



The GPT Group
ABN: 58 071 755 609

Interim Financial Report
30 June 2014

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 2013 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 2014

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 2014. The Consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, the GPT Group (GPT or the Group).

1.1 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) Executive Director

Michael Cameron

(iii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Anne McDonald

Gene Tilbrook

1.2 Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2013 and are:

- investment in income producing retail, office and logistics assets;
- development of retail, office and logistics 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.

1.3 Review of operations

The following provides a summary of GPT's performance for the half year ended 30 June 2014.

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards (AAS), certain significant items that are relevant to an understanding of GPT's result have been identified. The reconciliation of Funds from Operations (FFO) to net profit after tax is useful as FFO is the measure of how GPT's profitability is assessed.

FFO is a financial measure that represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a measure reflecting the underlying performance of the Group. FFO is included in the Segment note (note 2) of the interim financial report.

The net profit after tax for the half year ended 30 June 2014 is \$240.6 million (2013: \$257.0 million).

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DIRECTORS' REPORT

for the half year ended 30 June 2014

1.3 Review of operations (continued)

	6 mths to 30 Jun 2014 \$M	6 mths to 31 Dec 2013 \$M	6 mths to 30 Jun 2013 \$M	Jun 2014 V Jun 2013 Change %
Retail net operating income	123.6	124.7	139.6	(11.5%)
Office net operating income	67.8	71.0	73.1	(7.3%)
Logistics net operating income	43.1	39.1	37.1	16.2%
Income from funds	38.7	39.1	35.8	8.1%
Investment management expenses	(2.3)	(3.9)	(3.0)	(23.3%)
Investment management	270.9	270.0	282.6	(4.1%)
Asset management	2.5	3.5	2.6	(3.8%)
Development - retail & major projects	1.8	1.6	1.2	50.0%
Development - logistics	2.0	(0.5)	(1.3)	(253.8%)
Funds management	15.5	11.6	10.1	53.5%
Net finance costs	(47.4)	(45.7)	(49.8)	(4.8%)
Corporate management & administrative expenses	(12.6)	(7.3)	(14.4)	(12.7%)
Tax expenses	(2.2)	(2.1)	(0.6)	266.7%
Non-core	5.5	5.6	5.6	(1.8%)
Less: distribution to exchangeable securities	(12.4)	(12.6)	(12.4)	0.0%
Funds from Operations (FFO)	223.6	224.1	223.6	0.0%
Change in fair value of assets (non-cash):				
Valuation increase - core operations	30.8	72.2	20.0	54.0%
Financial Instruments mark to market value and net foreign exchange movements	(27.4)	12.0	8.3	(430.1%)
Other items*	1.2	(6.4)	(7.3)	(116.4%)
Exclude distributions on exchangeable securities in Funds from Operations	12.4	12.6	12.4	0.0%
Net profit after tax	240.6	314.5	257.0	(6.4%)
FFO per ordinary stapled security (cents)	13.3	12.9	12.7	4.5%

*Other items include amortisation of intangibles, profit on sale and tax impact.

Group results

FFO per ordinary stapled security for the six months to 30 June 2014 increased by 4.5% to 13.3 cents (Jun 2013: 12.7 cents). GPT experienced consistent growth despite relatively difficult leasing conditions and the impact of prior year disposal of retail assets. Net profit after tax decreased compared to the prior period due to negative mark to market movements of financial instruments caused by a decrease in market interest rates.

Investment management

Investment management decreased by 4.1% as a result of the divestment of the remaining Homemaker Centre portfolio and GPT's 50 per cent interest in Erina Fair in 2013 coupled with lower occupancy at the MLC Centre. This impact was offset by higher property income from the acquisition in 2013 of logistics assets and increased income distributions from GPT's wholesale funds.

Development – logistics

The development – logistics business unit continued to grow during the first half year of 2014. In May 2014, GPT entered into a 50/50 joint operating agreement with Metroplex to deliver a \$350 million industrial and business park in the Brisbane suburb of Wacol. GPT has purchased a half share of the Metroplex at Westgate site for \$36 million, which includes 58 hectares of land to be developed.

FFO from development – logistics increased by \$3.3 million compared against a negative result in the prior period. Additional development fee income from the pre-lease developments at Erskine Park and Sydney Olympic Park in New South Wales, combined with income generated by the Chullora joint venture, are driving this positive result.

Funds management

The funds management contribution increased by \$5.4 million compared with the prior period as a result of additional property income from the warehoused properties (Green Square at Fortitude Valley acquired in November 2013 for \$110.0 million and Vantage at Hawthorn acquired in April 2014 for \$63 million) coupled with growth in funds management fee income from GPT's wholesale funds.

The assets under management continued to grow strongly, increasing \$1.3 billion for the half year to 30 June 2014 following acquisitions of 750 and 655 Collins Street (\$351.7 million), a 50% interest in 2 Southbank Boulevard (\$196.7 million), a 50% interest in Northland Shopping Centre (\$496 million) and strong upward revaluation across the portfolios.

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DIRECTORS' REPORT

for the half year ended 30 June 2014

1.3 Review of operations (continued)

Net finance costs

Net interest expense decreased to \$47.4 million due to a combination of higher capitalised interest of \$3.8 million, a lower average cost of debt offset by a higher average debt balance.

GPT's average cost of debt reduced to 4.8% (Jun 2013: 5.1%), through the renegotiation of bank loans at lower margins and fees, lower fixed rates and lower floating rates in line with the Reserve Bank of Australia cutting the official cash rate by 50 basis points in 2013.

1.4 Financial position

The total assets by business unit are summarised below:

	Net Assets 30 Jun 2014 \$M	Net Assets 31 Dec 2013 \$M	Change %
Core			
Retail	4,033.8	3,974.9	1.5%
Office	2,185.5	2,170.5	0.7%
Logistics	1,523.7	1,285.3	18.5%
Funds management - Australia	1,273.3	1,238.7	2.8%
	9,016.3	8,669.4	4.0%
Non-core	157.0	158.3	(0.8%)
Financing and Corporate Assets	385.7	594.1	(35.1%)
Total Assets	9,559.0	9,421.8	1.5%
Borrowings	2,415.5	2,310.4	4.5%
Other Liabilities	425.1	396.6	7.2%
Total Liabilities	2,840.6	2,707.0	4.9%
Net Assets	6,718.4	6,714.8	0.1%
Total number of ordinary stapled securities (million)	1,685.5	1,694.9	(0.6%)
Net tangible asset backing (\$)	3.82	3.79	0.7%

- Total core assets increased by 4.0% to \$9,016.3 million through the growth in the wholesale funds combined with the acquisitions and development of logistics assets.
- Total borrowings increased by \$105.1 million to \$2,415.5 million to fund asset acquisitions (including full year impact from the prior year on market security buy back offset by net asset divestments) and the on market buy back of securities offset by repayments from maturity of investments in positive carry term deposits.

Capital management

GPT continues to demonstrate prudent capital management and maintained its fortress balance sheet. Key highlights for the half year ended 30 June 2014 include:

- Reduced weighted average cost of debt from 5.1% to 4.8% in June 2014.
- Maintained S&P/Moody's credit rating of A-/A3 with S&P moving GPT's rating outlook from 'stable' to 'positive'. Moody's rating remains on a stable outlook.
- Further diversified funding sources and increased weighted average debt tenor to 6 years (Dec 13: 5.5 years) as a result of a second 15 year US Private Placement (USPP) issuance totalling USD \$175 million (AUD \$188.4 million).
- Maintained a flat debt maturity profile with no refinancing requirement over the next 12 months.
- Gearing (net debt basis) increased to 24.8% (Dec 2013: 22.3%). Look through gearing (net debt basis) increased to 27.3% (Dec 2013: 23.2%) as a result of debt funded investment property acquisitions in both Wholesale Funds.
- Investment capacity of \$700 million at 30% net gearing (Dec 2013: \$960 million).
- Interest rate hedging at 76%, with a weighted average hedge term of 5.2 years, providing a high level of protection against future earnings at risk as a result of higher interest rates.

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DIRECTORS' REPORT

for the half year ended 30 June 2014

1.4 Financial position (continued)

Equity – on market buy back

On 24 April 2014, GPT announced the extension of the on market buy back for an additional 12 months until May 2015. During the half year ended 30 June 2014, GPT has acquired 11.4 million GPT stapled securities for a total consideration of \$41.0 million.

Distributions

	30 Jun 14	30 Jun 13
	cents	cents
Distribution per stapled security	10.5	10.1

A provision for the 30 June 2014 distribution has been recognised in the Statement of Financial Position as at 30 June 2014 as the distribution was declared on 23 June 2014 and is expected to be paid mid-September 2014.

Distribution policy

With the application of FFO from 1 January 2014, GPT's distribution policy has changed to a payout ratio of approximately 100% of Adjusted Funds from Operations (AFFO) which is defined as FFO less operating capital, expenditure and lease incentives.

1.5 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 material breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

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

The EEO 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 2013 to 30 June 2014 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 2014.

The NGER Act 2007 requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2013 to 30 June 2014. 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 2014.

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

1.6 Events subsequent to the end of the half year

On 8 July 2014, GPT settled US\$112.5 million fixed rate notes (4.36%) to complete the US\$175.0 million USPP issued in April 2014. The AUD equivalent of \$121.1 million converted under cross currency interest rate swaps was used to repay bank debt.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2014 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.

1.7 Auditor

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

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DIRECTORS' REPORT

for the half year ended 30 June 2014

1.8 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.

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

Sydney
7 August 2014



Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2014, 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 blue ink, appearing to read 'M Lunn', is written over a horizontal line.

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
7 August 2014

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2014

	Note	30 Jun 14 \$M	30 Jun 13 \$M
Revenue			
Rent from investment properties		281.4	294.2
Property and fund management fees		24.2	21.9
Development management fees		3.1	3.6
		<u>308.7</u>	<u>319.7</u>
Other income			
Fair value adjustments to investment properties		30.0	4.5
Fair value adjustments of unlisted equity investments		0.4	0.5
Share of after tax profit of equity accounted investments		77.6	85.8
Interest revenue - cash and short term money market securities		4.6	3.8
Net gain on fair value of borrowings		-	27.1
Net gain on fair value of derivatives		-	25.7
Net foreign exchange gain		22.8	-
		<u>135.4</u>	<u>147.4</u>
Total revenue and other income		<u>444.1</u>	<u>467.1</u>
Expenses			
Property expenses and outgoings		77.9	78.9
Management and other administration costs		26.7	29.3
Depreciation and amortisation expense		4.3	3.6
Finance costs		52.0	53.6
Net loss on fair value of derivatives		23.4	-
Net loss on fair value of borrowings		27.2	-
Net loss on disposal of assets		-	1.8
Net foreign exchange loss		-	44.7
Total expenses		<u>211.5</u>	<u>211.9</u>
Profit before income tax expense		<u>232.6</u>	<u>255.2</u>
Income tax expense		(5.1)	(3.5)
Profit after income tax expense		<u>227.5</u>	<u>251.7</u>
Profit from discontinued operations		13.1	5.3
Net profit for the half year		<u>240.6</u>	<u>257.0</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Net foreign exchange translation adjustments		(8.1)	1.5
Changes in the fair value of cash flow hedges		(2.3)	(8.0)
Total comprehensive income for the half year		<u>230.2</u>	<u>250.5</u>
Net profit attributable to:			
- Securityholders of the Trust		249.6	243.4
- Securityholders of other entities stapled to the Trust		(9.0)	13.6
Total comprehensive income attributable to:			
- Securityholders of the Trust		237.5	236.7
- Securityholders of other entities stapled to the Trust		(7.3)	13.8
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	8(a)	13.0	12.7
Earnings per unit (cents per unit) - profit from discontinued operations	8(a)	1.0	0.4
Earnings per unit (cents per unit) - Total	8(a)	14.0	13.1
Basic and diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	8(b)	12.7	13.5
Earnings per security (cents per security) - profit from discontinued operations	8(b)	0.8	0.3
Earnings per security (cents per security) - Total	8(b)	13.5	13.8

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Note	30 Jun 14 \$M	31 Dec 13 \$M
ASSETS			
Current Assets			
Cash and cash equivalents		70.0	278.7
Loans and receivables		96.1	88.6
Derivative assets	10	2.4	-
Prepayments		8.3	4.6
		<u>176.8</u>	<u>371.9</u>
Non-current assets held for sale	5	158.2	11.1
Total Current Assets		<u>335.0</u>	<u>383.0</u>
Non-Current Assets			
Investment properties	3	6,795.2	6,678.2
Equity accounted investments	4	2,015.8	1,976.6
Property, plant & equipment		12.6	12.5
Loans and receivables		157.1	157.2
Inventories		40.5	-
Other assets		10.5	5.9
Intangible assets		47.5	50.7
Derivative assets	10	122.7	132.7
Deferred tax assets		22.1	25.0
Total Non-Current Assets		<u>9,224.0</u>	<u>9,038.8</u>
Total Assets		<u>9,559.0</u>	<u>9,421.8</u>
LIABILITIES			
Current Liabilities			
Payables		327.8	318.2
Borrowings	6	-	205.0
Derivative liabilities	10	2.8	-
Provisions		14.5	13.9
Total Current Liabilities		<u>345.1</u>	<u>537.1</u>
Non-Current Liabilities			
Borrowings	6	2,415.5	2,105.4
Derivative liabilities	10	78.0	62.7
Provisions		2.0	1.8
Total Non-Current Liabilities		<u>2,495.5</u>	<u>2,169.9</u>
Total Liabilities		<u>2,840.6</u>	<u>2,707.0</u>
Net Assets		<u>6,718.4</u>	<u>6,714.8</u>
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	7	7,585.1	7,620.2
Reserves		(17.5)	(18.9)
Accumulated losses		(184.0)	(244.2)
Total equity of GPT Trust securityholders		<u>7,383.6</u>	<u>7,357.1</u>
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	7	319.3	319.5
Reserves		39.3	53.0
Accumulated losses		(1,023.8)	(1,014.8)
Total equity of other stapled securityholders		<u>(665.2)</u>	<u>(642.3)</u>
Total Equity		<u>6,718.4</u>	<u>6,714.8</u>

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2014

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	Reserves	Accumulated losses	Total	Contributed equity	Reserves	Accumulated losses	Total	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Balance at 1 January 2013	7,883.5	(15.2)	(368.1)	7,500.2	321.8	49.8	(995.6)	(624.0)	6,876.2
Foreign currency translation reserve	-	1.3	-	1.3	-	0.2	-	0.2	1.5
Cash flow hedge reserve	-	(8.0)	-	(8.0)	-	-	-	-	(8.0)
Net (loss) / profit recognised directly in equity	-	(6.7)	-	(6.7)	-	0.2	-	0.2	(6.5)
Profit for the half year	-	-	243.4	243.4	-	-	13.6	13.6	257.0
Total comprehensive income / (loss) for the half year	-	(6.7)	243.4	236.7	-	0.2	13.6	13.8	250.5
Transactions with Securityholders in their capacity as Securityholders:									
On-market securities buy-back	(93.2)	-	-	(93.2)	(0.7)	-	-	(0.7)	(93.9)
New issues of securities	4.2	-	-	4.2	-	-	-	-	4.2
Movement in treasury stock reserve	-	-	-	-	-	0.1	-	0.1	0.1
Movement in employee incentive security scheme reserve net of tax	-	-	-	-	-	(2.7)	-	(2.7)	(2.7)
Distribution paid and payable	-	-	(192.7)	(192.7)	-	-	-	-	(192.7)
Balance at 30 June 2013	7,794.5	(21.9)	(317.4)	7,455.2	321.1	47.4	(982.0)	(613.5)	6,841.7
Balance at 1 January 2014	7,620.2	(18.9)	(244.2)	7,357.1	319.5	53.0	(1,014.8)	(642.3)	6,714.8
Foreign currency translation reserve	-	(9.8)	-	(9.8)	-	1.7	-	1.7	(8.1)
Cash flow hedge reserve	-	(2.3)	-	(2.3)	-	-	-	-	(2.3)
Net (loss) / profit recognised directly in equity	-	(12.1)	-	(12.1)	-	1.7	-	1.7	(10.4)
Profit / (loss) for the half year	-	-	249.6	249.6	-	-	(9.0)	(9.0)	240.6
Total comprehensive income / (loss) for the half year	-	(12.1)	249.6	237.5	-	1.7	(9.0)	(7.3)	230.2
Transactions with Securityholders in their capacity as Securityholders:									
On-market securities buy-back	(40.8)	-	-	(40.8)	(0.2)	-	-	(0.2)	(41.0)
New issue of securities	5.7	-	-	5.7	-	-	-	-	5.7
Movement in treasury stock reserve	-	-	-	-	-	0.1	-	0.1	0.1
Movement in employee incentive security scheme reserve net of tax	-	13.5	-	13.5	-	(15.5)	-	(15.5)	(2.0)
Distribution paid and payable	-	-	(189.4)	(189.4)	-	-	-	-	(189.4)
Balance at 30 June 2014	7,585.1	(17.5)	(184.0)	7,383.6	319.3	39.3	(1,023.8)	(665.2)	6,718.4

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

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CONSOLIDATED STATEMENT OF CASH FLOW

for the half year ended 30 June 2014

	Note	30 Jun 14 \$M	30 Jun 13 \$M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		320.0	334.5
Cash payments in the course of operations (inclusive of GST)		(139.3)	(156.8)
Payment for inventory	11(a)(i)	(40.5)	-
Distributions received from equity accounted investments		60.3	60.3
Interest received		11.8	7.8
Income taxes paid		(0.6)	-
		<u>211.7</u>	<u>245.8</u>
Finance costs		(57.5)	(55.6)
Net cash inflows from operating activities	11(a)	<u>154.2</u>	<u>190.2</u>
Cash flows from investing activities			
Payments for investment properties		(118.0)	(58.1)
Proceeds from disposal of investment properties		-	353.6
Payments for properties under development		(94.4)	(26.8)
Payments for property, plant and equipment		(0.7)	(0.7)
Payments for intangibles		(0.9)	(2.7)
Investment in equity accounted investments		(25.4)	(3.8)
Proceeds from disposal of equity accounted investments		-	130.9
Loan to joint ventures and associates		-	(3.3)
Loan repayments from joint ventures and associates		4.1	-
Net cash (outflows)/inflows from investing activities		<u>(235.3)</u>	<u>389.1</u>
Cash flows from financing activities			
Net proceeds from/(repayment of) bank facilities		113.2	(536.7)
Net (repayment of)/proceeds from Medium Term Notes and USPP notes		(12.7)	422.0
Payments on termination and restructure of derivatives		-	(39.8)
Payments for the on-market buy-back of securities		(41.0)	(91.1)
Distributions paid to securityholders		(187.1)	(192.8)
Net cash outflows from financing activities		<u>(127.6)</u>	<u>(438.4)</u>
Net (decrease)/increase in cash and cash equivalents		(208.7)	140.9
Cash and cash equivalents at the beginning of the half year		<u>278.7</u>	<u>159.9</u>
Cash and cash equivalents at the end of the half year	11(b)	<u>70.0</u>	<u>300.8</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 2014

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 2014 has been prepared in accordance with General Property Trust's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated 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 2013 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 is prepared on a going concern basis in the belief that the Group will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report. With respect to the net deficiency of current assets over current liabilities at 30 June 2014 of \$10.1 million, the Group has access to undrawn financing facilities of \$208.7 million and forward start facilities of \$221.1 million as set out in note 6.

The interim financial report complies with Australian Accounting Standards and was approved by the Board of Directors on 7 August 2014.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of those set out below.

There are no significant changes 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 2014.

Newly adopted accounting policies

Inventories

During the half year, GPT adopted AASB 102 Inventories in relation to development properties held for sale. Development properties held for sale are carried at the lower of cost and net realisable value.

Cost

Cost includes the cost of acquisition, development, borrowings and all other costs directly related to specific projects including an allocation of direct overhead expenses. Upon completion of the development, borrowing costs and other holding charges are expensed as incurred.

Net realisable value

Net realisable value is determined on the basis of forecasted sale prices for development properties held for sale in the ordinary course of business. Marketing, selling and distribution costs are estimated and deducted to establish net realisable value. The amount of any reversal of write-down of inventories arising from a change in the circumstances that gave rise to the original write down is recognised as a reduction in the impairment of inventories recognised as an expense in the consolidated statement of comprehensive income.

New accounting standards and interpretations issued but not yet applied

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and 2012-6 Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The new hedging rules align hedge accounting more closely with the group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss can now be presented in other comprehensive income. The new standard also introduces expanded disclosure requirements and changes in presentation. GPT does not expect a significant impact from its application.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

1. Summary of significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers (effective for annual reporting periods on or after 1 January 2017)

The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer so the notion of control replaces the notion of risks and rewards. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative, relevant disclosures. The GPT Group is in the process of assessing any implications of the new standard to its operation and financial results once the AASB equivalent is issued.

(c) Accounting for the GPT Group

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest in accordance with Australian Accounting Standards and in the consolidated entity column, represents the contributed equity of the Company.

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

(d) Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, 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 2014

2. Segment reporting

(a) Operating segments

The chief operating decision maker has been identified as the board of directors as they are accountable for the strategic decision making within the Group. The Group's operating segments are determined based on the business units within the management reports reviewed by the chief operating decision maker in order to monitor performance across the Group and to appropriately allocate resources. The table below provide a brief description of the Group's operating segments:

Segment	Types of products and services which generate segment revenues
Retail	Regional, sub-regional and community shopping centres. Retail re-developments and new retail developments as well as property management of retail assets.
Office	Office space with associated retail space and development and property management of office assets.
Logistics	Established Logistics assets along with the development of vacant land, logistics re-developments and property management of logistics assets.
Funds Management	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Corporate	Finance including cash, borrowings and intangible assets plus resulting net interest costs and Group operating costs.
Non-Core Operations, Consolidation and Eliminations include:	
Discontinued operation - US Seniors Housing	GPT completed the sale of this portfolio on 29 March 2011 and the balances represent miscellaneous items that will be realised once liquidation of the remaining entity 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 - Hotel/ Tourism	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 are due to be received in May 2016.
Consolidation and Eliminations	Elimination of inter-company transactions and conversion of the proportionally consolidated result from joint ventures and associates to equity accounted results.

(b) Funds From Operations (FFO)

The chief operating decision maker assesses the performance of the operating segments on the basis of Funds from Operations (FFO).

FFO is a financial measure that represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital nature. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a measure reflecting the underlying performance of the Group.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

2. Segment reporting (continued)

(c) Segment financial information

The segment financial information provided to the chief operating decision maker for the operating segments for the half year ended 30 June 2014 is set out below.

		Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
		Retail	Office	Logistics	Funds Management	Corporate			
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Investment Management									
Rent from investment properties	(d)(ii)	176.3	90.6	51.2	-	-	318.1	(31.6)	286.5
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(d)(iii)	-	-	-	38.7	-	38.7	25.0	63.7
Other Income		1.1	0.9	0.6	-	0.5	3.1	(3.1)	-
Property expenses and outgoings		(52.7)	(22.8)	(8.1)	-	-	(83.6)	6.6	(77.0)
Property Net Income		124.7	68.7	43.7	38.7	0.5	276.3	(3.1)	273.2
Management & administrative expenses	(d)(iv)	(2.3)	(1.2)	(0.8)	-	(1.1)	(5.4)	3.1	(2.3)
Net Contribution - Investment Management		122.4	67.5	42.9	38.7	(0.6)	270.9	-	270.9
Asset Management									
Property management fees		8.1	0.6	1.0	6.1	1.7	17.5	(9.3)	8.2
Management & administrative expenses	(d)(iv)	(3.4)	(0.7)	(1.2)	(7.8)	(1.9)	(15.0)	9.3	(5.7)
Net Contribution - Asset Management		4.7	(0.1)	(0.2)	(1.7)	(0.2)	2.5	-	2.5
Development - Retail and Major Projects									
Development fees		2.1	1.3	-	2.2	-	5.6	(3.0)	2.6
Management & administrative expenses	(d)(iv)	(1.4)	(0.6)	-	(1.8)	-	(3.8)	3.0	(0.8)
Net Contribution - Development Retail and Major Projects		0.7	0.7	-	0.4	-	1.8	-	1.8
Development - Logistics									
Development fees		-	-	2.3	-	-	2.3	(1.8)	0.5
Share of after tax profits of investments in joint ventures		-	-	1.5	-	-	1.5	-	1.5
Management & administrative expenses	(d)(iv)	-	-	(1.8)	-	-	(1.8)	1.8	-
Net Contribution - Development Logistics		-	-	2.0	-	-	2.0	-	2.0
Funds Management									
Rent from investment properties		-	-	6.5	-	-	6.5	-	6.5
Property expenses and outgoings		-	-	(0.9)	-	-	(0.9)	-	(0.9)
Property Net Income		-	-	5.6	-	-	5.6	-	5.6
Funds management fees		-	-	-	16.0	-	16.0	-	16.0
Management & administrative expenses	(d)(iv)	-	-	-	(6.1)	-	(6.1)	-	(6.1)
Net Contribution - Funds Management		-	-	5.6	9.9	-	15.5	-	15.5
Corporate									
Management & administrative expenses	(d)(iv), (d)(v)	-	-	-	-	(12.6)	(12.6)	-	(12.6)
Interest income		-	-	-	-	16.2	16.2	(5.2)	11.0
Finance costs		-	-	-	-	(63.6)	(63.6)	11.6	(52.0)
Segment Result Before Tax		127.8	68.1	50.3	47.3	(60.8)	232.7	6.4	239.1
Income tax expense	(d)(vi)	-	-	-	-	(2.2)	(2.2)	(0.9)	(3.1)
Distributions on exchangeable securities		-	-	-	-	(12.4)	(12.4)	-	(12.4)
Funds from Operations (FFO)	(d)(i)	127.8	68.1	50.3	47.3	(75.4)	218.1	5.5	223.6
Current Assets									
Current assets		-	150.0	-	-	176.8	326.8	8.2	335.0
Total Current Assets		-	150.0	-	-	176.8	326.8	8.2	335.0
Non-Current Assets									
Investment properties		4,000.1	1,314.4	1,480.7	-	-	6,795.2	-	6,795.2
Equity accounted investments		22.2	720.2	-	1,273.3	0.1	2,015.8	-	2,015.8
Other non-current assets		11.5	0.9	43.0	-	208.8	264.2	148.8	413.0
Total Non-Current Assets		4,033.8	2,035.5	1,523.7	1,273.3	208.9	9,075.2	148.8	9,224.0
Total Assets		4,033.8	2,185.5	1,523.7	1,273.3	385.7	9,402.0	157.0	9,559.0
Current and non-current liabilities									
Current and non-current liabilities		-	-	-	-	2,840.6	2,840.6	-	2,840.6
Total Liabilities		-	-	-	-	2,840.6	2,840.6	-	2,840.6
Net Assets		4,033.8	2,185.5	1,523.7	1,273.3	(2,454.9)	6,561.4	157.0	6,718.4

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

2. Segment reporting (continued)

(c) Segment financial information (continued)

The segment financial information provided to the chief operating decision maker for the operating segments for the half year ended 30 June 2013 is set out below.

		Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
		Retail	Office	Logistics	Funds Management	Corporate			
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Investment Management									
Rent from investment properties	(d)(ii)	196.7	94.5	45.1	-	-	336.3	(36.0)	300.3
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(d)(iii)	-	-	-	35.8	-	35.8	28.4	64.2
Other Income		1.0	0.6	0.3	-	-	1.9	(1.9)	-
Property expenses and outgoings		(57.1)	(21.4)	(8.0)	-	-	(86.5)	7.6	(78.9)
Property Net Income		140.6	73.7	37.4	35.8	-	287.5	(1.9)	285.6
Management & administrative expenses	(d)(iv)	(2.8)	(1.1)	(0.6)	(0.6)	0.2	(4.9)	1.9	(3.0)
Net Contribution - Investment Management		137.8	72.6	36.8	35.2	0.2	282.6	-	282.6
Asset Management									
Property management fees		8.1	0.5	0.9	5.4	1.1	16.0	(9.0)	7.0
Management & administrative expenses	(d)(iv)	(3.1)	(1.3)	(1.1)	(7.3)	(0.6)	(13.4)	9.0	(4.4)
Net Contribution - Asset Management		5.0	(0.8)	(0.2)	(1.9)	0.5	2.6	-	2.6
Development - Retail and Major Projects									
Development fees		1.6	1.1	-	3.2	-	5.9	(2.3)	3.6
Management & administrative expenses	(d)(iv)	(1.0)	(0.4)	-	(3.3)	-	(4.7)	2.3	(2.4)
Net Contribution - Development Retail and Major Projects		0.6	0.7	-	(0.1)	-	1.2	-	1.2
Development - Logistics									
Development fees		-	-	0.1	-	-	0.1	(0.1)	-
Management & administrative expenses	(d)(iv)	-	-	(1.4)	-	-	(1.4)	0.1	(1.3)
Net Contribution - Development Logistics		-	-	(1.3)	-	-	(1.3)	-	(1.3)
Funds Management									
Funds management fees		-	-	-	14.9	-	14.9	-	14.9
Management & administrative expenses	(d)(iv)	-	-	-	(4.8)	-	(4.8)	-	(4.8)
Net Contribution - Funds Management		-	-	-	10.1	-	10.1	-	10.1
Corporate									
Management & administrative expenses	(d)(iv), (d)(v)	-	-	-	-	(14.4)	(14.4)	(0.2)	(14.6)
Interest income		-	-	-	-	15.7	15.7	(5.2)	10.5
Finance costs		-	-	-	-	(65.5)	(65.5)	11.9	(53.6)
Segment Result Before Tax		143.4	72.5	35.3	43.3	(63.5)	231.0	6.5	237.5
Income tax expense	(d)(vi)	-	-	-	-	(0.6)	(0.6)	(0.9)	(1.5)
Distributions on exchangeable securities		-	-	-	-	(12.4)	(12.4)	-	(12.4)
Funds from Operations	(d)(i)	143.4	72.5	35.3	43.3	(76.5)	218.0	5.6	223.6
Current assets									
Current assets		-	-	-	-	371.9	371.9	11.1	383.0
Total Current Assets		-	-	-	-	371.9	371.9	11.1	383.0
Non-Current Assets									
Investment properties		3,943.2	1,452.8	1,282.2	-	-	6,678.2	-	6,678.2
Equity accounted investments		21.0	716.8	-	1,238.7	0.1	1,976.6	-	1,976.6
Other non-current assets		10.7	0.9	3.1	-	222.1	236.8	147.2	384.0
Total Non-Current Assets		3,974.9	2,170.5	1,285.3	1,238.7	222.2	8,891.6	147.2	9,038.8
Total Assets		3,974.9	2,170.5	1,285.3	1,238.7	594.1	9,263.5	158.3	9,421.8
Current and non-current liabilities									
Current and non-current liabilities		-	-	-	-	2,707.0	2,707.0	-	2,707.0
Total Liabilities		-	-	-	-	2,707.0	2,707.0	-	2,707.0
Net Assets		3,974.9	2,170.5	1,285.3	1,238.7	(2,112.9)	6,556.5	158.3	6,714.8

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

2. Segment reporting (continued)

(d) Reconciliation of segment result to the statement of comprehensive income

	30 Jun 14 \$M	30 Jun 13 \$M
(i) FFO to Net profit for the half year		
Segment result		
FFO	223.6	223.6
Adjustments		
Fair value adjustments to investment properties	30.0	4.5
Fair value and other adjustments to equity accounted investments	12.4	21.6
Fair value adjustments of unlisted equity investments	0.4	0.5
Amortisation expense - intangibles	(3.5)	(2.6)
Fair value movement of derivatives not qualifying as hedges	(25.7)	3.2
Fair value movement of derivatives qualifying as fair value hedges	2.3	22.5
Net (loss) / gain on fair value of borrowings	(27.2)	27.1
Net foreign exchange gain / (loss)	23.2	(44.5)
Net gain / (loss) on disposal of assets	7.2	(2.1)
Amortisation of lease incentives and rent free assets	(12.5)	(11.6)
Straightlining of rental income	0.9	5.5
Tax impact on reconciling items from Segment result to Net profit for the half year	(2.9)	(3.1)
Exclude distributions on exchangeable securities included in Funds from Operations	12.4	12.4
Consolidated Statement of Comprehensive Income		
Net profit for the half year	240.6	257.0
(ii) Rent from investment properties		
Segment result		
Rent from investment properties (Investment Management)	286.5	300.3
Rent from investment properties (Funds Management)	6.5	-
Adjustments		
Amortisation of lease incentives and rent free assets	(12.5)	(11.6)
Straightlining of rental income	0.9	5.5
Consolidated Statement of Comprehensive Income		
Rent from investment properties	281.4	294.2
(iii) Share of after tax profits of equity accounted investments		
Segment result		
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Investment Management)	63.7	64.2
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Development - Logistics)	1.5	-
Adjustment		
Fair value and other adjustments to equity accounted investments	12.4	21.6
Consolidated Statement of Comprehensive Income		
Share of after tax profits of equity accounted investments	77.6	85.8
(iv) Management and other administration costs		
Segment result		
Management & administrative expenses (Investment Management)	2.3	3.0
Management & administrative expenses (Asset Management)	5.7	4.4
Management & administrative expenses (Development - Retail & Major Projects)	0.8	2.4
Management & administrative expenses (Development - Logistics)	-	1.3
Management & administrative expenses (Funds Management)	6.1	4.8
Management & administrative expenses (Corporate - core operations)	12.6	14.4
Less: Depreciation expense - refer to (v) below	(0.8)	(1.0)
Consolidated Statement of Comprehensive Income		
Management and other administration costs	26.7	29.3
(v) Depreciation and amortisation expense		
Segment result		
Depreciation expense - refer to (iv) above	0.8	1.0
Adjustment		
Amortisation expense - intangibles	3.5	2.6
Consolidated Statement of Comprehensive Income		
Depreciation and amortisation expense	4.3	3.6
(vi) Income tax expense		
Segment result		
Income tax expense - core operations	2.2	(0.6)
Adjustment		
Tax impact on reconciling items from Segment result to Net profit / (loss) for the half year - core operations	2.9	(2.9)
Consolidated Statement of Comprehensive Income		
Income tax expense	5.1	(3.5)

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

3. Investment properties

	Note	30 Jun 14 \$M	31 Dec 13 \$M
Retail	(a)	4,000.1	3,943.2
Office	(b)	1,314.4	1,452.8
Logistics	(c)	1,248.9	1,088.7
Properties under development	(d)	231.8	193.5
Total investment properties	(e)	6,795.2	6,678.2

	Ownership Interest ⁽¹⁾ %	Acquisition Date	Fair Value 30 Jun 14 \$M	Fair Value 31 Dec 13 \$M	Latest Independent Valuation Date	Valuer
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(a) Retail

Casuarina Square, NT	50.0	Oct 1973	256.0	247.0	Dec 2013	Jones Lang LaSalle
Charlestown Square, NSW	100.0	Dec 1977	833.0	823.9	Jun 2014	Savills Australia
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	5.7	6.0	Jun 2014	Savills Australia
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	173.5	158.8	Jun 2013	Colliers International
Highpoint Shopping Centre, VIC	16.7	Aug 2009	299.5	299.0	Sep 2013	Savills Australia
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	8.2	8.2	Sep 2013	Savills Australia
Westfield Penrith, NSW	50.0	Jun 1971	562.5	553.9	Jun 2014	Jones Lang LaSalle
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Sep 2004	375.0	367.7	Jun 2014	CB Richard Ellis Pty Ltd
Plaza Parade, QLD	50.0	Jun 1999	10.3	10.5	Jun 2014	CB Richard Ellis Pty Ltd
Rouse Hill Town Centre, NSW	100.0	Dec 2005	472.7	470.0	Dec 2013	Jones Lang LaSalle
Melbourne Central, VIC - retail portion (including car park) ⁽²⁾	100.0	May 1999 / May 2001	1,003.7	998.2	Dec 2013	Savills Australia
Total Retail			4,000.1	3,943.2		

(b) Office

Australia Square, Sydney, NSW	50.0	Sep 1981	320.0	311.1	Jun 2014	Knight Frank Valuations
MLC Centre, Sydney, NSW	50.0	Apr 1987	365.0	384.4	Jun 2014	CB Richard Ellis Pty Ltd
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	229.7	224.9	Mar 2014	Jones Lang LaSalle
Melbourne Central, VIC - office portion ⁽²⁾	100.0	May 1999 / May 2001	399.7	394.0	Dec 2013	Knight Frank
818 Bourke St, Victoria Harbour, VIC ⁽³⁾	100.0	Jun 2006	-	138.4	Jun 2014	CB Richard Ellis Pty Ltd
Total Office			1,314.4	1,452.8		

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

3. Investment properties (continued)

	Ownership Interest ⁽¹⁾	Acquisition Date	Fair Value 30 Jun 14	Fair Value 31 Dec 13	Latest Independent Valuation Date	Valuer
	%		\$M	\$M		
(c) Logistics						
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	46.5	44.1	Jun 2014	Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.9	66.6	Dec 2013	Savills Australia
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	20.8	20.3	Jun 2014	Jones Lang LaSalle
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	24.1	24.4	Jun 2014	Jones Lang LaSalle
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	24.8	24.0	Jun 2014	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	31.2	33.9	Jun 2014	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	12.5	12.5	Jun 2013	Jones Lang LaSalle
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	10.3	10.2	Jun 2013	Knight Frank Valuations
3 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Apr 2013	19.5	19.4	Mar 2013	CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	23.6	21.0	Jun 2014	CB Richard Ellis Pty Ltd
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	13.5	13.5	Jun 2013	Knight Frank Valuations
5 Murray Rose, Sydney Olympic Park, NSW	* 100.0	May 2002	73.9	70.4	Apr 2014	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	69.0	68.5	Dec 2013	Jones Lang LaSalle
15 Berry Street, Granville, NSW	100.0	Nov 2000	13.3	13.3	Jun 2012	Savills Australia
19 Berry Street, Granville, NSW	100.0	Dec 2000	26.7	26.6	Jun 2012	Savills Australia
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	38.8	38.8	Jun 2012	Knight Frank Valuations
Erskine Park, NSW (Stage 2)	100.0	Jun 2008	20.0	20.0	Jun 2013	CB Richard Ellis Pty Ltd
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	140.7	140.1	Jun 2014	Jones Lang LaSalle
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.2	13.2	Dec 2011	CB Richard Ellis Pty Ltd
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	14.1	13.5	Jun 2014	M3 Property
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	24.0	26.0	Jun 2014	Colliers International
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.5	18.4	Jun 2012	Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	14.5	14.5	Dec 2011	CB Richard Ellis Pty Ltd
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	60.4	60.0	Dec 2013	Jones Lang LaSalle
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	25.2	25.2	Jun 2012	Knight Frank Valuations
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	28.9	28.9	Jul 2012	CB Richard Ellis
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	23.3	23.3	Jun 2013	Knight Frank Valuations
Corner Pine Road and Loftus Road, Yennora, NSW	100.0	Nov 2013	43.7	43.6	Sep 2013	Jones Lang LaSalle
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	44.5	44.5	Oct 2013	Knight Frank Valuations
15 Green Square Close, Fortitude Valley, QLD	100.0	Nov 2013	110.0	110.0	Apr 2014	Colliers International
109-133 Burwood Road, Hawthorn, Victoria ⁽⁴⁾	100.0	Apr 2014	63.0	-	Apr 2014	Colliers International
Toll NQX, Karawatha, QLD ⁽⁵⁾	100.0	Dec 2012	89.5	-	Jun 2014	Jones Lang LaSalle
Total Logistics			1,248.9	1,088.7		
(d) Properties under development						
17 Berry St, Granville, NSW	100.0	Sep 2009	2.9	2.9	Jun 2012	Savills Australia
7 Parkview Drive, Sydney Olympic Park, NSW ⁽⁶⁾	* 100.0	May 2002	45.3	24.4	Jun 2011	Jones Lang LaSalle
Erskine Park, NSW	100.0	Jun 2008	151.3	75.1	Jun 2012	Knight Frank Valuations
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	4.7	4.7	Jun 2013	Knight Frank Valuations
Austrak Business Park, Somerton, VIC ⁽⁷⁾	50.0	Oct 2003	27.6	24.3	Jun 2014	Jones Lang LaSalle
Toll NQX, Karawatha, QLD ⁽⁵⁾	100.0	Dec 2012	-	62.1	Jun 2014	Jones Lang LaSalle
Total Properties under development			231.8	193.5		

(1) Freehold, unless otherwise marked with a * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.

(2) Melbourne Central: 71.5% Retail and 28.5% Office (Dec 13: 71.7% Retail and 28.3% Office).

(3) This property has been reclassified as an asset held for sale as at 30 June 2014.

(4) On 4 April 2014, GPT acquired 109 – 133 Burwood Road, Hawthorn, Victoria for a total consideration of \$63.0 million.

(5) Following practical completion in March 2014, Toll NQX, Karawatha had been reclassified from a property under development to an investment property in the Logistics Portfolio.

(6) Property under development at 3 Murray Rose, being the part of 7 Parkview Drive, Sydney Park, NSW, has been externally valued.

(7) As at 30 June 2014 the land was valued at \$22.0 million being the part of Austrak Business Park property under development.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

3. Investment properties (continued)

(e) Reconciliation

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

	Retail	Office	Logistics	Properties Under Development	For the 6 months to 30 June 2014	For the 12 months to 31 Dec 2013
	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount at the beginning of the financial period	3,943.2	1,452.8	1,088.7	193.5	6,678.2	6,500.6
Additions - operating capital expenditure	4.8	11.1	1.9	-	17.8	33.5
Additions - interest capitalised	0.3	-	-	4.1	4.4	3.0
Additions - development capital expenditure	23.4	6.5	-	108.5	138.4	80.4
Asset acquisitions	4.8	-	66.7	-	71.5	230.9
Transfers to assets held for sale	-	(150.0)	-	-	(150.0)	-
Transfers to / from Properties Under Development	-	-	85.2	(85.2)	-	-
Lease incentives	3.3	12.8	0.8	-	16.9	42.7
Amortisation of lease incentives	(4.4)	(6.2)	(1.9)	-	(12.5)	(27.0)
Disposals	-	-	-	-	-	(262.4)
Fair value adjustments	24.7	(9.6)	4.0	10.9	30.0	73.8
Leasing costs (net of amortisation)	(0.2)	(0.4)	0.2	-	(0.4)	(2.8)
Straightlining of rental income	0.2	(2.6)	3.3	-	0.9	5.5
Carrying amount at the end of the financial period	4,000.1	1,314.4	1,248.9	231.8	6,795.2	6,678.2

4. Equity accounted investments

	Note	30 Jun 14 \$M	31 Dec 13 \$M
Investments in joint venture entities	(a)	742.5	737.9
Investments in associates	(b)	1,273.3	1,238.7
Total equity accounted investments		2,015.8	1,976.6

Name	Principal Activity	Ownership Interest		30 Jun 14 \$M	31 Dec 13 \$M
		30 Jun 14 %	31 Dec 13 %		
(a) Joint venture entities					
1 Farrer Place Trust ⁽¹⁾	Investment property	50.00	50.00	334.7	332.3
2 Park Street Trust ⁽¹⁾	Investment property	50.00	50.00	385.5	384.5
DPT Operator Pty Limited ⁽¹⁾	Managing property	50.00	50.00	0.1	0.1
Horton Trust	Investment property	50.00	50.00	22.2	21.0
Lend Lease GPT (Rouse Hill) Pty Limited ⁽¹⁾⁽²⁾	Property development	50.00	50.00	-	-
Chullora Trust 1	Investment property	50.00	50.00	-	-
Total investment in joint venture entities				742.5	737.9
(b) Associates					
GPT Wholesale Office Fund ⁽¹⁾	Property investment	20.46	20.28	761.0	714.9
GPT Wholesale Shopping Centre Fund ⁽¹⁾	Property investment	20.06	20.31	512.3	523.8
Total investments in associates				1,273.3	1,238.7

(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.

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for the half year ended 30 June 2014

5. Non-current assets held for sale

	Note	Discontinued Operations			Total 30 Jun 14 \$M	Total 31 Dec 13 \$M
		Funds Management Europe	US Seniors Housing	Investment Properties		
		30 Jun 14 \$M	30 Jun 14 \$M	30 Jun 14 \$M		
Loans and receivables	(a)	8.0	-	-	8.0	10.9
Investment properties	(b)	-	-	150.0	150.0	-
Equity accounted investments	(c)	-	0.2	-	0.2	0.2
Other assets	(d)	-	-	-	-	-
Total assets held for sale		8.0	0.2	150.0	158.2	11.1

(a) Loans and receivables mainly comprise a loan receivable of \$8 million from German Retail Fundco SARL.

(b) 818 Bourke Street, Victoria Harbour, Victoria has been reclassified from investment property to an asset held for sale as at 30 June 2014.

(c) Equity accounted investments comprise:

- 95% investment in B-VII Operations Holding Co LLC, Properties held by this entity were sold on 29 March 2011 but it is in the process of being liquidated. This investment is held at \$0.2 million as at 30 June 2014; and
- 50% investment in B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC with nil carrying value at 31 December 2013. The GPT Group completed the divestment of the B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC on 8 April 2014.

(d) Other assets comprise a 5.3% interest in GPT MaltaCo 1 with a nil carrying value as at 30 June 2014.

6. Borrowings

	Note	30 Jun 14 \$M	31 Dec 13 \$M
Current - unsecured			
Bank facilities	(a)(i)	-	125.0
Medium Term Notes	(b)	-	80.0
Total current borrowings - unsecured		-	205.0
Non-Current - unsecured			
Bank facilities	(a)(ii-xi)	1,481.3	1,265.0
Medium Term Notes at amortised cost	(b)	330.0	330.0
Medium Term Notes at fair value	(c)	97.0	96.3
US Private Placement at fair value	(c)	324.0	252.8
CPI Indexed Bonds at amortised cost	(d)	85.0	85.0
Total non-current borrowings - unsecured		2,317.3	2,029.1
Non-Current - secured			
Bank facility - Somerton	(a)(xii)	80.3	76.3
Bank facility - Metroplex	(a)(xiii)	17.9	-
Total non-current borrowings - secured		98.2	76.3
Total non-current borrowings		2,415.5	2,105.4
Total borrowings *		2,415.5	2,310.4

* Net of unamortised establishment costs

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for the half year ended 30 June 2014

6. Borrowings (continued)

	Note	30 Jun 14			Maturity Date
		Used facility	Facility limit	Unused facility	
		\$M	\$M	\$M	
Unsecured					
Bank facilities					
Bank bilateral	(a)(ii)	100.0	100.0	-	01-Apr-16
Bank bilateral	(a)(iii)	325.0	325.0	-	26-Oct-18
Bank bilateral	(a)(iv)	200.0	200.0	-	11-Jul-15
Bank bilateral	(a)(v)	140.0	140.0	-	01-Apr-16
Bank bilateral	(a)(vi)	300.0	300.0	-	30-Sep-17
Bank bilateral	(a)(vii)	-	75.0	75.0	30-Nov-16
Bank bilateral	(a)(viii)	17.0	75.0	58.0	26-Oct-17
Bank bilateral	(a)(ix)	150.0	150.0	-	10-Sep-15
Bank bilateral	(a)(x)	150.0	150.0	-	11-Sep-15
Bank bilateral	(a)(xi)	100.0	100.0	-	01-Apr-16
Total Bank facilities		1,482.0	1,615.0	133.0	
Issues in debt capital markets					
Medium Term Notes	(b)(i)	98.8	98.8	-	05-Feb-28
Medium Term Notes	(b)(ii)	250.0	250.0	-	24-Jan-19
Medium Term Notes	(b)(iii)	50.0	50.0	-	16-Aug-22
Medium Term Notes	(b)(iv)	30.0	30.0	-	19-Nov-17
US Private Placement	(c)	145.9	145.9	-	19-Jun-25
US Private Placement	(c)	97.2	97.2	-	19-Jun-28
US Private Placement	(c)	67.3	67.3	-	08-Jul-29
CPI Indexed Bonds	(d)	85.0	85.0	-	10-Dec-29
Total Issues in debt capital markets		824.2	824.2	-	
Secured					
Bank facility - Somerton	(a)(xii)	80.5	82.7	2.2	31-Mar-16
Bank facility - Metroplex	(a)(xiii)	12.0	12.0	-	21-May-17
Bank facility - Metroplex	(a)(xiii)	6.0	9.5	3.5	21-Nov-15
Total Secured Bank Facilities		98.5	104.2	5.7	
Total Borrowings *		2,404.7	2,543.4	138.7	
Cash and cash equivalents				70.0	
Total financing resources available at the end of the half year				208.7	

* Excluding unamortised establishment costs and fair value adjustments. Foreign bonds converted at historical rate under cross currency swaps.

Comparative information and further details on the changes to GPT's borrowings and financing facilities as presented in the statement of financial position are provided below:

(a) Bank facilities – secured and unsecured

- i. During the half year, GPT repaid on the maturity date, \$125.0 million bilateral facility maturing on 27 May 2014.
- ii. During the half year, GPT extended the maturity date from 15 September 2014 to 1 April 2016. 31 Dec 13 drawn amount: \$100.0 million.
- iii. During the half year, GPT repriced the margin and line fee. 31 Dec 13 drawn amount: \$325.0 million.
- iv. During the half year, GPT extended the maturity date from 11 March 2015 to 11 July 2015. 31 Dec 13 drawn amount: \$200.0 million.
- v. 31 Dec 13 drawn amount: \$140.0 million.
- vi. 31 Dec 13 drawn amount: \$300.0 million.
- vii. 31 Dec 13 drawn amount: \$0.0 million.
- viii. 31 Dec 13 drawn amount: \$0.0 million.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

6. Borrowings (continued)

(a) Bank facilities – secured and unsecured (continued)

- ix. During the half year GPT extended the maturity date from 10 March 2015 to 10 September 2015. (31 Dec 13 drawn amount: \$150.0 million).
- x. During the half year GPT extended the maturity date from 11 March 2015 to 11 September 2015. (31 Dec 13 drawn amount: \$150.0 million).
- xi. During the half year, GPT restructured the facility to push out the start date from 31 January 2014 to 1 April 2014 and shortened the maturity date from 31 January 2018 to 1 April 2016 subject to an annual extension option and repriced both the margin and the line fee.
- xii. 31 Dec 13 drawn amount: \$76.5 million.
- xiii. During the half year, GPT together with a joint venture partner entered into a bilateral facility totalling \$43.0 million (50% share of facility limit: \$21.5 million) in connection with the development of Metroplex at Westgate business park in Wacol, Brisbane. The facility is split into three tranches, the first tranche maturing in May 2017 and the remaining two tranches maturing in November 2015. The facility is secured against the asset and is non-recourse to the rest of the Group.

(b) Medium Term Notes (MTNs)

There were no changes to the following MTNs:

- i. \$HKD 800.0m fixed rate MTN's, 31 Dec 13 drawn amount: \$98.8 million.
- ii. 31 Dec 13 drawn amount: \$250.0 million.
- iii. 31 Dec 13 drawn amount: \$50.0 million.
- iv. 31 Dec 13 drawn amount: \$30.0 million.

During the half year, GPT repaid on the maturity date, \$50.0 million in MTN's maturing on 19 February 2014 and \$30.0 million in MTN's maturing on 24 April 2014.

(c) US Private Placement (USPP)

There were no changes to the following USPP:

- i. \$US 150.0 million fixed rate notes (3.6%). 31 Dec 13 drawn amount: \$145.9 million; and
- ii. \$US 100.0 million fixed rate notes (3.8%). 31 Dec 13 drawn amount: \$97.2 million.

During the half year, GPT completed \$US 175.0 million fixed rate notes of which \$US 62.5 million fixed rate notes (4.33%) settled on 6 June 2014 and \$US 112.5 million fixed rate notes (4.36%) settled subsequent to the end of the half year. Refer to note 14 for further information.

(d) CPI Indexed Bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 9.09% per annum (2013: 9.00%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 30 June 2014, the principal value is AUD \$85.0 million (Dec 13: \$85.0 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.

(e) Forward start financing facilities

During the half year, GPT exercised an option to commence a \$100.0 million bilateral facility on the restructured forward start date as referred to in (a)(xi).

		Start date	Maturity date	Facility limit \$M
Unsecured				
Bank facilities				
Bank bilateral - Tranche B	(e)(i)	30-Sep-14	30-Mar-19	100.0
Total forward start Bank facilities				100.0
Issues in debt capital markets				
US Private Placement*	(e)(ii)	08-Jul-14	08-Jul-29	121.1
Total forward start Issues in debt capital markets				121.1
Total forward start financing facilities				221.1

* Converted at FX rates contracted under cross-currency swaps.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

6. Borrowings (continued)

(e) Forward start financing facilities (continued)

- i. GPT restructured the forward starting bank facility to push out the start date from 31 July 2014 to 30 September 2014 and extended the maturity date from 31 July 2018 to 30 March 2019. Both the margin and the line fee were repriced on this tranche of the bilateral facility.
- ii. \$US 112.5 million fixed rate notes (4.36%) as referred to in (c).

(f) Gearing Ratios

(i) Headline Gearing

At 30 June 2014, the percentage of debt to total tangible assets is 25.4% (Dec 13: 24.7%) and the percentage on a net debt (net of cash) basis is 24.8% (Dec 13: 22.3%).

(ii) Look through Gearing

Look through gearing is calculated based on GPT's share of joint ventures and associates' assets and liabilities. At 30 June 2014, the percentage of look through debt to total assets is 28.0% (Dec 13: 25.7%) and the percentage on a net debt (net of cash and cash equivalents) basis is 27.3% (Dec 13: 23.2%).

(g) Debt Covenants

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

- a 50% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a minimum interest cover ratio of 2 times, being EBIT (Funds from Operations before taxes, finance costs and distributions on exchangeable securities) 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 2014 and no breaches were identified.

The weighted average interest rate of borrowings as at 30 June 2014 is 4.8% (Dec 13: 5.0%).

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

7. Contributed equity

		Note	Number	GPT \$M	Other entities stapled to GPT \$M	Total \$M
(a) Ordinary stapled securities						
1 Jan 2013	Opening securities on issue		1,766,785,075	7,642.9	321.8	7,964.7
18 Feb 2013	Securities issued	(i)	1,946,654	4.2	-	4.2
May-Jun 2013	On-market buy-back	(ii)	(25,202,180)	(93.2)	(0.7)	(93.9)
30 Jun 2013	Closing securities on issue		1,743,529,549	7,553.9	321.1	7,875.0
1 Jan 2014	Opening securities on issue		1,694,888,638	7,379.6	319.5	7,699.1
14 Feb 2014	Securities issued	(i)	1,980,505	5.7	-	5.7
Jan-Jun 2014	On-market buy-back	(ii)	(11,408,188)	(40.8)	(0.2)	(41.0)
30 Jun 2014	Closing securities on issue		1,685,460,955	7,344.5	319.3	7,663.8
(b) Exchangeable securities						
1 Jan 2013	Opening securities on issue		2,500	240.6	-	240.6
30 Jun 2013	Closing securities on issue		2,500	240.6	-	240.6
1 Jan 2014	Opening securities on issue		2,500	240.6	-	240.6
30 Jun 2014	Closing securities on issue	(iii)	2,500	240.6	-	240.6
Total Contributed Equity				7,585.1	319.3	7,904.4

(i) Securities issued

On 14 February 2014, GPT issued 1,980,505 securities to GPT employees under the 2011 Performance Rights Long Term Incentive Plan.

(ii) On-market buy-back

On 24 April 2014, GPT announced the extension of the on-market buy-back for an additional 12 months until May 2015. During the six month period ended 30 June 2014, GPT has acquired 11.4 million GPT stapled securities for a total consideration of \$41.0 million.

(iii) Exchangeable Securities

On 27 November 2008, 2,500 Exchangeable Securities (ES) were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at \$100,000 per exchangeable security. 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.

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for the half year ended 30 June 2014

8. Earnings per stapled security

	Note	30 Jun 14 Cents	30 Jun 13 Cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earnings per unit - profit from continuing operations		13.0	12.7
Basic and diluted earnings per unit - profit from discontinued operations		1.0	0.4
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust		<u>14.0</u>	<u>13.1</u>
(b) Attributable to ordinary stapled securityholders of The GPT Group			
Basic and diluted earnings per security - profit from continuing operations		12.7	13.5
Basic and diluted earnings per security - profit from discontinued operations		0.8	0.3
Total basic and diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group		<u>13.5</u>	<u>13.8</u>
The earnings and securities used in the calculations of basic and diluted earnings per ordinary stapled security are as follows:			
(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security			
		30 Jun 14	30 Jun 13
		\$M	\$M
Net profit from continuing operations attributable to the securityholders of the Trust		232.1	236.5
Net profit from discontinued operations attributable to the securityholders of the Trust		17.5	6.9
		<u>249.6</u>	<u>243.4</u>
Less: distribution to the holders of Exchangeable Securities *		(12.4)	(12.4)
Basic and diluted earnings of the Trust		<u>237.2</u>	<u>231.0</u>
Add: Net (loss)/profit from continuing operations attributable to the securityholders of other stapled entities		(4.6)	15.2
Add: Net (loss) from discontinued operations attributable to the securityholders of other stapled entities		(4.4)	(1.6)
Basic and diluted earnings of the Company		<u>(9.0)</u>	<u>13.6</u>
Basic and diluted earnings of The GPT Group		<u>228.2</u>	<u>244.6</u>
		No. of securities millions	No. of securities millions
		30 Jun 14	30 Jun 13
(d) Weighted average number of ordinary stapled securities			
Weighted average number of ordinary stapled securities used as the denominator in calculating:			
Basic earnings per ordinary stapled security - Trust and The Group		1,687.2	1,766.4
Adjustments for calculation of diluted earnings per security:			
Performance rights (weighted average basis)	(e)	1.0	1.4
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calculating diluted earnings per ordinary stapled security		<u>1,688.2</u>	<u>1,767.8</u>

* These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security.

(e) Performance Rights

6,444,492 Performance Rights (Jun 13: 4,037,816) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2014. Cumulatively, 11,718,726 Performance Rights have been issued up until 30 June 2014. However, only 957,848 Performance Rights are considered dilutive. As such, only 957,848 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 security.

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for the half year ended 30 June 2014

9. Distributions paid and payable to securityholders

		30 Jun 14	30 Jun 13
		\$M	\$M
(a) Stapled Securityholders			
(i) Distributions paid and payable			
6 months period ended 30 June 2014 ⁽¹⁾ :	10.5 cents per stapled security (30 June 2013 ⁽²⁾ : 10.2 cents per stapled security)	177.0	180.3
Total distributions paid		177.0	180.3
(ii) Distributions proposed and not recognised as a liability ⁽³⁾			
Quarter ended June 2013:	5.0 cents per stapled security paid on 13 September 2013	-	86.9
(b) Exchangeable Securities Securityholders			
(i) Distributions paid			
Period from 28 November 2013 to 27 May 2014	10% per exchangeable security	12.4	12.4
(ii) Distributions payable			
Period from 28 May 2014 to 30 June 2014	10% per exchangeable security	2.4	2.4

(1) From 1 July 2013 the GPT Group changed the frequency of distribution payments from quarterly to half yearly. June half yearly distribution of 10.5 cents per stapled security has been declared on 23 June 2014 and is expected to be paid mid-September 2014 based on the record date of 30 June 2014.

(2) During the half year ended 30 June 2013 the distribution was paid quarterly. December 2012 quarter distribution of 5.1 cents per stapled security was paid on 14 March 2013. March 2013 distribution of 5.1 cents per stapled security was paid on 17 May 2013.

(3) No provision for the June quarter distribution had been recognised in the Statement of Financial Position as at 30 June 2013 as the distribution had not been declared by that date.

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for the half year ended 30 June 2014

10. Fair value measurement of financial instruments

The Group measures and recognises the following financial assets and liabilities at fair value on a recurring basis:

- Financial assets and liabilities at fair value through profit or loss;
- Derivative financial instruments; and
- Borrowings (hedge accounted).

(a) Fair value hierarchy

Recognised fair value measurements

The following table presents the financial instruments measured and recognised at fair value. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	30 June 2014				31 December 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Recurring fair value measurements								
Financial assets								
Unlisted equity securities	-	-	4.9	4.9	-	-	4.5	4.5
Derivative assets								
Interest Rate Swaps	-	114.4	-	114.4	-	122.2	-	122.2
Cross-currency interest rate swaps	-	10.7	-	10.7	-	10.5	-	10.5
Interest Rate Options	-	-	-	-	-	-	-	-
Total financial assets	-	125.1	4.9	130.0	-	132.7	4.5	137.2
Financial liabilities								
Derivative liabilities								
Interest Rate Swaps	-	(48.4)	-	(48.4)	-	(35.7)	-	(35.7)
Cross-currency interest rate swaps	-	(0.2)	-	(0.2)	-	-	-	-
Interest Rate Options	-	(8.3)	(23.9)	(32.2)	-	(6.4)	(20.6)	(27.0)
Borrowings at fair value ⁽¹⁾	-	(423.2)	-	(423.2)	-	(351.4)	-	(351.4)
Total financial liabilities	-	(480.1)	(23.9)	(504.0)	-	(393.5)	(20.6)	(414.1)

⁽¹⁾ Excluding unamortised establishment costs

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year. For transfers in and out of level 3 measurements refer to (c) below.

Derivative financial assets and liabilities are not offset in the balance sheet. Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, where certain credit events occur (such as default), there is a right to set-off the position owing/receivable to a single counterparty to a net position outstanding and all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the balance sheet, however, has been presented separately for the consolidated entity in the table below:

	30 June 2014			31 December 2013		
	Gross amounts of financial instruments	Amounts subject to set-off	Net amount post set off	Gross amounts of financial instruments	Amounts subject to set-off	Net amount post set off
	\$M	\$M	\$M	\$M	\$M	\$M
Derivative assets	125.1	41.7	83.4	132.7	38.8	93.9
Derivative liabilities	(80.8)	(41.7)	(39.1)	(62.7)	(38.8)	(23.9)
	44.3	-	44.3	70.0	-	70.0

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

10. Fair value measurement of financial instruments (continued)

(a) Fair value hierarchy (continued)

Disclosed fair values

Unlisted equity securities classified as held for trading are not quoted in an active market (level 3) and are disclosed in the statement of financial position within other assets.

The fair value of derivative financial instruments (level 2 and level 3) is disclosed in the statement of financial position.

The following table presents the carrying amounts and fair value of interest-bearing borrowings at 30 June 2014 and 31 December 2013. The fair value of fixed rate interest-bearing borrowings is estimated by using quoted prices in active markets or by discounting the future contractual cash flows at the current market interest rate curve where quoted prices are not available.

	Carrying amount Jun-14 \$M	Fair value Jun-14 \$M	Carrying amount Dec-13 \$M	Fair value Dec-13 \$M
Bank facilities	1,580.4	1,584.1	1,466.6	1,462.1
Medium Term Notes	427.4	447.8	506.7	518.2
US Private Placement	325.8	325.8	254.6	254.6
CPI Indexed Bonds	85.0	98.7	85.0	94.2
Total interest-bearing borrowings⁽¹⁾	2,418.6	2,456.4	2,312.9	2,329.1

¹ Excluding unamortised establishment costs

(b) Valuation techniques used to derive level 2 and level 3 fair values

Recurring fair value measurements

GPT holds no level 1 derivatives. Level 2 derivatives held by GPT at 30 June 2014 include floating to floating swaps, fixed to floating swaps, other interest rate derivatives, cross-currency swaps and vanilla callables and extendible swaps. Level 3 derivatives held by GPT at 30 June 2014 include CPI year on year derivatives only.

The fair value of the derivatives is determined internally using a generally accepted pricing model based on a discounted cash flow analysis using quoted market inputs (interest rates, basis, CPI, volatility) adjusted for specific features of the instruments and applied debit or credit value adjustments based on GPT or the derivative counterparties current credit worthiness.

Credit value adjustments: these are applied to mark-to-market assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk.

Debit value adjustments: these are applied to mark-to-market liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

The fair value of held for trading unlisted equity securities is based on recent arm's length transactions in non-active markets.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

10. Fair value measurement of financial instruments (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the periods ended 30 June 2014 and 31 December 2013 for recurring fair value measurements. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Unlisted equity securities \$M	Derivative assets \$M	Derivative liabilities \$M	Total \$M
Opening balance 1 January 2013	3.9	-	(87.2)	(83.3)
Fair value movements in comprehensive income				-
- Still held	0.6	-	11.8	12.4
- No longer held	-	-	(2.0)	(2.0)
Terminations	-	-	47.2	47.2
Transfers out of Level 3	-	-	9.6	9.6
Closing balance 31 December 2013	4.5	-	(20.6)	(16.1)
				-
Opening balance 1 January 2014	4.5	-	(20.6)	(16.1)
Fair value movements in comprehensive income				
- Still held	0.4	-	(3.3)	(2.9)
- No longer held	-	-	-	-
Terminations	-	-	-	-
Transfers out of Level 3	-	-	-	-
Closing Balance 30 June 2014	4.9	-	(23.9)	(19.0)

Sensitivity on changes in fair value of Level 3 financial instruments

The table below summarises the impact of an increase/decrease in unlisted equity prices and interest rates on the Group's profit and on equity for the period. For level 3 unlisted equity securities, the analysis is based on the assumption that equity prices increase/decrease by 10% and for level 3

derivatives, the analysis is based on the assumption that interest rates increase/decrease by 1% with all other variables held constant as interest rates are the only significant input.

	30 Jun 14 \$M	31 Dec 13 \$M
Fair value of Level 3 Unlisted equity securities	4.9	4.5
10% increase in price per security gain / (loss)	0.5	0.5
10% decrease in price per security (loss) / gain	(0.5)	(0.5)
Fair value of Level 3 Derivatives	(23.9)	(20.6)
1% increase in interest rates gain / (loss)	7.7	8.4
1% decrease in interest rates (loss) / gain	(8.1)	(8.8)

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

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 14	30 Jun 13
	\$M	\$M
Net profit for the half year	240.6	257.0
Fair value adjustments to investment properties	(30.0)	(10.0)
Fair value adjustments to borrowings	27.2	(27.1)
Fair value adjustments to derivatives	23.4	(25.7)
Fair value adjustments of unlisted equity investments	(0.4)	(0.5)
Net foreign exchange (gain)/loss	(23.2)	44.5
Share of after tax profit of equity accounted investments (net of distributions)	(13.9)	(22.8)
Net (gain)/loss on disposal of assets	(7.2)	2.1
Depreciation and amortisation	4.3	3.6
Non-cash employee benefits - share based payments	0.7	1.5
Non-cash revenue adjustments	5.9	7.1
Non-cash (income)/expense adjustments	(0.1)	0.5
Interest capitalised	(4.4)	(0.6)
Impairment of trade receivables	0.1	0.3
Increase in operating assets	(12.0)	(5.2)
Increase in inventory	(40.5)	-
Decrease in operating liabilities	(16.3)	(34.5)
Net cash inflows from operating activities	154.2	190.2

(i) This represents a payment for the development property for sale as part of GPT's share in Metroplex development at Westgate.

(b) Reconciliation of cash

Cash at bank and on hand	70.0	300.8
Total cash and cash equivalents at the end of the half year	70.0	300.8

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2014

12. Commitments

(a) Capital expenditure commitments

At 30 June 2014, GPT has commitments principally relating to the development and maintenance 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 14	31 Dec 13
	\$M	\$M
Retail	21.4	25.8
Office	38.7	47.5
Logistics	8.4	0.1
Properties under development	120.7	216.2
Total capital expenditure commitments	189.2	289.6

(b) Operating lease commitments

At 30 June 2014, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within one year	2.6	2.6
Due between one and five years	9.7	9.8
Over five years	4.5	5.8
Total operating lease commitments	16.8	18.2

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

(c) Share of joint ventures and associates' commitments

The Group's share of its joint ventures and associates' capital expenditure commitments which have been approved but not provided for at 30 June 2014 are as follows:

Capital expenditure	40.3	39.5
Total joint venture entities and associates' commitments	40.3	39.5

13. Contingent assets and liabilities

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.

The Highpoint Property Group has exercised its option to put 8.33 per cent of their interest to GWSCF in 2014. The Board of GWSCF has agreed to acquire this interest which will settle in the second half of 2014 and GPT will not be required to acquire this interest. After this transaction Highpoint Property Group will have a remaining interest of 25 per cent.

There are no contingent assets or liabilities in GPT's joint ventures and associates at 30 June 2014 and 31 December 2013.

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

14. Events subsequent to the end of the half year

On 8 July 2014, GPT settled US\$112.5 million fixed rate notes (4.36%) to complete the US\$175.0 million USPP issued in April 2014. The AUD equivalent of \$121.1 million converted under cross currency interest rate swaps was used to repay bank debt.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2014 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 33 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 2014 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.

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

Sydney
7 August 2014



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

Report on the Half-Year Financial Report

We have reviewed the accompanying financial report of General Property Trust (the Trust), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Trust and its controlled entities (the consolidated entity). The consolidated entity comprises 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 the 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 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 Australian 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 2014 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 General Property Trust, 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.

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:

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- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Trust for the half-year ended 30 June 2014 included on the GPT Group's web site. The Trust'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.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Matthew Lunn', with a large, stylized flourish at the end.

Matthew Lunn
Partner

Sydney
7 August 2014