



The GPT Group

**GPT Management Holdings Limited**  
ABN: 67 113 510 188

**Interim Financial Report**  
**30 June 2016**

This financial report covers both GPT Management Holdings Limited (the Company) as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

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

## CONTENTS

<b>Directors' Report</b> .....	<b>3</b>
<b>Auditor's Independence Declaration</b> .....	<b>7</b>
<b>Financial Statements</b> .....	<b>8</b>
Consolidated Statement of Comprehensive Income .....	8
Consolidated Statement of Financial Position .....	9
Consolidated Statement of Changes in Equity .....	10
Consolidated Statement of Cash Flows .....	11
Notes to the Financial Statements .....	12
<b>RESULTS FOR THE HALF YEAR</b> .....	<b>12</b>
1. Segment information .....	12
<b>OPERATING ASSETS AND LIABILITIES</b> .....	<b>12</b>
2. Equity accounted investments .....	12
3. Intangibles .....	13
4. Inventories .....	13
5. Property, plant and equipment .....	14
6. Other assets .....	14
<b>CAPITAL STRUCTURE</b> .....	<b>15</b>
7. Equity .....	15
8. Earnings per share .....	15
9. Dividends paid and payable .....	16
10. Borrowings .....	16
<b>OTHER DISCLOSURE ITEMS</b> .....	<b>17</b>
11. Commitments .....	17
12. Contingent liabilities .....	17
13. Reconciliation of net profit to net cash flows from operating activities .....	17
14. Fair value disclosures – financial instruments .....	18
15. Accounting policies .....	18
16. Events subsequent to reporting date .....	19
<b>Directors' Declaration</b> .....	<b>20</b>
<b>Independent Auditor's Report</b> .....	<b>21</b>

# GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

For the half year ended 30 June 2016

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2016. The Consolidated Entity is stapled to the General Property Trust and the GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

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

### 1. OPERATING AND FINANCIAL REVIEW

#### Review of operations

The Consolidated Entity's financial performance for the half year ended 30 June 2016 is summarised below.

The net loss after tax for the half year ended 30 June 2016 is \$1.3 million (Jun 2015: \$22.9 million profit).

	30 Jun 16 \$'000	30 Jun 15 \$'000	Change %
Property management fees	19,441	20,863	(7%)
Development management fees and revenue	24,406	25,734	(5%)
Fund management fees	48,978	35,685	37%
Other revenue	693	184	277%
Management costs recharged	16,651	17,760	(6%)
Other income	3,338	11,311	(70%)
Expenses	(103,145)	(80,405)	(28%)
Profit from continuing operations before income tax expense	10,362	31,132	(67%)
Income tax expense	(2,931)	(6,461)	55%
Profit after income tax expense for continuing operations	7,431	24,671	(70%)
Loss from discontinued operations	(8,737)	(1,764)	(395%)
Net (loss) / profit for the half year	(1,306)	22,907	(106%)

#### Consolidated Entity result

The decrease in profit after tax compared with June 2015 is largely attributable to the revaluation of financial arrangements reflected in expenses. This is offset by increased fund management fees due to a performance fee in 2016.

#### Property management

##### Retail

The Consolidated Entity is responsible for property management activities for assets across the retail sector. Property management fees decreased to \$15.0 million in 2016 (Jun 2015: \$16.4 million) as a result of the divestment of two assets.

##### Office

The Consolidated Entity is responsible for property management activities across the office sector. Property management fees decreased to \$2.9 million in 2016 (Jun 2015: \$3.3 million) as a result of higher incentives given in 2016 and higher leasing fees in 2015.

##### Logistics

The Consolidated Entity is responsible for property management activities across the logistics sector. Property management fees increased to \$1.5 million in 2016 (Jun 2015: \$1.2 million) as a result of additional assets in the portfolio.

#### Development management

##### Retail

The retail development team has focussed on master planning and delivery of development opportunities within its \$2.0 billion development pipeline. In 2016 this has included the opening of the \$34 million Leisure and Entertainment precinct at Casuarina Square, opening of H&M as the first stage of the International mini-major project at Charlestown Square and progressing master planning for the expansion of Rouse Hill Town Centre.

##### Office

The office development team delivered refurbishment opportunities in the Australia Square foodcourt and the lobby at 580 George St. The team has focussed on progressing a number of repositioning projects at Melbourne Central Tower, CBW and 750 Collins Street in Melbourne and 580 George Street in Sydney. Progress is also being made on pipeline opportunities, including the MLC Centre stage 2 retail development and the planning approval for a new tower at Darling Park.

##### Logistics

In 2016 the development logistics business unit has advanced the development of Berrinba and Wacol in Brisbane by completing the civil and servicing works for the estates.

The development pipeline has been increased with the acquisition of three land opportunities during the first half of 2016. All three acquisitions were in key industrial estates in Outer Western Sydney. Of these, two land parcels are in Eastern Creek being, Lot 2012 Eastern Creek Road and Lot 21 Old Wallgrove Road and the third adds to GPT's landbank at Erskine Park.

# GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

For the half year ended 30 June 2016

### Funds management

#### GWOF

GWOF's assets under management have grown to \$6.1 billion, up \$0.6 billion as compared to 30 June 2015. The management fee income earned from GWOF for the half year ending 30 June 2016 increased by \$15.5 million as compared to the half year ending 30 June 2015 primarily due to a \$14.4 million performance fee (2015: \$nil performance fees earned) and higher base management fee income due to strong upward revaluations across the portfolio.

#### Fund Terms Review

On 22 June 2016, GWOF held an Extraordinary General Meeting (EGM) in relation to changes to the terms of GWOF. At the EGM, investors were asked to vote on three resolutions. All three resolutions put to the meeting were approved by the requisite majority of Securityholders.

The key changes include:

- an increase in the base management fee from 45 basis points to 50 basis points of the gross asset value of GWOF up to \$6 billion, with 45 basis points thereafter;
- removal of the performance fee structure from 1 July 2016;
- a pay-out of accrued over performance;
- pipeline rights amended to move to a rotational basis, with both GPT and GWOF getting access to both established assets and developments;
- GPT's minimum holding requirement in GWOF amended to 15% (previously 20%), effective from 1 July 2017; and
- the introduction of an Investor Representation Committee.

#### Investor Liquidity Review

On 21 July 2016, the investor liquidity review completed which allowed GWOF Securityholders to notify GPT Funds Management Limited (as Responsible Entity of GWOF) whether they require liquidity or wish to purchase additional securities. The outcome of the liquidity review was that binding requests for liquidity for a total of 92,924,217 securities, being 2.4% of securities on issue, were submitted. This equates to \$122.8 million at the 30 June 2016 Current Unit Value of \$1.3217. Additionally, Securityholders indicated demand for \$150.0 million of additional securities.

#### GWSCF

GWSCF's assets under management of \$3.9 billion and the management fee income earned from GWSCF of \$8.5 million have both remained flat as compared to 30 June 2015.

#### Liquidity Event

GWSCF's 10 year liquidity event occurs in March 2017. The management team have commenced preparations for the liquidity event and are engaging with investors during the second half of 2016.

#### GMF

On 4 April 2016 GMF announced a significant increase in the value of GMF's portfolio following independent valuations of all of GMF's assets at 31 March 2016. The catalyst for this was the earlier receipt of an unsolicited proposal to acquire all of the units in GMF from Growthpoint Properties Australia Limited, as responsible entity of Growthpoint Properties Australia Trust (Growthpoint). Since then, the independent directors of GMF have recommended the Growthpoint offer in the absence of a superior proposal. The likelihood of a transaction leading to the acquisition of some or all of the units in GMF will have a material impact on GMF's future prospects and subsequently, GPT's ability to earn management fees and other income from the fund.

#### Other revenue

Other revenue has increased to \$0.7 million in 2016 (Jun 2015: \$0.2 million) due to the transfer of Newcastle to the Consolidated Entity and income from digital screens.

#### Management costs recharged

Management costs recharged have decreased to \$16.7 million in 2016 (Jun 2015: \$17.8 million) predominantly caused by people cost savings and therefore lower recharges to assets. In the first half of 2016 GPT achieved an MER of 38 basis points.

#### Other income

Other income has decreased to \$3.3 million in 2016 (Jun 2015: \$11.3 million) attributable to the reversal of prior period impairment expenses.

#### Expenses

Expenses increased by 28% to \$103.1 million (Jun 2015: \$80.4 million). The balance is primarily made up of remuneration costs and revaluation of financial arrangements which can be seen on the Consolidated Statement of Comprehensive Income. The primary driver for the increase is the revaluation of financial arrangements.

### Financial position

	30 Jun 16	31 Dec 15	Change
	\$'000	\$'000	%
Current assets	82,802	107,598	(23%)
Non-current assets	265,139	233,379	14%
Total assets	347,941	340,977	2%
Current liabilities	95,277	88,505	8%
Non-current liabilities	86,050	87,272	(1%)
Total liabilities	181,327	175,777	3%
Net assets	166,614	165,200	1%

Total assets increased by 2% to \$347.9 million in 2016 (Dec 2015: \$341.0 million) primarily due to inventory purchased in Newcastle.

Total liabilities increased by 3% to \$181.3 million (Dec 2015: \$175.8 million) due to increased borrowings to fund the inventory purchase in Newcastle.

# GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

For the half year ended 30 June 2016

### Capital management

The Consolidated Entity has external loans relating to the Metroplex joint venture.

The Consolidated Entity has non-current, related party borrowings from GPT Trust and its subsidiaries. Under Australian Accounting Standards, the loans entered into prior to 2014 have been revalued to nil based on an adjusted working capital calculation at 30 June 2016.

On market buy back:

On 22 April 2016, GPT announced the extension of the on market buy back for an additional 12 months until May 2017.

### Cash flows

The cash balance as at 30 June 2016 increased to \$40.8 million (Dec 2015: \$40.4 million).

### Operating activities:

Net cash flows from operating activities have increased in 2016 due to a reduction in purchases of inventory.

The following table shows the reconciliation from net (loss) / profit to the cash flow from operating activities:

	30 Jun 16 \$'000	30 Jun 15 \$'000	Change %
Net (loss) / profit for the half year	(1,306)	22,907	(106%)
Add back: non-cash expenses included in net profit	46,450	16,881	175%
Less: non-cash revenue items	(1,894)	(19,782)	90%
Timing difference	(13,130)	(63,375)	(79%)
Net cash flows from operating activities	30,120	(43,369)	169%

### Investing activities:

Net cash outflows from investing activities have decreased to \$2.7 million in 2016 (June 15: \$3.1 million) due to proceeds received on the disposal of an equity accounted investment.

### Financing activities:

Net cash flows from financing activities have decreased to an outflow of \$27.0 million in 2016 (Jun 15: inflow of \$44.5 million) due to the repayment of related party borrowings.

Dividends:

The Directors have not declared any dividends for the half year ended 30 June 2016 (Jun 2015: nil).

## Prospects

### (i) Group

GPT is well positioned with high quality assets and high levels of occupancy. As at 30 June 2016, the Group's balance sheet is in a strong position, with a smooth debt expiry profile and net gearing slightly below the bottom of the Group's target range of 25% to 35%.

### (ii) Funds management

GPT has a strong Funds Management platform which has experienced significant growth over the past five years. The funds management team will continue to actively manage the existing portfolios, with new acquisitions and divestments reviewed based on meeting the relevant investment objectives of the respective funds. With the potential takeover of GMF and planned asset sales in GWOFF and GWSCF, it is likely that in the near term funds under management will not experience the same growth as it has in the past.

### (iii) Guidance for 2016

In 2016 GPT expects to deliver between 5.0% and 5.5% growth in FFO per ordinary security and approximately 4.0% growth in distribution per ordinary security. Achieving this target is subject to risks detailed in the following section.

## Risks

The Board is ultimately accountable for corporate governance and the appropriate management of risk. The Board determines the risk appetite and oversees the risk profile to ensure activities are consistent with GPT's strategy and values. The Audit and Risk Management Committee (ARMC) supports the Board and is responsible for overseeing and reviewing the effectiveness of the risk management framework. The ARMC and through it, the Board, receive reports on GPT's risk management practices and control systems including the effectiveness of GPT's management of its material business risks.

GPT has an active enterprise-wide risk management framework. Within this framework the Board has adopted a policy setting out the principles, objectives and approach established to maintain GPT's commitment to integrated risk management. GPT recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk. GPT's risk management approach incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing adverse effects. The approach is consistent with AS/NZS ISO 31000:2009: Risk Management.

The key components of the approach include the following:

- The GPT Board, Leadership Team, employees and contractors all understand their risk management accountabilities, promote the risk awareness and risk management culture and apply risk processes to achieve the organisation's objectives.
- Specialist risk management expertise is developed and maintained internally and provides coaching, guidance and advice.
- Risks are identified and assessed in a timely and consistent manner.
- Controls are effectively designed, embedded and assessed.
- Material risks and critical controls are monitored and reported to provide transparency and assurance that the risk profile is aligned with GPT's risk appetite, strategy and values.

# GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

For the half year ended 30 June 2016

The Board sets the risk framework via the Risk Appetite. The Risk Appetite considers the most significant risks to which GPT is exposed and provides the Board with ongoing monitoring of risk exposures, with particular regard to the following categories of exposure:

- Investment Mandate
- Development
- Leasing
- Capital Management
- Health & Safety
- People
- Environment & Sustainability

### 2. EVENTS SUBSEQUENT TO REPORTING DATE

Three lots at Newcastle went to auction on 3 August 2016 and were sold for \$1.1 million. They are expected to settle in September 2016.

The Directors are not aware of any other matter or circumstance occurring since 30 June 2016 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

### 3. DIRECTORS

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

**(i) Chairman - Non-Executive Director**

Rob Ferguson

**(ii) Chief Executive Officer and Managing Director**

Bob Johnston

**(iii) Non-Executive Directors**

Brendan Crotty

Eileen Doyle

Swe Guan Lim

Anne McDonald (retired on 4 May 2016)

Michelle Somerville

Gene Tilbrook


### 4. AUDITOR'S INDEPENDENCE DECLARATION

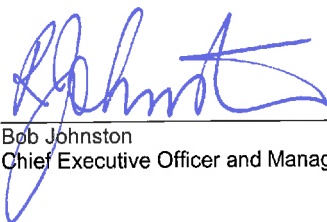
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7 and forms part of the Directors' Report.

### 5. ROUNDING

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. GPT is an entity to which the Instrument applies.

The Directors' Report is signed in accordance with a resolution of the Directors of GPT Management Holdings Limited.

  
\_\_\_\_\_  
Rob Ferguson  
Chairman

  
\_\_\_\_\_  
Bob Johnston  
Chief Executive Officer and Managing Director

Sydney  
10 August 2016



## Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink, appearing to read 'M Lunn', is written over a faint horizontal line.

Matthew Lunn  
Partner  
PricewaterhouseCoopers

Sydney  
10 August 2016

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Half year ended 30 June 2016

	Note	30 Jun 16 \$'000	30 Jun 15 \$'000
<b>Revenue</b>			
Fund management fees		48,978	35,685
Property management fees		19,441	20,863
Development management fees		7,736	9,669
Development revenue		16,670	16,065
Other revenue		693	184
Management costs recharged		16,651	17,760
		<b>110,169</b>	<b>100,226</b>
<b>Other income</b>			
Share of after tax profit of equity accounted investments		1,711	1,564
Interest revenue		1,428	666
Reversal of prior period impairment expense		197	9,050
Profit on disposal of assets		2	31
		<b>3,338</b>	<b>11,311</b>
<b>Total revenue and other income</b>		<b>113,507</b>	<b>111,537</b>
<b>Expenses</b>			
Remuneration expenses		58,025	54,336
Property expenses and outgoings		3,729	3,425
Development expenses		1,265	9,532
Repairs and maintenance		1,909	1,776
Professional fees		3,554	2,155
Depreciation		1,062	1,165
Amortisation		2,824	3,312
Revaluation of financial arrangements		22,127	(9,400)
Finance costs		1,384	10,948
Other expenses		7,266	3,156
<b>Total expenses</b>		<b>103,145</b>	<b>80,405</b>
<b>Profit before income tax</b>		<b>10,362</b>	<b>31,132</b>
Income tax expense		2,931	6,461
<b>Profit after income tax for continuing operations</b>		<b>7,431</b>	<b>24,671</b>
Loss from discontinued operations		(8,737)	(1,764)
<b>Net (loss) / profit for the half year</b>		<b>(1,306)</b>	<b>22,907</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit and loss</i>			
Net foreign exchange translation adjustments		915	6
Revaluation of available for sale financial asset		1,637	8,495
<b>Total comprehensive income for the half year</b>		<b>1,246</b>	<b>31,408</b>
<b>Net (loss) / profit attributable to:</b>			
- Members of the Company		(5,815)	17,929
- Non-controlling interest		4,509	4,978
<b>Total comprehensive (loss) / income attributable to:</b>		<b>(3,263)</b>	<b>26,430</b>
- Members of the Company		4,509	4,978
- Non-controlling interest		(3,263)	(3,263)
<b>Earnings per share attributable to the ordinary equity holders of the Company</b>			
Basic and diluted earnings per share (cents per share) from continuing operations	8(a)	0.16	1.12
Basic and diluted (loss) / earnings per share (cents per share) - Total	8(a)	(0.33)	1.02

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



**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2016

	Note	30 Jun 16 \$'000	31 Dec 15 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		40,823	40,380
Inventories	4	310	-
Loans and receivables		40,184	65,833
Prepayments		1,485	1,139
		<b>82,802</b>	107,352
Assets held for sale		-	246
<b>Total current assets</b>		<b>82,802</b>	107,598
<b>Non-current assets</b>			
Intangibles	3	35,067	35,542
Property, plant & equipment	5	15,007	14,135
Inventories	4	120,548	101,455
Equity accounted investments	2	5,935	4,274
Loans and receivables		37,034	26,047
Deferred tax assets		26,295	30,240
Deferred acquisition costs		2,179	2,504
Available for sale financial asset		10,979	8,641
Other assets	6	12,095	10,541
<b>Total non-current assets</b>		<b>265,139</b>	233,379
<b>Total assets</b>		<b>347,941</b>	340,977
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		38,332	52,044
Provisions		26,668	29,738
Borrowings	10	24,292	6,723
Deferred revenue		5,985	-
<b>Total current liabilities</b>		<b>95,277</b>	88,505
<b>Non-current liabilities</b>			
Borrowings	10	70,920	74,805
Provisions		8,218	5,285
Other liabilities		6,912	7,182
<b>Total non-current liabilities</b>		<b>86,050</b>	87,272
<b>Total liabilities</b>		<b>181,327</b>	175,777
<b>Net assets</b>		<b>166,614</b>	165,200
<b>EQUITY</b>			
Contributed equity	7	325,512	325,328
Reserves		46,278	43,742
Accumulated losses		(222,255)	(216,440)
<b>Total equity attributable to Company members</b>		<b>149,535</b>	152,630
Non-controlling interests		17,079	12,570
<b>Total equity</b>		<b>166,614</b>	165,200

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

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Half year ended 30 June 2016

	Note	Company members				Non-controlling interests				
		Contributed equity	Reserves	Accumulated losses	Total	Contributed equity	Reserves	Accumulated losses	Total	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to Company Members</b>										
<b>At 1 January 2015</b>										
Revaluation of available for sale financial asset		319,315	40,549	(243,948)	115,916	22,060	-	(17,212)	4,848	120,764
Foreign currency translation reserve		-	8,495	-	8,495	-	-	-	-	8,495
<b>Other comprehensive income for the half year</b>		-	6	-	6	-	-	-	-	6
Profit for the half year		-	8,501	-	8,501	-	-	-	-	8,501
<b>Total comprehensive income for the half year</b>		-	-	17,929	17,929	-	-	4,978	4,978	22,907
		-	8,501	17,929	26,430	-	-	4,978	4,978	31,408
<b>Transactions with Members in their capacity as Members</b>										
Issue of securities	7	4,838	-	-	4,838	-	-	-	-	4,838
Movement in employee incentive security scheme reserve net of tax		-	(1,067)	-	(1,067)	-	-	-	-	(1,067)
<b>At 30 June 2015</b>		<b>324,153</b>	<b>47,983</b>	<b>(226,019)</b>	<b>146,117</b>	<b>22,060</b>	<b>-</b>	<b>(12,234)</b>	<b>9,826</b>	<b>155,943</b>
<b>Equity attributable to Company Members</b>										
<b>At 1 January 2016</b>										
Revaluation of available for sale financial asset		325,328	43,742	(216,440)	152,630	22,060	-	(9,490)	12,570	165,200
Foreign currency translation reserve		-	1,637	-	1,637	-	-	-	-	1,637
<b>Other comprehensive income for the half year</b>		-	915	-	915	-	-	-	-	915
(Loss) / profit for the half year		-	2,552	-	2,552	-	-	-	-	2,552
<b>Total comprehensive income for the half year</b>		-	-	(5,815)	(5,815)	-	-	4,509	4,509	(1,306)
		-	2,552	(5,815)	(3,263)	-	-	4,509	4,509	1,246
<b>Transactions with Members in their capacity as Members</b>										
Issue of securities	7	184	-	-	184	-	-	-	-	184
Movement in employee incentive security scheme reserve net of tax		-	(16)	-	(16)	-	-	-	-	(16)
<b>At 30 June 2016</b>		<b>325,512</b>	<b>46,278</b>	<b>(222,255)</b>	<b>149,535</b>	<b>22,060</b>	<b>-</b>	<b>(4,981)</b>	<b>17,079</b>	<b>166,614</b>

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

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Half year ended 30 June 2016

	Note	30 Jun 16 \$'000	30 Jun 15 \$'000
<b>Cash flows from operating activities</b>			
Receipts in the course of operations (inclusive of GST)		113,789	49,461
Payments in the course of operations (inclusive of GST)		(77,877)	(69,466)
Payments for inventories		(18,846)	(47,191)
Receipts from development activities		17,926	32,820
Payments for development activities		-	(10,346)
Distributions and dividends received from equity accounted investments		51	747
Interest received		1,429	670
Finance costs paid		(6,352)	(64)
<b>Net cash inflows / (outflows) from operating activities</b>	13	<b>30,120</b>	<b>(43,369)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,963)	(144)
Payments for intangibles		(1,976)	(2,968)
Proceeds on disposal of equity accounted investment		1,252	-
<b>Net cash outflows from investing activities</b>		<b>(2,687)</b>	<b>(3,112)</b>
<b>Cash flows from financing activities</b>			
Loan to related parties		(22,500)	-
Proceeds from repayment of related party borrowings		11,711	-
Repayment of related party borrowings		(31,085)	-
Proceeds from borrowings		14,884	40,109
Proceeds from issue of securities net of transaction costs		-	4,688
Purchase of securities for the employee incentive scheme		-	(278)
<b>Net cash (outflows) / inflows from financing activities</b>		<b>(26,990)</b>	<b>44,519</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>443</b>	<b>(1,962)</b>
Cash and cash equivalents at the beginning of the year		40,380	50,414
<b>Cash and cash equivalents at the end of the half year</b>		<b>40,823</b>	<b>48,452</b>

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

## GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2016

These are the consolidated financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity).

The notes to these financial statements have been organised into sections to help users find and understand the information they need to know. The Consolidated Entity has also provided additional information where it is helpful to understand the Consolidated Entity's performance.

The notes to the financial statements are organised into the following sections:

**Note 1 - Result for the half year:** focuses on results and performance of the Consolidated Entity.

**Note 2 to 6 - Operating assets and liabilities:** provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.

**Note 7 to 10 - Capital structure:** outlines how the Consolidated Entity manages its capital structure and various financial risks.

**Note 11 to 16 - Other disclosure items:** provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

#### Key judgements and estimates

In applying the Consolidated Entity's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events. The significant judgements made and the key sources of estimates for this half year end were the same as those applied to the last annual financial report for the year ended 31 December 2015.

## RESULTS FOR THE HALF YEAR

### 1. SEGMENT INFORMATION

The chief operating decision maker monitors the performance of the business in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

### OPERATING ASSETS AND LIABILITIES

### 2. EQUITY ACCOUNTED INVESTMENTS

	Note	30 Jun 16 \$'000	31 Dec 15 \$'000
Investments in joint ventures	(a)	5,935	4,274
<b>Total equity accounted investments</b>		<b>5,935</b>	<b>4,274</b>

#### (a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 16 \$'000	31 Dec 15 \$'000
		2016 %	2015 %		
<b>Entities incorporated in Australia</b>					
DPT Operator Pty Limited <sup>(1)</sup>	Managing property	50.00	50.00	87	87
Lendlease GPT (Rouse Hill) Pty Limited <sup>(1) (2) (3)</sup>	Property development	50.00	50.00	5,844	4,183
Chullora Trust 1	Property development	50.00	50.00	2	2
Erskine Park Trust	Property development	50.00	50.00	2	2
<b>Total investment in joint ventures</b>				<b>5,935</b>	<b>4,274</b>

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

(2) The Consolidated Entity has a 50% interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning.

(3) The Group interest is held through a subsidiary that is 52% owned by GMH and 48% owned by GPT Trust.

#### (b) Share of joint ventures commitments and contingent liabilities

	30 Jun 16 \$'000	31 Dec 15 \$'000
Capital expenditure commitments	1,548	2,419
<b>Total joint venture commitments</b>	<b>1,548</b>	<b>2,419</b>

The capital expenditure commitments in the Consolidated Entity's joint ventures at 30 June 2016 and 31 December 2015 relate to Lendlease GPT (Rouse Hill) Pty Limited.

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**

Half year ended 30 June 2016

**3. INTANGIBLES**

	Management rights \$'000	IT development and software \$'000	Total \$'000
<b>Cost</b>			
At 1 January 2015	55,706	57,483	113,189
Additions	134	4,819	4,953
Transfers	(23)	(252)	(275)
At 31 December 2015	55,817	62,050	117,867
Additions	16	2,145	2,161
Transfers	(8)	196	188
<b>At 30 June 2016</b>	<b>55,825</b>	<b>64,391</b>	<b>120,216</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2015	(44,468)	(25,160)	(69,628)
Amortisation	(283)	(6,519)	(6,802)
Impairment	-	(5,895)	(5,895)
At 31 December 2015	(44,751)	(37,574)	(82,325)
Amortisation	(179)	(2,645)	(2,824)
<b>At 30 June 2016</b>	<b>(44,930)</b>	<b>(40,219)</b>	<b>(85,149)</b>
<b>Carrying amounts</b>			
At 31 December 2015	11,066	24,476	35,542
<b>At 30 June 2016</b>	<b>10,895</b>	<b>24,172</b>	<b>35,067</b>

**4. INVENTORIES**

	30 Jun 16 \$'000	31 Dec 15 \$'000
Development properties held for resale	310	-
<b>Current inventories</b>	<b>310</b>	<b>-</b>
Development properties held for resale	120,548	101,455
<b>Non-current inventories</b>	<b>120,548</b>	<b>101,455</b>
<b>Total inventories</b>	<b>120,858</b>	<b>101,455</b>

In February 2016, the Consolidated Entity acquired land at Newcastle from GPT Trust for \$9.1 million.

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**

Half year ended 30 June 2016

**5. PROPERTY, PLANT AND EQUIPMENT**

	30 Jun 16 \$'000	31 Dec 15 \$'000
<b>Computers</b>		
At cost	13,465	13,653
Less: accumulated depreciation and impairment	(9,415)	(8,826)
<b>Total computers</b>	<b>4,050</b>	<b>4,827</b>
<b>Office, fixtures and fittings</b>		
At cost	16,487	14,365
Less: accumulated depreciation and impairment	(5,530)	(5,057)
<b>Total office, fixtures and fittings</b>	<b>10,957</b>	<b>9,308</b>
<b>Total property, plant and equipment</b>	<b>15,007</b>	<b>14,135</b>

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

	Computers \$'000	Office fixtures & fittings \$'000	Total \$'000
<b>At 1 January 2015</b>			
Opening carrying value	4,436	9,998	14,434
Additions	1,485	221	1,706
Transfers	193	82	275
Depreciation	(1,287)	(993)	(2,280)
<b>At 31 December 2015</b>	<b>4,827</b>	<b>9,308</b>	<b>14,135</b>
<b>At 1 January 2016</b>			
Opening carrying value	4,827	9,308	14,135
Additions	-	2,122	2,122
Transfers	(188)	-	(188)
Depreciation	(589)	(473)	(1,062)
<b>At 30 June 2016</b>	<b>4,050</b>	<b>10,957</b>	<b>15,007</b>

**6. OTHER ASSETS**

	30 Jun 16 \$'000	31 Dec 15 \$'000
Lease incentive asset	4,592	5,101
Investment in financial asset	7,503	5,440
<b>Total other assets</b>	<b>12,095</b>	<b>10,541</b>

**GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**

Half year ended 30 June 2016

**CAPITAL STRUCTURE**

**7. EQUITY**

	Number	\$'000
<b>Ordinary stapled securities</b>		
Opening securities on issue as at 1 January 2015	1,685,460,955	319,315
Securities issued - institutional placement <sup>(1)</sup>	76,832,152	4,093
Transaction costs	-	(70)
Securities issued - Long Term Incentive Plan	2,169,649	81
Securities issued - Security Purchase Plan <sup>(1)</sup>	11,820,458	665
Securities issued - Deferred Short Term Incentive Plan	1,236,353	65
Securities issued - Broad Based Employee Security Ownership Plan	59,514	4
<b>Closing securities on issue as at 30 June 2015</b>	<b>1,777,579,081</b>	<b>324,153</b>
Opening securities on issue as at 1 January 2016	<b>1,794,816,529</b>	<b>325,328</b>
Securities issued - Long Term Incentive Plan	<b>2,102,805</b>	<b>100</b>
Securities issued - Deferred Short Term Incentive Plan	<b>978,834</b>	<b>79</b>
Securities issued - Broad Based Employee Security Ownership Plan	<b>57,400</b>	<b>5</b>
<b>Closing securities on issue as at 30 June 2016</b>	<b>1,797,955,568</b>	<b>325,512</b>

(1) Securities issued – institutional placement and stapled security purchase plan  
Equity raising comprised a \$325.0 million institutional placement and a \$50.0 million security purchase plan. The funding was used to fund the redemption of exchangeable securities.

**8. EARNINGS PER SHARE**

	30 Jun 16 Cents	30 Jun 15 Cents
<b>(a) Basic and diluted earnings per share</b>		
Basic and diluted earnings per share - profit from continuing operations	<b>0.16</b>	1.12
Basic and diluted loss per share - loss from discontinued operations	<b>(0.49)</b>	(0.10)
<b>Total basic and diluted (loss) / earnings per share</b>	<b>(0.33)</b>	1.02
<b>(b) Weighted average number of shares</b>		
	Number of shares '000s	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	<b>1,796,918</b>	1,759,629
Performance security rights (weighted average basis) <sup>(1)</sup>	<b>3,532</b>	2,510
<b>Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share</b>	<b>1,800,450</b>	1,762,139
<b>(c) The profit used in the calculation of the basic and diluted earnings per share are as follows:</b>		
	30 Jun 16 \$'000	30 Jun 15 \$'000
<b>Profit reconciliation - basic and diluted</b>		
Profit from continuing operations	<b>2,922</b>	19,693
Loss from discontinued operations	<b>(8,737)</b>	(1,764)
Profit attributed to external non-controlling interest	<b>4,509</b>	4,978
	<b>(1,306)</b>	22,907

(1) Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary stapled security where the performance hurdles are met as at the half year end.

## GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2016

#### 9. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the half year (Jun 2015: \$nil).

#### 10. BORROWINGS

	30 Jun 16		31 Dec 15	
	Carrying amount <sup>(1)</sup>	Fair value <sup>(2)</sup>	Carrying amount <sup>(1)</sup>	Fair value <sup>(2)</sup>
	\$'000	\$'000	\$'000	\$'000
Current borrowings - secured	24,292	24,321	6,723	6,733
<b>Current borrowings</b>	<b>24,292</b>	<b>24,321</b>	<b>6,723</b>	<b>6,733</b>
Non-current borrowings - secured	-	-	13,580	13,619
Related party borrowings from GPT Trust	70,920	72,016	61,225	61,794
<b>Non-current borrowings</b>	<b>70,920</b>	<b>72,016</b>	<b>74,805</b>	<b>75,413</b>
<b>Total borrowings</b>	<b>95,212</b>	<b>96,337</b>	<b>81,528</b>	<b>82,146</b>

(1) Including unamortised establishment costs.

(2) For the majority of borrowings, the carrying amount approximates its fair value. The fair value of fixed rate interest-bearing borrowings is estimated by discounting the future contractual cash flows at the current market interest rate curve. Excluding unamortised establishment costs.

The following unsecured borrowings are provided by GPT Trust and its subsidiaries and have been revalued to \$nil (Dec 2015: \$nil) based on an adjusted working capital calculation at 30 June 2016, in accordance with the loan agreement. As a result a revaluation adjustment of \$31.5 million for both continuing (\$22.7 million) and discontinued (\$8.8 million) operations has been recognised in the Consolidated Statement of Comprehensive Income.

- Loan facility to GPT Management Holdings Limited of AUD \$550,000,000 was drawn to \$365,701,403 (Dec 2015: \$372,860,231). This facility expires on 31 December 2030.
- Loan facility to GPT Property Management Ltd of AUD \$50,000,000 was drawn to \$26,827,375 (Dec 2015: \$33,986,204). This facility expires on 31 December 2030.
- Loan facility to GPT International Pty Limited of AUD \$120,000,000 was drawn to \$92,532,897 (Dec 2015: \$100,942,484). This facility expires on 12 June 2032.
- Loan facility to Voyages Hotels & Resorts of AUD \$70,000,000 was drawn to \$67,749,797 (Dec 2015: \$68,697,888). This facility expires on 3 January 2035.
- Loan facility to Voyages Hotels & Resorts of AUD \$54,663,473 was drawn to \$46,853,590 (Dec 2015: \$54,663,473). This facility expires on 30 June 2032.

No interest is payable in connection with the above loans from 3 September 2015. In accordance with the agreements interest is not capitalised but is included in the revaluation of the loans.

All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

The maturity profile of borrowings is provided below:

	Total facility <sup>(1)</sup>	Used facility <sup>(1)</sup>	Unused facility
	\$'000	\$'000	\$'000
Due within one year	29,330	24,321	5,009
Due between one and five years	79,058	59,169	19,889
Due after five years	856,610	611,416	245,194
	<b>964,998</b>	<b>694,906</b>	<b>270,092</b>
Cash and cash equivalents			<b>40,823</b>
<b>Total financing resources available at the end of the half year</b>			<b>310,915</b>

(1) Excluding unamortised establishment costs and fair value adjustments. Includes unsecured borrowings provided by GPT Trust and its subsidiaries which have been revalued to \$nil.

Cash and cash equivalents includes cash on hand, cash at bank and short term money market deposits.



# GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2016

### OTHER DISCLOSURE ITEMS

#### 11. COMMITMENTS

##### (a) Capital expenditure commitments <sup>(1)</sup>

The capital expenditure commitments at 30 June 2016 were \$0.8 million (Dec 2015: \$0.1 million)

(1) Commitments arising from purchase of plant and equipment and intangibles, which have been approved but not recognised as liabilities in the Consolidated Statement of Financial Position.

##### (b) Operating lease commitments

Operating lease commitments are contracted non-cancellable future minimum lease payments expected to be payable but not recognised on the Consolidated Statement of Financial Position.

	30 Jun 16	31 Dec 15
	\$'000	\$'000
Due within one year	5,046	4,355
Due between one and five years	18,210	19,412
Over five years	1,166	1,896
<b>Total operating lease commitments</b>	<b>24,422</b>	<b>25,663</b>

#### 12. CONTINGENT LIABILITIES

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

GPT Management Holdings Ltd has provided guarantees over GPT RE Limited as responsible entity of the General Property Trust's obligations under the note purchase and guarantee agreements in relation to US Private Placement issuances totalling US\$525 million until July 2029.

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

#### 13. RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Reconciliation of net profit after income tax to net cash outflows from operating activities:

	30 Jun 16	30 Jun 15
	\$'000	\$'000
Net (loss) / profit for the half year	(1,306)	22,907
Share of after tax profit of equity accounted investments (net of distributions)	(1,625)	(1,332)
Reversal of prior year impairment expense	(197)	(9,050)
Profit on disposal of assets	(93)	(464)
Non-cash employee benefits - security based payments	10,361	79
Lease incentive amortisation	238	-
Amortisation of rental abatement	293	-
Depreciation and amortisation expense	3,886	4,477
Amortisation of deferred acquisition costs	327	327
Intercompany finance costs	297	12,464
Revaluation of financial arrangements	30,885	(9,400)
Payment for inventories	(18,846)	(47,191)
Other	184	(2)
Decrease / (increase) in operating assets	12,773	(8,845)
Decrease in operating liabilities	(7,057)	(7,339)
<b>Net cash inflows / (outflows) from operating activities</b>	<b>30,120</b>	<b>(43,369)</b>

## GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2016

#### 14. FAIR VALUE DISCLOSURES – FINANCIAL INSTRUMENTS

Information about how the fair value of financial instruments is calculated and other information required by the accounting standards, including the valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below.

The different levels of the fair value hierarchy 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).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

##### (a) Fair value measurement, valuation techniques and inputs

Class of assets	Fair value hierarchy	Valuation technique	Inputs used to measure fair value	Range of unobservable inputs	Range of unobservable inputs
				30 June 2016	31 Dec 2015
Investment in financial assets	Level 2	Market price	Market price	Not applicable - observable input	Not applicable - observable input
			Discount for lack of marketability	0 - 5%	5 - 10%
Available for sale financial asset	Level 3	Discounted cash flow (DCF)	Discount rate	30%	30%
			Foreign currency exchange rate	Not applicable - observable input	Not applicable - observable input

The available for sale asset has moved from an \$8.6 million opening balance at 1 January 2016 to \$10.9 million at 30 June 2016 due to the movement in fair value.

##### DCF method

The available for sale financial asset has been valued using a discounted cash flow methodology. The expected future cash flow is converted into Australian dollars and discounted over a six year period.

##### (b) Sensitivities

The table below summarises the impact of a 5% increase/decrease in the discount rate, with all other variables held constant.

##### Change of Key Inputs

	30 Jun 16
	\$'000
<b>Fair value of level 3 available for sale financial asset</b>	<b>10,979</b>
5% increase in discount rate - gain / (loss)	<b>(2,058)</b>
5% decrease in discount rate - gain / (loss)	<b>2,643</b>

#### 15. ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Company's constitution, Corporations Act 2001, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis in the belief that the Consolidated Entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The Consolidated Entity has a net deficiency of current assets over current liabilities at 30 June 2016 of \$12.5 million. The Consolidated Entity has access to undrawn financing facilities of \$270.1 million as set out in note 10;
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded in the nearest thousand dollars, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

The interim financial report was approved by the Board of Directors on 10 August 2016.

## GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2016

#### (b) Significant accounting policies

The significant policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new amended standards and interpretations commencing 1 January 2016 which are to be adopted when applicable.

#### Available for sale financial assets

Available for sale financial assets are recognised at fair value. Gains/losses arising from changes in the fair value of the carrying amount of available for sale financial assets that are monetary securities denominated in a foreign currency are recognised in other comprehensive income.

#### Deferred revenue

The Consolidated Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met. The Group bases its estimates taking into consideration the type of transaction and the specifics of each arrangement. Those transactions where the revenue cannot be reliably measured and / or it is not probable that future economic benefit will flow to the entity are recorded as deferred revenue until such time as the transaction meets the recognition criteria.

#### New and amended accounting standards and interpretations commencing 1 January 2016

There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2016.

#### (c) New accounting standards and interpretations issued but not yet adopted

The following standards and amendments to standards are relevant to the Consolidated Entity.

Reference	Description	Application of Standard
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15 will replace AASB 118 <i>Revenue</i> and AASB 111 <i>Construction Contracts</i>. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. 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 and relevant disclosures.</p> <p>GPT is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.</p>	1 January 2018
AASB 9 <i>Financial Instruments</i>	<p>AASB 15 will replace AASB 118 <i>Revenue</i> and AASB 111 <i>Construction Contracts</i>. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. 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 and relevant disclosures.</p> <p>GPT is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.</p>	1 January 2018
IFRS 16 <i>Leases</i>	<p>IFRS 16 will change the way lessees account for leases by eliminating the current dual accounting model which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there will be a single, on-balance sheet accounting model that is similar to the current finance lease accounting. This new treatment will result in both a depreciation and interest charge in the Statement of Comprehensive Income. In contrast, lessor accounting will remain similar to current practice.</p> <p>GPT is in the process of assessing any implications of this new standard to its operation and financial results and the potential effects have not been fully determined.</p>	1 January 2019

## 16. EVENTS SUBSEQUENT TO REPORTING DATE

Three lots at Newcastle went to auction on 3 August 2016 and were sold for \$1.1 million. They are expected to settle in September 2016.

The Directors are not aware of any other matter or circumstance occurring since 30 June 2016 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

## GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

### DIRECTORS' DECLARATION

Half year ended 30 June 2016

In the Directors of GPT Management Holdings Limited's opinion:

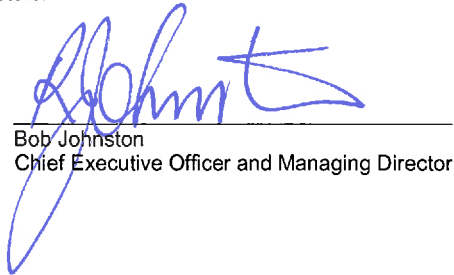
- (a) the financial statements and notes set out on pages 8 to 19 are in accordance with the *Corporations Act 2001*, including:
  - complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the half year ended on that date; and
- (b) the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 15 to the financial statements.
- (c) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable. The Consolidated Entity has a net deficiency of current assets over current liabilities at 30 June 2016 of \$12.5 million. The Consolidated Entity has access to undrawn financing facilities of \$270.1 million as set out in note 10.

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



Bob Johnston  
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney  
10 August 2016



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

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of GPT Management Holdings Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, 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 company and its controlled entities (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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. In Note 15, the directors also state, in accordance with Accounting Standards AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### ***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 half-year 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 2016 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 company, 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*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)



### *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 the company is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'M Lunn'.

Matthew Lunn  
Partner

Sydney  
10 August 2016