarter distribution of 4.9 cents per stapled security is expected to be paid on 7 September 2012. No provision for the distribution has been recognised in the Statement of Financial Position as at 30 June 2012 as the distribution had not been declared by that date. This distribution is based on the number of securities at 10 August 2012 and will be finalised on the record date of 22 August 2012, taking into account further on-market buy-back activity up until that date.

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

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

4. Non-current assets held for sale

Details of Assets and Liabilities Classified as Held for Sale

The table below sets out the assets and liabilities that continue to be owned by the Group at 30 June 2012 but classified as held for sale. These assets and liabilities are presented as an aggregate amount on the lines "assets and liabilities held for sale" in the Statement of Financial Position.

	Consolidated entity						
	Note	Discontinued Operations			Investment Properties	Total 30 Jun 12	Total 31 Dec 11
		Hotels / Tourism	Funds Management Europe	US Seniors Housing			
		30 Jun 12	30 Jun 12	30 Jun 12			
	\$M	\$M	\$M	\$M	\$M	\$M	
Assets classified as held for sale							
Cash at bank and at call		1.2	-	-	-	1.2	1.0
Loans and receivables	(i)	0.5	8.8	-	-	9.3	10.3
Inventories		-	-	-	-	-	-
Investment properties	(ii)	-	-	-	20.0	20.0	429.1
Equity accounted investments	(iii)	-	-	0.2	-	0.2	0.2
Other assets	(iv)	-	-	-	-	-	-
Total assets classified as held for sale		1.7	8.8	0.2	20.0	30.7	440.6
Liabilities classified as held for sale							
Trade payables and accruals		1.4	-	0.5	-	1.9	2.6
Total liabilities directly associated with assets classified as held for sale		1.4	-	0.5	-	1.9	2.6

(i) Loans and receivables mainly comprise of a loan receivable of \$8.8 million from German Retail Fundco SARL.

(ii) Investment properties comprise of Newcastle CBD Land Holdings.

(iii) Investments in associates and joint ventures comprise:

- the 38.04% investment in DAF held at nil carrying value as at 30 June 2012;
- the 46% investment in Kings Canyon (Watarra) Resort Trust held at nil carrying value as at 30 June 2012;
- the 50% investment in B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC with a nil carrying value at 30 June 2012; and
- the 95% investment in B-VII Operations Holding Co LLC, properties held by this entity were sold on 29 March 2011 and it is in the process of being liquidated. This investment is held at \$0.2 million as at 30 June 2012.

(iv) Other assets comprise a 5.3% interest in GPT MaltaCo 1 with a nil carrying value as at 30 June 2012.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

5. Investment properties

	Note	Consolidated entity	
		30 Jun 12	31 Dec 11
		\$M	\$M
Retail	5(b)	4,250.2	4,720.3
Office	5(c)	1,336.6	740.2
Logistics and Business Parks	5(d)	820.1	693.0
Properties under development	5(e)	85.1	270.1
Total investment properties		6,492.0	6,423.6

(a) Reconciliation

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

	For the 6 months to 30 Jun 12	For the 12 months to 31 Dec 11
	\$M	\$M
Carrying amount at the beginning of the financial period	6,423.6	6,562.5
Additions - operating capex	14.9	39.9
Additions - interest capitalised	7.3	13.3
Additions - development capex	59.3	124.1
Asset acquisitions	64.5	-
Transfers from / (to) non-current assets classified as held for sale	375.4	(419.1)
Lease incentives	13.2	29.3
Amortisation of lease incentives	(10.2)	(21.5)
Disposals	(552.5)	(0.1)
Fair value adjustments	96.3	100.6
Leasing costs (net of amortisation)	0.2	(5.4)
Carrying amount at the end of the financial period	6,492.0	6,423.6

Details of the Group's Investment Properties

	Ownership Interest ⁽¹⁾	Acquisition Date	Fair Value 30 Jun 12	Fair Value 31 Dec 11	Latest Independent Valuation Date	Valuer
	%		\$M	\$M		
(b) Retail						
Casuarina Square, NT ⁽²⁾	50.0	Oct 1973	229.8	455.6	Jun 2010	Knight Frank Valuations
Charlestown Square, NSW	100.0	Dec 1977	834.8	830.3	Dec 2010	Jones Lang LaSalle
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	9.6	9.9	Dec 2010	Jones Lang LaSalle
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	180.5	180.2	Jun 2011	CB Richard Ellis Pty Limited
Erina Fair, NSW ⁽³⁾	33.3	Jun 1992	261.9	252.2	Jun 2012	Savills Australia
Highpoint Shopping Centre, VIC	16.7	Aug 2009	246.7	233.1	Jun 2012	CB Richard Ellis Pty Limited
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	9.1	9.1	Dec 2011	CB Richard Ellis Pty Limited
Westfield Penrith, NSW	50.0	Jun 1971	545.0	519.2	Jun 2012	Knight Frank Valuations
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	350.0	326.1	Jun 2012	Savills Australia
Plaza Parade, QLD	50.0	Jun 1999	9.5	9.3	Jun 2012	Savills Australia
Westfield Woden, ACT ⁽²⁾	-	Feb 1986	-	321.5	Dec 2010	Knight Frank Valuations
Homemaker City, Aspley, QLD	100.0	Nov 2001	45.3	47.7	Dec 2011	Colliers
Homemaker City, Fortitude Valley, QLD	100.0	Dec 2001	100.2	100.1	Dec 2011	Jones Lang LaSalle
Homemaker City, Jindalee, QLD	100.0	Nov 2001	50.0	50.0	Dec 2011	Colliers
Rouse Hill Town Centre, Rouse Hill, NSW	100.0	Dec 2005	460.0	460.0	Jun 2012	CB Richard Ellis Pty Limited
Melbourne Central, VIC - retail portion ⁽⁴⁾	100.0	May 1999 / May 2001	917.8	916.0	Jun 2011	CB Richard Ellis Pty Limited
Total consolidated entity			4,250.2	4,720.3		

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

5. Investment properties (continued)

Details of the Group's Investment Properties (continued)

	Ownership Interest ⁽¹⁾	Acquisition Date	Fair Value 30 Jun 12	Fair Value 31 Dec 11	Latest Independent Valuation Date	Valuer
	%		\$M	\$M		
(c) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	281.8	278.8	Dec 2011	Savills
MLC Centre, Sydney, NSW ⁽⁵⁾	50.0	Apr 1987	375.4	-	Jun 2011	Colliers International
One One One Eagle Street, Brisbane, QLD ⁽⁶⁾	33.3	Apr 1984	205.2	-	Mar 2012	Knight Frank
Melbourne Central, VIC - office portion ⁽⁴⁾	100.0	May 1999 / May 2001	346.6	334.0	Jun 2011	CB Richard Ellis Pty Limited
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	127.6	127.4	Mar 2011	Savills
Total consolidated entity			1,336.6	740.2		

(d) Logistics and Business Parks

2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	44.1	44.0	Jun 2011	Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.7	66.3	Mar 2012	Jones Lang LaSalle
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	19.4	20.4	Jun 2010	CB Richard Ellis Pty Limited
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	20.9	20.4	Jun 2010	CB Richard Ellis Pty Limited
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	21.5	21.3	Dec 2009	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	35.6	35.6	Dec 2009	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	12.0	12.1	Dec 2010	Jones Lang LaSalle
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	9.4	9.4	Jun 2010	CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	19.4	18.8	Jun 2011	Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.5	10.5	Jun 2010	CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	18.2	17.8	Jun 2011	Jones Lang LaSalle
5 Murray Rose, Sydney Olympic Park, NSW ⁽⁷⁾	* 100.0	May 2002	63.6	-	Jun 2012	M3 Property
Rosehill Business Park, Camellia, NSW	100.0	May 1998	67.5	67.3	Jun 2012	Jones Land LaSalle
15 Berry Street, Granville, NSW	100.0	Nov 2000	13.3	12.9	Jun 2012	Savills Australia
19 Berry Street, Granville, NSW	100.0	Dec 2000	26.7	25.7	Jun 2012	Savills Australia
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	38.8	39.0	Jun 2012	Knight Frank Valuations
Erskine Park, NSW (Stage 2)	100.0	Jun 2008	19.1	19.1	Sep 2010	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	140.0	140.9	Jun 2012	CB Richard Ellis
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.2	13.2	Dec 2011	CB Richard Ellis
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	13.5	13.3	Jun 2011	Jones Lang LaSalle
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	30.4	30.4	Dec 2011	CB Richard Ellis
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.3	18.1	Jun 2012	Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	13.8	13.6	Dec 2011	CB Richard Ellis
Citipoint Business Park, Port Melbourne, VIC ⁽⁸⁾	100.0	Mar 2012	61.2	-	Feb 2012	Jones Lang LaSalle
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	23.0	22.9	Dec 2010	Knight Frank Valuations
Total consolidated entity			820.1	693.0		

(e) Properties under development

Office						
One One One Eagle Street, Brisbane, QLD ⁽⁶⁾	33.3	Apr 1984	-	147.3	Mar 2012	Knight Frank
Logistics and Business Parks						
17 Berry St, Granville, NSW	100.0	Sep 2009	5.3	5.2	Jun 2012	Savills Australia
7 Parkview Drive, Sydney Olympic Park, NSW	100.0	May 2002	-	41.0	Jun 2011	Jones Lang LaSalle
Erskine Park, NSW	100.0	Jun 2008	52.4	53.9	Jun 2012	Knight Frank Valuations
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	5.2	5.2	Dec 2010	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	22.2	17.5	Jun 2012	CB Richard Ellis
Total consolidated entity			85.1	270.1		

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

(2) On 25 June 2012, GPT sold a 50% interest in Casuarina shopping centre in Darwin and its 50% interest in Westfield Woden shopping centre in Canberra to the GPT Wholesale Shopping Centre Fund for \$229.7 million and \$322.5 million respectively.

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

(4) Melbourne Central: 72.6% Retail and 27.4% Office (Dec 11: 73.3% Retail and 26.7% Office).

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for the half year ended 30 June 2012

5. Investment properties (continued)

Details of the Group's Investment Properties (continued)

- (5) This property was reclassified to an Investment Property from a Non-current asset held for sale during the half year ended 30 June 2012. GPT management believes that the asset value will be enhanced in the near future through the completion of the façade repairs, leasing activity and repositioning strategies. As a result, it has been determined that the asset is better suited to remain in its portfolio at this time.
- (6) Following practical completion in June 2012, One One One Eagle Street had been reclassified from a Property under development to an Investment property in the Office Portfolio.
- (7) This property was classified as a Property under development as at 31 December 2011, being that part of 7 Parkview Drive, Sydney Park, NSW which was under development.
- (8) On 30 March 2012, GPT acquired CitiPort Business Park at 650-672 Lorimer Street and 272-310 Salmon Street, Port Melbourne, Victoria for a total consideration of \$61 million.

Investment properties held in equity accounted investments are set out in note 6.

6. Equity accounted investments

	Note	30 Jun 12 \$M	31 Dec 11 \$M
Investments in joint ventures	6(a)(i)	829.9	825.3
Investments in associates	6(a)(ii)	1,033.9	1,034.3
Total equity accounted investments		1,863.8	1,859.6

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 12 \$M	31 Dec 11 \$M
		30 Jun 12 %	31 Dec 11 %		
(i) Joint Ventures					
Entities incorporated in Australia					
1 Farrer Place Trust ⁽¹⁾	Investment property	50.00	50.00	323.0	322.2
2 Park Street Trust ⁽¹⁾	Investment property	50.00	50.00	355.4	355.1
DPT Operator Pty Limited ⁽¹⁾	Managing property	50.00	50.00	0.1	0.1
Erina Property Trust ⁽¹⁾	Investment property	50.00	50.00	130.4	125.7
Horton Trust	Investment property	50.00	50.00	21.0	22.2
Lend Lease GPT (Rouse Hill) Pty Limited ⁽¹⁾⁽²⁾	Property development	50.00	50.00	-	-
Total investment in joint ventures				829.9	825.3
(ii) Associates					
Entities incorporated in Australia					
GPT Wholesale Office Fund ⁽¹⁾	Property investment	22.57	22.86	658.8	640.9
GPT Wholesale Shopping Centre Fund ⁽¹⁾	Property investment	20.10	20.19	375.1	380.8
Lend Lease (Twin Waters) Pty Limited ⁽³⁾	Property development	49.00	49.00	-	12.6
Total investments in associates				1,033.9	1,034.3

(1) The entity has a 30 June balance date.

(2) GPT has a 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Landcom and the NSW Department of Planning.

(3) During the half year, a distribution of \$7.1 million has been declared to GPT and \$5.5 million of invested capital has been repaid in June 2012. This was a non-cash transaction which offsets GPT's payable of \$12.6 million to this associate. The entity is in the process of liquidation as at 30 June 2012.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

6. Equity accounted investments (continued)

(b) Share of joint ventures and associates' commitments

The Group's share of its associates and joint ventures' capital expenditure commitments which have been approved but not provided for at 30 June 2012 are as follows:

	Total	
	30 Jun 12	31 Dec 11
	\$M	\$M
Capital expenditure commitments	76.8	95.8
Total joint venture and associates' commitments	76.8	95.8

7. Borrowings

	Note	30 Jun 12 \$M	31 Dec 11 \$M
Current - unsecured			
Bank borrowings			
Syndicated facility - Australian Dollar	7(a)(i)	156.6	362.6
Bank facilities - Australian Dollar	7(a)(ii)(4,7)	250.0	150.0
Total current borrowings - unsecured		406.6	512.6
Total current borrowings		406.6	512.6
Non-Current - unsecured			
Bank borrowings			
Syndicated facility - Australian Dollar	7(a)(i)	43.4	167.5
Bank facilities - Australian Dollar	7(a)(ii)(1-3,8)	940.0	1,092.0
Medium term notes	7(b)	361.0	211.0
CPI coupon indexed bond	7(c)	85.0	85.0
Total non-current borrowings - unsecured		1,429.4	1,555.5
Non-Current - secured			
Bank facility - Somerton	7(a)(iii)	76.0	76.0
Total non-current borrowings - secured		76.0	76.0
Total non-current borrowings		1,505.4	1,631.5
Total borrowings *		1,912.0	2,144.1

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

Due within one year	406.6	512.6
Due between one and five years	934.4	1,139.7
Due after five years	571.0	491.8
	1,912.0	2,144.1

* Net of unamortised establishment costs

(a) Bank facilities

Unsecured

(i) Syndicated facility – Tranche C (previously Euro multi option syndicated facility)

A €1,005 million multi option syndicated facility with a maturity date of 26 October 2012 became available to the Consolidated entity on 26 October 2007. During the half year, the Group converted the Tranche C limit from Euro to Australian Dollars, cancelled the excess limit, reducing the limit to AUD \$300 million and removed the multi option feature to draw down in foreign currencies. At 30 June 2012, Tranche C is drawn to \$200 million (Dec 11: AUD \$530.1 million), of which AUD \$43.4 million (Dec 11: AUD \$167.5 million) is included in non-current borrowings as it is offset by forward start facilities with counterparties in the syndicated group. The remaining AUD \$156.6 million (Dec 11: AUD \$362.6 million) remains in current borrowings, however is fully overlaid with forward start facilities with other counterparties. Refer 7(a)(ii) 1 and 3.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

7. Borrowings (continued)

(a) Bank facilities (continued)

Unsecured (continued)

(ii) Bank Loans

The Group has the following bank facilities:

1. \$500 million bilateral facility with three maturity tranches as follows:
 - Tranche A: AUD \$200 million maturing 26 October 2015.
 - Tranche B: AUD \$160 million maturing 1 April 2015.
 - Tranche C: AUD \$140 million forward start with a maturity date of 1 April 2016 and is available from 26 October 2012.At 30 June 2012, Tranches A and B of this facility are drawn to \$231 million (Dec 11: \$326 million).
2. \$550 million bilateral facility. At 30 June 2012, this facility is fully drawn. (Dec 11: \$550 million). The three tranches of this facility are as follows:
 - Tranches A and B: AUD \$325 million maturing 26 October 2018.
 - Tranche C: AUD \$225 million maturing 15 September 2014.
3. \$150 million bilateral facility comprising two tranches:
 - Tranche A: AUD \$75 million forward start with a maturity date of 26 October 2017 and is available from 26 October 2012. This facility was amended during the half year to restate from a Euro denominated forward start to an AUD denominated forward start.
 - Tranche B: AUD \$75 million maturing 30 November 2016. At 30 June 2012, this facility is drawn to AUD \$9 million (Dec 11: \$66 million).
4. \$400 million bilateral facility. This facility was amended during the half year to include an additional AUD \$100 million tranche. The three tranches of this facility are as follows:
 - Tranches A and B: AUD \$300 million forward start with a maturity date of 11 November 2017 and is available from 22 August 2013.
 - Tranche C: AUD \$100 million maturing 1 February 2013. At 30 June 2012, this facility is fully drawn (Dec 11: \$nil).In addition there is an AUD \$20 million bank guarantee facility maturing on 18 October 2012. As at 30 June 2012, bank guarantees totalling a face value of AUD \$13.3 million (Dec 11: AUD \$ 11.4 million) have been issued under the facility.
5. \$300 million forward start bilateral facility. The facility was amended during the half year to push out the forward start date. The two tranches of this facility are as follows:
 - Tranche A: AUD \$150 million with a maturity date of 1 October 2013 and is available from 1 October 2012.
 - Tranche B: AUD \$150 million with a maturity date of 11 December 2014 and is available from 11 December 2013.This facility can commence earlier at the Group's option.
6. \$200 million forward start bilateral facility which gives GPT the option to exercise in October 2012 to commence the facility from 26 October 2012. If GPT exercises the option to commence the loan, the maturity date is 26 October 2016.
7. \$150 million bilateral facility. At 30 June 2012, this facility is fully drawn (Dec 11: \$150 million). This facility has a maturity date of 26 October 2012. Forward start loans (refer 5 above) are in place to fully repay this maturing loan.
8. \$150 million bilateral facility. At 30 June 2012, this facility is fully drawn (Dec 11: \$150 million). This facility has a maturity date of 11 September 2013. Since balance date, the maturity date has been extended to 11 December 2013.

Secured

(iii) Bank facilities

A floating rate bill facility was established for the GPT/ Austrak Joint Venture to fund the capital expenditure requirements of the Austrak Business Park, Somerton, Victoria for \$152.4 million (GPT 50% share: \$76.2 million). During the half year, the facility was amended to extend the maturity date to 31 March 2015. The facility is secured by a mortgage over Austrak Business Park, Somerton, Victoria. As at 30 June 2012, the facility is drawn to \$152.0 million (GPT 50% share: \$76.0 million) (Dec 11: \$152.0 million (GPT 50% share: \$76.0 million)).

(b) Medium Term Notes (MTNs) program

During the half year the Group issued fixed rate MTNs with a principal value of AUD \$150.0 million maturing in January 2019. At 30 June 2012, total fixed rate MTNs have a principal value of AUD \$350.0 million (Dec 11: AUD \$200.0 million) and floating rate MTNs have principal value of AUD \$12.0 million (Dec 11: \$12.0 million) maturing between August 2013 and January 2019. GPT Group holds \$1.0 million of MTNs, netted against the MTN liabilities. The net principal value at 30 June 2012 is AUD \$361.0 million (Dec 11: \$211.0 million). Since balance date, GPT issued a further AUD \$100 million fixed rate MTNs maturing in January 2019.

(c) CPI coupon indexed bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 8.63% per annum (Dec 2011: 8.58%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 30 June 2012, the principal value is AUD \$85 million (Dec 11: \$85 million). The CPI coupon indexed bonds mature on 10 December 2029. In December 2010, GPT entered into an interest rate derivative to swap from paying fixed rate plus CPI to paying fixed 5%. The CPI bonds still remain outstanding with the effect of the derivative being the removal of GPT's exposure to CPI growth and lowering of the fixed interest rate.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

7. Borrowings (continued)

(d) Financing Facilities

A summary of GPT's finance facilities is below:

	Note	30 Jun 12		
		Total facility \$M	Used facility \$M	Unused facility \$M
Syndicated facility - Australian Dollar	7(a)(i)	300.0	200.0	100.0
Bank borrowings				
Bank loans	7(a)(ii)	1,385.0	1,190.0	195.0
Bank facilities - Somerton	7(a)(iii)	76.2	76.0	0.2
Medium Term Notes	7(b)	362.0	361.0	1.0
CPI coupon indexed bonds	7(c)	85.0	85.0	-
		2,208.2	1,912.0	296.2
Cash and cash equivalents				132.1
Total financing resources available at the end of the half year				428.3

The table above excludes forward start and bank guarantee facilities.

(e) Maturity profile of financing facilities

	Consolidated entity	
	30 Jun 12 \$M	31 Dec 11 \$M
Due within one year	485.1	499.1
Due between one and five years	1,146.7	1,180.7
Due after five years	576.4	638.7
Total financing facilities	2,208.2	2,318.5

The table above excludes forward start and bank guarantee facilities.

(f) Gearing Ratios

(i) Headline Gearing

At 30 June 2012, the percentage of debt to total tangible assets is 21.4% (Dec 11: 23.2%) and the percentage on a net debt (net of cash) basis is 20.2% (Dec 11: 22.9%).

(ii) Look through Gearing

In calculating the 'look through' gearing, GPT's interest in joint ventures and associates are proportionately consolidated based on GPT's ownership interest. At 30 June 2012, the percentage of 'look through' debt to total tangible assets is 24.2% (Dec 11: 24.7%) and the percentage on a net debt (net of cash) basis is 23.1% (Dec 11: 24.4%). A 'look through' gearing covenant only applies to the Syndicated loan maturing in October 2012.

(g) Debt Covenants

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

- a 50% maximum threshold limit on the percentage of GPT debt to total tangible assets (the Syndicated loan maturing in October 2012 has a lower limit of 40% of total tangible assets)
- a minimum interest cover ratio of 2 times, being EBIT (Realised Operating Income before taxes and finance costs) divided by finance costs.

A breach of these covenants for individual facilities may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. The Group performed a review of debt covenants as at 30 June 2012 and no breaches were identified.

(h) Interest rate

The weighted average interest rate of borrowings as at 30 June 2012 is 5.3% (Dec 11: 5.9%).

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

8. Contributed equity

	Note	Number	GPT \$M	Other entities stapled to GPT \$M	Total \$M
(i) Ordinary stapled securities					
1 Jan 2011		1,855,529,431	7,914.7	324.7	8,239.4
Jul-Dec 2011	8(a)	(41,762,323)	(125.1)	(1.7)	(126.8)
31 Dec 2011		1,813,767,108	7,789.6	323.0	8,112.6
1 Jan 2012		1,813,767,108	7,789.6	323.0	8,112.6
Jan-Jun 2012	8(a)	(46,982,033)	(146.7)	(1.2)	(147.9)
30 Jun 2012		1,766,785,075	7,642.9	321.8	7,964.7
(ii) Exchangeable securities					
1 Jan 2011		2,500	240.6	-	240.6
31 Dec 2011	8(b)	2,500	240.6	-	240.6
1 Jan 2012		2,500	240.6	-	240.6
30 Jun 2012	8(b)	2,500	240.6	-	240.6
Total Contributed Equity			7,883.5	321.8	8,205.3

(a) On-market buy-back

On 26 April 2012, GPT announced the extension of the existing on market buy-back for an additional 12 months from 11 May 2012 and increased the maximum number of securities that can be bought back from 5% to 10% of ordinary securities. As at 30 June 2012 the Group has acquired 88.7 million GPT stapled securities for a total consideration of \$274.7 million.

(b) Exchangeable Securities

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

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

9. Commitments

(a) Capital expenditure commitments

At 30 June 2012, GPT has commitments principally relating to the purchase and development of investment properties which have been approved but not recognised as liabilities in the Statement of Financial Position as set out below:

	Consolidated entity	
	30 Jun 12	31 Dec11
	\$M	\$M
Due within one year	48.8	76.2
Due between one and five years	22.5	43.5
Over five years	-	-
Total capital expenditure commitments	71.3	119.7

(b) Operating lease commitments

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

Due within one year	1.9	2.2
Due between one and five years	8.2	8.5
Over five years	7.7	9.0
Total operating lease commitments	17.8	19.7

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

(c) Other commitments

GPT will participate in a capital raising to be launched by GPT Wholesale Shopping Centre Fund in the second half of 2012, with a commitment of \$100 million.

(d) Commitments relating to associates and joint venture investments

GPT share of commitments relating to associates and joint venture investments has been included in note 6(b).

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 Ayers Rock Resort, GPT has indemnified the purchaser, Indigenous Land Corporation, and its subsidiary, ILC Tourism, as follows:

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

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

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

10. Contingent assets and liabilities (continued)

Highpoint Shopping Centre

Highpoint Property Group has the right to put its 33.33% interest, or a part thereof (but not less than 8.33%), in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre to the GPT Wholesale Shopping Centre Fund (GWSCF). GWSCF already has a 50% interest in the property. The option, which was put in place at the time of GPT's acquisition of an interest in the Centre in 2006, passed to GWSCF with the creation of the fund in March 2007. The option is exercisable during a 30 day window each year commencing on 1 July, although notice of the intent to put is required to be given by the Highpoint Property Group by 31 March each year. The interest would be sold to GWSCF and the sale price would be determined by an independent market valuation process. If GWSCF does not acquire the interest and another party is not nominated to acquire it, the GPT Group would be required to do so. The board of the responsible entity of GWSCF would determine whether GWSCF acquires a further interest in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre under the put option.

The board of the responsible entity of GWSCF is independent from the board of the GPT Group. This put option expires in 2016. No notice of intent to exercise the put option was received by the required date for the current financial year's exercise period.

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

11. Notes to the Statement of Cash Flow

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

	30 Jun 12	30 Jun 11
	\$M	\$M
Net profit for the half year	275.5	243.1
Fair value adjustments to investment properties	(107.2)	(71.7)
Share of after tax profit of equity accounted investments (net of distributions)	(8.6)	(3.1)
Fair value adjustments to derivatives	55.2	32.6
Net foreign exchange gain	(0.1)	-
Reversal of prior half year impairment	-	(2.6)
Impairment expense	-	0.1
Revaluation of hotel properties	-	22.9
Net loss / (profit) on disposal of assets	2.5	(4.8)
Depreciation and amortisation	3.3	6.1
Non-cash employee benefits - share based payments	3.7	2.4
Non-cash revenue adjustments	6.8	9.7
Non-cash expense adjustments	0.1	4.9
Interest capitalised	(7.3)	(5.9)
Impairment of trade receivables	0.3	0.3
Change in operating assets and liabilities:		
(Increase) / decrease in operating assets	(17.1)	(12.9)
(Decrease) / increase in operating liabilities	(13.6)	(32.9)
Net cash inflows from operating activities	193.5	188.2

(b) Reconciliation of cash

Cash at bank and on hand	132.1	50.9
Total cash and cash equivalents at the end of the half year	132.1	50.9

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

12. Earnings per stapled security

	Note	Consolidated Entity	
		30 Jun 12 Cents	30 Jun 11 Cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earnings per security - profit from continuing operations		14.8	13.2
Basic and diluted earnings per security - profit / (loss) from discontinued operations		0.5	(0.2)
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust		15.3	13.0
(b) Attributable to ordinary stapled securityholders of The GPT Group			
Basic earnings per security - profit from continuing operations		14.2	12.9
Basic earnings per security - profit / (loss) from discontinued operations		0.5	(0.5)
Total basic earnings per security attributable to ordinary stapled securityholders of The GPT Group		14.7	12.4
(c) Attributable to ordinary stapled securityholders of The GPT Group			
Diluted earnings per security - profit from continuing operations		14.1	12.9
Diluted earnings per security - profit / (loss) from discontinued operations		0.5	(0.5)
Total diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group		14.6	12.4
The earnings and securities used in the calculations of basic and diluted earnings per ordinary stapled security are as follows:			
(d) Reconciliation of earnings used in calculating earnings per ordinary stapled security			
		30 Jun 12	30 Jun 11
		\$M	\$M
Net profit from continuing operations attributable to the securityholders of the Trust		278.4	257.5
Net profit / (loss) from discontinued operations attributable to the securityholders of the Trust		9.0	(3.0)
		287.4	254.5
Less: distribution to the holders of Exchangeable Securities *		(12.4)	(12.4)
Basic and diluted earnings of the Trust		275.0	242.1
Add: Net (loss) from continuing operations attributable to the securityholders of other stapled entities		(11.9)	(5.6)
Add: Net (loss) from discontinued operations attributable to the securityholders of other stapled entities		-	(5.8)
Basic and diluted earnings of the Company		(11.9)	(11.4)
Basic and diluted earnings of The GPT Group		263.1	230.7
		No. of securities millions	No. of securities millions
(e) Weighted average number of ordinary stapled securities			
Weighted average number of ordinary stapled securities used as the denominator in calculating:			
Basic earnings per ordinary stapled security - Trust and The Group		1,794.6	1,855.5
Adjustments for calculation of diluted earnings per share:			
Performance rights (weighted average basis)	(f)	1.4	0.8
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calculating diluted earnings per ordinary stapled security		1,796.0	1,856.3

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

(f) Information concerning the classification of securities

Performance Rights

4,101,033 Performance Rights (Dec 11: 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. 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.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2012

13. Net tangible asset backing

	Consolidated entity	
	30 Jun 12	31 Dec 11
	\$	\$
Net tangible asset backing per stapled security/unit	3.65	3.59

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

14. Events subsequent to reporting date

The following events have occurred subsequent to 30 June 2012:

- On 10 August 2012, a distribution of 4.9 cents per stapled security was declared for the quarter ended 30 June 2012 which is expected to be paid on 7 September 2012 (refer to note 3(a)(ii)).
- On 26 July 2012, GPT priced a \$100 million fixed rate Medium Term Notes (MTNs) debt issue for a term of 6.5 years providing additional liquidity to fund short and medium term capital requirements. These MTNs were settled on 2 August 2012.
- On 3 August 2012, GPT sold two thirds of GPT's Newcastle CBD landholdings to Landcom, the NSW State Government's land and property developer, for \$20 million.
- On 3 August 2012, GPT acquired 83 Derby Street, Silverwater, NSW for \$25.1 million and 10 Interchange Drive, Eastern Creek NSW for \$28.6 million.

Other than the above, 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

THE GPT GROUP

DIRECTORS' DECLARATION

In the directors of the Responsible Entity's opinion:

- (a) the financial report and notes set out on pages 9 to 35 are in accordance with the *Corporations Act 2001*, including:
- complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of The GPT Group's financial position as at 30 June 2012 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that The GPT Group will be able to pay its debts as and when they become due and payable.

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

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

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



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

GPT RE Limited

Sydney
10 August 2012



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

Report on the Half-Year Financial Report

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

Directors' responsibility for the half-year financial report

The directors of GPT RE Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 the GPT Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.

PricewaterhouseCoopers, ABN 52 780 433 757

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 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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