General Property Trust
ABN: 58 071 755 609

Interim Financial Report
30 June 2018

The GPT Group (GPT) comprises General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities.

General Property Trust is a registered scheme, registered and domiciled in Australia. GPT RE Limited is the Responsible Entity of General Property Trust. GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. GPT RE Limited is a wholly owned controlled entity of GPT Management Holdings Limited.

Through our internet site, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to GPT. 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 2018

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of General Property Trust (the Trust) and its controlled entities (the consolidated entity) for the half year ended 30 June 2018. The consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT).

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

1. OPERATING AND FINANCIAL REVIEW

Review of operations
Funds from Operations (FFO) 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 in accordance with the guidelines published by the Property Council of Australia.

The reconciliation of FFO to net profit after tax is set out below:

For the half year ended	30 Jun 18 $M	30 Jun 17 [(1)] $M	Change %
Retail			
- Operations net income	**156.8**	152.0	3.2%
- Development net income	**1.0**	5.0	(80.0%)
	157.8	157.0	0.5%
Office			
- Operations net income	**132.9**	127.3	4.4%
- Development net income	**0.6**	0.6	0.0%
	133.5	127.9	4.4%
Logistics			
- Operations net income	**51.8**	45.1	14.9%
- Development net income	**6.0**	1.1	445.5%
	57.8	46.2	25.1%
Funds management net income	**21.1**	17.5	20.6%
Corporate management expenses	**(14.0)**	(14.2)	1.4%
Net finance costs	**(58.8)**	(47.2)	(24.6%)
Income tax expense	**(8.0)**	(7.4)	(8.1%)
Funds from Operations (FFO)	**289.4**	279.8	3.4%
Other non-FFO items:			
Valuation increase	**456.7**	480.0	(4.9%)
Financial instruments mark to market and net foreign exchange loss	**(8.9)**	(3.7)	(140.5%)
Other items [(2)]	**(8.7)**	(4.9)	(77.6%)
Net profit for the half year after tax	**728.5**	751.2	(3.0%)
FFO per ordinary stapled security (cents)	**16.04**	15.54	3.2%
Funds from Operations (FFO)	**289.4**	279.8	3.4%
Maintenance capex	**(26.7)**	(21.4)	(24.8%)
Lease incentives	**(29.8)**	(23.4)	(27.4%)
Adjusted Funds from Operations (AFFO)	**232.9**	235.0	(0.9%)
Distribution paid and payable	**227.6**	221.6	2.7%
Distribution per ordinary stapled security (cents)	**12.61**	12.30	2.5%

(1) The 30 June 2017 net profit for the half year after tax has been restated as a result of the adoption of new accounting standards. Refer to note 12.
(2) Other items include impairment and amortisation of intangibles and related tax impact.

Operating result
GPT delivered FFO of $289.4 million for the half year ended 30 June 2018, an increase of 3.4 per cent on the prior comparable period. This translated into FFO per security of 16.04 cents, up 3.2 per cent. The result was driven by strong contributions from the investment portfolio of high quality Australian retail, office and logistics properties.

GPT's statutory net profit after tax is $728.5 million, a decrease of 3.0 per cent on the prior comparable period, with the result driven by $456.7 million in property valuation increases offset by higher negative mark to market and net foreign exchange movement of financial instruments and impairments.

DIRECTORS' REPORT
For the half year ended 30 June 2018

GPT has maintained strong metrics across its core portfolios:

	Overall Portfolios	Retail Portfolio	Office Portfolio	Logistics Portfolio
Value of Portfolio		$5.99 billion portfolio including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (31 Dec 2017: $5.85 billion)	$5.35 billion portfolio including GPT's equity interest in the GPT Wholesale Office Fund (31 Dec 2017: $4.90 billion)	$1.67 billion portfolio (31 Dec 2017: $1.55 billion)
Occupancy	97.4% (31 Dec 2017: 96.8%)	99.7% (31 Dec 2017: 99.6%)	96.6% (31 Dec 2017: 95.2%)	96.6% (31 Dec 2017: 96.1%)
Weighted average lease expiry (WALE)	5.1 years (31 Dec 2017: 5.2 years)	4.1 years (31 Dec 2017: 4.1 years)	5.3 years (31 Dec 2017: 5.6 years)	7.4 years (31 Dec 2017: 7.6 years)
Structured rental reviews		74% of specialty tenants subject to average increases of 4.7% (30 Jun 2017: 74% subject to average increases of 4.7%)	91% of tenants subject to average increases of 3.9% (30 Jun 2017: 90% subject to average increases of 3.9%)	91% of tenants subject to average increases of 3.3% (30 Jun 2017: 93% subject to average increases of 3.3%)
Comparable income growth	3.7% (30 Jun 2017: 4.7%)	2.3% (30 Jun 2017: 3.8%)	5.5% (30 Jun 2017: 5.8%)	3.6% (30 Jun 2017: 3.8%)
Weighted average capitalisation rate	5.14% (31 Dec 2017: 5.27%)	4.97% (31 Dec 2017: 5.10%)	5.02% (31 Dec 2017: 5.18%)	6.17% (31 Dec 2017: 6.31%)

Retail
(i) Operations net income
The retail portfolio achieved a net revaluation uplift of $53.5 million in the 6 month period to June 2018, including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The positive revaluation has been driven by a combination of net income growth and firming in valuation metrics, with favourable valuations achieved on both Charlestown Square and Westfield Penrith.

Like for like income growth of 2.3 per cent was driven by underlying structured rent increases and ongoing active remixing of the portfolio. Retail sales have improved over the 6 month period to June 2018, with weighted total centre sales up 2.3 per cent and specialty annual sales up 4.4 per cent. The portfolio remains well leased with occupancy at 99.7 per cent.

(ii) Development net income
In the first half of 2018, retail development has focused on the delivery of the $422.0 million Sunshine Plaza retail expansion (GPT share: $211.0 million). The development has been delayed due to inclement weather and is scheduled to open in the first half of 2019. Master planning for developments at Melbourne Central and Rouse Hill Town Centre continued in the first half of 2018.

During the first half of 2018, the business unit contributed $1.0 million to FFO (30 Jun 2017: $5.0 million).

Office
(i) Operations net income
The office portfolio achieved a net revaluation uplift of $377.9 million in the 6 month period to June 2018, including GPT's equity interest in the GPT Wholesale Office Fund (GWOF), as a result of continued high occupancy levels, market rental growth and firming investment metrics. The positive revaluation has been driven by favourable valuations at MLC Centre, Citigroup Centre, Australia Square and Farrer Place.

Like for like income growth of 5.5 per cent was achieved as a result of leasing success leading to strong rental growth and continued high levels of occupancy at 96.6 per cent (including signed leases). The assets which were the main contributors to income growth were MLC Centre and Farrer Place.

(ii) Development net income
The team is well progressed with a number of repositioning projects at Melbourne Central Tower, CBW and 530 Collins in Melbourne and MLC Centre in Sydney. Progress is also being made on the planning approval for a new tower at Darling Park.

Construction is on track for the 15,680sqm campus building at 4 Murray Rose, Sydney Olympic Park following the 9,240sqm pre-commitment to the Rural Fire Service announced last year. Completion is expected in October 2018.

Development approval has been achieved for a new 26,000sqm tower at 32 Smith Street, Parramatta following the acquisition of the site last year. Discussions are underway with a number of potential pre-commitment tenants for this site.

Logistics
(i) Operations net income
The logistics portfolio achieved a net revaluation uplift of $25.3 million in the 6 month period to June 2018. This uplift is attributed to continued investor interest in quality logistics assets which led to a firming of investment metrics combined with positive leasing outcomes. The weighted average lease expiry has been maintained at a long duration of 7.4 years.

(ii) Development net income
Construction continues at Huntingwood, with the 11,000sqm warehouse expected to reach practical completion at the end of August 2018. At Lot 21, Old Wallgrove Road in Eastern Creek construction has commenced for a 30,000sqm facility. The facility is expected to reach practical completion by the end of December 2018. Tenant interest remains strong with negotiations underway with a number of parties on both properties.

DIRECTORS' REPORT
For the half year ended 30 June 2018

Funds management

As at and for the half year ended 30 June 2018	GWOF	GWSCF	Total
Assets under management	$7.5b	$4.9b	$12.4b
Number of Assets	17	8	25
GPT Interest	24.75%	28.68%	-
GPT Investment	$1,495.3m	$1,013.9m	$2,509.2m
One year Equity IRR (post-fees)	13.9%	8.4%	N/A
Share of profit - FFO	$35.3m	$22.9m	$58.2m
Funds Management fee income	$17.7m	$10.9m	$28.6m

The performance of the Wholesale Funds was strong, with GWOF achieving a one year equity IRR of 13.9% and GWSCF achieving a one year equity IRR of 8.4%.

GWOF
GWOF's portfolio value increased to $7.5 billion, up $0.7 billion compared to 30 June 2017. The management fee income earned from GWOF for the half year ended 30 June 2018 increased by $1.2 million as compared to 30 June 2017 due to strong upward revaluations across the portfolio.

During June 2017, GPT acquired an additional 16.3 million securities in GWOF for $23.2 million, increasing GPT's ownership interest from 24.53 per cent to 24.95 per cent. As a result of subsequent Distribution Reinvestment Programs (DRPs), GPT's ownership is now 24.75 per cent.

GWSCF
GWSCF's portfolio value increased to $4.9 billion, up $1.0 billion compared to 30 June 2017. This was primarily due to the acquisition of an additional 25 per cent interest in September 2017 in Highpoint Shopping Centre for $660.0 million and Homemaker City, Maribyrnong for $20.0 million coupled with upward revaluations across the portfolio. As a result management fee income earned from GWSCF of $10.9 million has increased by $2.4 million as compared to 30 June 2017.

During May 2017, GPT acquired an additional 115.6 million securities in GWSCF for $116.6 million, increasing GPT's ownership interest from 25.29 per cent to 28.86 per cent. As a result of subsequent DRPs, GPT's ownership is now 28.68 per cent.

Management expenses
Management expenses decreased to $32.5 million (30 Jun 2017: $38.9 million) predominantly caused by higher intercompany income elimination and timing of expenses. In the first half of 2018 GPT's MER (Management Expense Ratio) is 29 basis points on a rolling annual basis (30 Jun 2017: 38 basis points), with the reduction also driven by strong portfolio revaluations.

Distribution
GPT's distribution policy is a payout ratio of approximately 95-105% of Adjusted Funds from Operations (AFFO) which is broadly defined as FFO less maintenance capex and lease incentives.

For the half year ended 30 June 2018, a distribution of 12.61 cents, up 2.5 per cent on the 30 June 2017 distribution of 12.3 cents, was declared on 22 June 2018 and is expected to be paid on 31 August 2018. The distribution represents a 97.7% payout ratio of AFFO.

DIRECTORS' REPORT

For the half year ended 30 June 2018

Financial position

	Net Assets 30 Jun 18 $M	Net Assets 31 Dec 17 [1] $M	Change %
Core			
Retail	**6,076.9**	5,938.4	2.3%
Office	**5,343.9**	4,884.4	9.4%
Logistics	**1,740.3**	1,639.3	6.2%
Total core assets	**13,161.1**	12,462.1	5.6%
Financing and corporate assets	**493.1**	495.2	(0.4%)
Total assets	**13,654.2**	12,957.3	5.4%
Borrowings	**3,522.2**	3,300.6	6.7%
Other liabilities	**514.4**	550.8	(6.6%)
Total liabilities	**4,036.6**	3,851.4	4.8%
Net assets	**9,617.6**	9,105.9	5.6%
Total number of ordinary stapled securities (million)	**1,804.9**	1,801.6	0.2%
NTA ($)	**5.31**	5.04	5.4%

(1) The 31 December 2017 net assets have been restated as a result of the adoption of new accounting standards. Refer to note 12.

Balance sheet

- Total core assets increased by 5.6 per cent primarily due to acquisitions, development capital expenditure and positive property revaluations.
- Total borrowings increased by $221.6 million due to acquisitions, development capital expenditure and fair value adjustments of $13.1 million to the carrying value of foreign currency debt.

Capital management

	30 Jun 18	30 Jun 17	Change
Cost of debt	**4.3%**	4.2%	Up by 10bps
	30 Jun 18	31 Dec 17	Change
Net gearing	**24.7%**	24.4%	Up by 30bps
Weighted average debt maturity	**6.6 years**	7.1 years	Down 0.5 years
Hedging	**79.0%**	76.0%	Up 3%
S&P / Moody's credit rating	**A stable / A2 stable**	A stable / A2 stable	Unchanged

GPT continues to maintain a strong focus on capital management, key highlights for the period include:

- Weighted average debt cost of 4.3 per cent. This has increased due to higher floating interest rates and higher margins.
- Net gearing [1] increased to 24.7 per cent (31 Dec 2017: 24.4 per cent), which is in line with the lower end of GPT's target gearing range of 25 to 35 per cent. This was a result of debt funding acquisitions and development capital expenditure during the period offset by strong revaluation gains.
- Available liquidity through cash and undrawn facilities (inclusive of forward starting facilities available to GPT) is $860.2 million (31 Dec 2017: $1,095.1 million).
- Net tangible assets reduced by a $1.1 million loss on net mark to market movements on derivatives and borrowings.

(1) Calculated net of cash and excludes any fair value adjustment on foreign bonds and their associated cross currency derivative asset positions.

DIRECTORS' REPORT
For the half year ended 30 June 2018

Cash flows
The cash balance as at 30 June 2018 decreased to $47.9 million (31 Dec 2017: $49.9 million).

The following table shows the reconciliation from FFO to the cash flow from the operating activities:

	30 June 2018 $M	30 June 2017 $M	Change %
FFO	**289.4**	279.8	3.4%
Less: non-cash items included in FFO	**(13.7)**	(5.6)	144.6%
Less: interest capitalised on developments	**(6.5)**	(11.8)	44.9%
Add/(less): net movement of inventory	**11.8**	(0.5)	Lge
Timing difference in receivables and payables	**(45.1)**	16.7	370.1%
Net cash inflows from operating activities	**235.9**	**278.6**	**(15.3%)**
Add: interest capitalised on developments	**6.5**	11.8	(44.9%)
(Less)/add: net movement of inventory	**(11.8)**	0.5	Lge
Less: dividend income from available for sale investment	**-**	(30.4)	100.0%
Less: maintenance capex	**(26.7)**	(21.4)	(24.8%)
Less: lease incentives (excluding rent free)	**(19.1)**	(10.5)	(81.9%)
Free cash flow	**184.8**	**228.6**	**(19.1%)**

The Non-IFRS information included above has not been specifically reviewed in accordance with Australian Auditing Standards, but has been derived from note 1 and note 8 of the accompanying financial statements.

Prospects
(i) Group
GPT is well positioned with high quality assets and high levels of occupancy. As at 30 June 2018, the Group's balance sheet is in a strong position, with a smooth, long debt expiry profile and net gearing at the lower end of the Group's target range of 25 to 35 per cent.

(ii) Retail
Australian retail sales grew 2.6 per cent for the year to 30 June 2018 led by the Eastern states. This has supported the performance of the GPT portfolio, with more than 85 per cent of the portfolio located in NSW and VIC. Total centre sales grew 2.3 per cent for the 12 months to 30 June 2018 whilst specialties sales per square metre grew 2.7 per cent.

(iii) Office
The Sydney and Melbourne office markets continued to deliver exceptional growth in net effective rents and asset valuations. The Sydney office market is expected to continue to enjoy favourable leasing conditions as supply remains limited until 2020. The Melbourne office market is expected to see an elevated level of supply in 2020 and 2021 however absorption is also expected to remain strong keeping vacancy rates low and upward momentum on net effective rents. GPT's office portfolio weighting to the Sydney and Melbourne markets should benefit from these favourable market conditions.

(iv) Logistics
The investment market for institutional grade product has been strong over the past 24 months, with quality assets and portfolios transacting at yields firmer than at previous market peaks. Despite a modest rental growth outlook, assets with long WALE, good rent review structures and secure covenants have been well sought after. The medium term outlook is for a stabilisation of yields and continued investment demand. GPT's desire to increase exposure to the sector will see a continued focus on development of the existing land bank.

(v) Funds management
GPT has a large 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, divestments and developments in line with the relevant investment objectives of each fund.

(vi) Guidance for 2018
In 2018 GPT expects to deliver approximately 3 per cent growth in FFO per ordinary security and approximately 3 per cent 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 Sustainability and Risk Committee and the Audit Committee support the Board and are responsible for overseeing and reviewing the effectiveness of the risk management framework. The Sustainability and Risk Committee, the Audit Committee and through them, 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.

DIRECTORS' REPORT
For the half year ended 30 June 2018

The risk appetite set by the Board considers the most significant, material risks to which GPT is exposed and provides the Board with ongoing monitoring of risk exposures which may arise over the short, medium and long term. The following table sets out material risks and issues, the potential impact to GPT and the ways in which they may be mitigated:

Risk Category	Risk / Issue	Potential Impact	Mitigation
Investment mandate	Investments do not perform in line with forecast	• Investments deliver lower investment performance than target • Credit downgrade	• Formal deal management process • Active asset management including regular forecasting and monitoring of performance • High quality property portfolio • Development program to enhance asset returns • Comprehensive asset insurance program
	Volatility and speed of adverse changes in market conditions	• Investments deliver lower investment returns than target	• Holistic capital management • Large multi asset portfolio • Monitoring of asset concentration
Development	Developments do not perform in line with forecast	• Developments deliver lower returns than target	• Formal development approval and management process
Leasing	Inability to lease assets in line with forecast	• Investments deliver lower investment performance than target	• Large and diversified tenant base • High quality property portfolio • Experienced leasing team • Development program to enhance asset returns
Capital management, including macro-economic factors	Re-financing and liquidity risk	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • May impact distributions • Failure to continue as a going concern	• Diversity of funding sources and spreading of debt maturities with a long weighted average debt term • Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve-month period
	Interest rate risk – higher interest rate cost than forecast	• Detrimental impact to investment performance • Adversely affect GPT's operating results	• Interest rate exposures are actively hedged
Health and safety	Incidents causing injury to tenants, visitors to the properties, employees and/or contractors	• Harm to our tenants, visitors to our properties, employees and/or contractors • Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Health and Safety management system including policies and procedures for managing safety • Training and education of our people and contractors
People and culture	Inability to attract, retain and develop talented people and provide an inclusive workplace in line with GPT's values This includes the consideration of risk culture and specifically conduct risk	• Failure to provide an environment that enables our people to excel and customers and communities to prosper • Limits the ability to achieve business objectives in line with our values	• Training and structured development planning to support our people • Monitoring of risk culture and conduct risk • Competitive remuneration • Succession planning and talent management • Diversity & Inclusion Working Group • Diversity & Inclusion policies, guidelines and training
Environmental and social sustainability	Inability to continue operating in a manner that does not compromise the health of ecosystems and meets accepted social norms This includes the consideration of climate change, energy, community and supply chain	• Negative impact to the communities, the environment and the ecosystems that GPT operates in • Limits the ability to deliver the business objectives and strategy • Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Environment and Sustainability management system including policies and procedures for managing environmental and social sustainability risks
Information security	Risk of loss of data, breach of confidentiality, regulatory breach (privacy) and/or reputational impact including as a result from a cyber attack	• Limits the ability to deliver the business objectives and strategy • Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Technology risk management framework • Privacy policy, guidelines and procedures

2. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2018 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in subsequent financial years.

3. 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
Vickki McFadden (appointed 1 March 2018, Chairman from 2 May 2018)
Rob Ferguson (resigned 2 May 2018)

(ii) Chief Executive Officer and Managing Director
Bob Johnston (appointed September 2015)

(iii) Non-Executive Directors
Brendan Crotty (appointed December 2009)
Eileen Doyle (appointed March 2010)
Swe Guan Lim (appointed March 2015)
Michelle Somerville (appointed December 2015)
Gene Tilbrook (appointed May 2010)

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 10 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 hundred thousand dollars unless otherwise stated (where rounding is applicable) under the option available to GPT 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 The GPT Group.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
13 August 2018

Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2018, 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.

S. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
13 August 2018

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THE GPT GROUP

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Half year ended 30 June 2018

	Note	30 Jun 18 $M	30 Jun 17 (1) $M
Revenue			
Rent from investment properties		**313.7**	301.9
Property and fund management fees		**39.5**	35.0
Development revenue		**22.4**	12.2
Development management fees		**2.8**	7.2
		378.4	356.3
Other income			
Fair value gain on investment properties		**264.3**	298.4
Share of after tax profit of equity accounted investments		**301.7**	287.4
Interest revenue		**0.7**	0.5
Gain on financial liability at amortised cost		**1.2**	1.1
		567.9	587.4
Total revenue and other income		**946.3**	943.7
Expenses			
Property expenses and outgoings		**78.1**	77.9
Management and other administration costs		**32.0**	38.1
Development costs		**20.9**	12.0
Depreciation expense		**1.1**	0.8
Amortisation expense		**2.6**	2.6
Impairment expense		**11.4**	2.9
Finance costs		**59.5**	47.7
Net loss on fair value movements of derivatives		**9.0**	3.0
Net impact of foreign currency borrowings and associated hedging loss		**0.7**	2.4
Total expenses		**215.3**	187.4
Profit before income tax expense		**731.0**	756.3
Income tax expense		**3.9**	5.7
Profit after income tax expense		**727.1**	750.6
Profit from discontinued operations		**1.4**	0.6
Net profit for the half year		**728.5**	751.2
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve		**8.0**	(0.4)
Movement in fair value of cash flow hedges		**(0.6)**	(0.9)
Revaluation of available for sale financial asset		**-**	0.8
Movement in net foreign exchange translation reserve		**(1.7)**	-
Total other comprehensive income		**5.7**	(0.5)
Total comprehensive income for the half year		**734.2**	750.7
Total comprehensive income for the half year from continuing operations		**734.5**	750.1
Total comprehensive (loss)/income for the half year from discontinued operations		**(0.3)**	0.6
Net profit attributable to:			
- Securityholders of the Trust		**716.9**	737.8
- Securityholders of other entities stapled to the Trust		**11.6**	13.4
Total comprehensive income attributable to:			
- Securityholders of the Trust		**724.3**	736.5
- Securityholders of other entities stapled to the Trust		**9.9**	14.2
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	5(a)	**39.7**	40.9
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) - profit from continuing operations	5(b)	**40.3**	41.7

(1) The 30 June 2017 Consolidated Statement of Comprehensive Income has been restated as a result of the adoption of new accounting standards. Refer to note 12.

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2018

	Note	30 Jun 18 $M	31 Dec 17 (1) $M
ASSETS			
Current assets			
Cash and cash equivalents		**47.9**	49.9
Trade receivables		**54.6**	48.4
Other receivables		**51.3**	47.5
Inventories		**5.6**	11.8
Derivative assets		**6.0**	3.4
Prepayments		**10.0**	7.0
Other assets		**11.4**	23.0
Total current assets		**186.8**	191.0
Non-current assets			
Investment properties	2	**9,239.7**	8,745.7
Equity accounted investments	3	**3,783.8**	3,561.8
Intangible assets		**29.2**	30.9
Inventories		**126.0**	140.4
Property, plant and equipment		**12.4**	9.9
Derivative assets		**254.0**	257.7
Deferred tax assets		**19.4**	16.9
Other assets		**2.9**	3.0
Total non-current assets		**13,467.4**	12,766.3
Total assets		**13,654.2**	12,957.3
LIABILITIES			
Current liabilities			
Payables		**369.3**	369.6
Current tax liabilities		**-**	8.6
Borrowings	7	**498.7**	19.9
Derivative liabilities		**15.3**	9.1
Provisions		**27.7**	43.2
Total current liabilities		**911.0**	450.4
Non-current liabilities			
Borrowings	7	**3,023.5**	3,280.7
Derivative liabilities		**100.0**	118.0
Provisions		**2.1**	2.3
Total non-current liabilities		**3,125.6**	3,401.0
Total liabilities		**4,036.6**	3,851.4
Net assets		**9,617.6**	9,105.9
EQUITY			
Securityholders of the Trust (parent entity)			
Contributed equity	4	**7,825.7**	7,814.8
Reserves		**(33.2)**	(40.6)
Retained earnings		**2,317.7**	1,828.4
Total equity of the Trust securityholders		**10,110.2**	9,602.6
Securityholders of other entities stapled to the Trust			
Contributed equity	4	**325.9**	325.7
Reserves		**49.3**	57.0
Accumulated losses		**(867.8)**	(879.4)
Total equity of other stapled securityholders		**(492.6)**	(496.7)
Total equity		**9,617.6**	9,105.9

(1) The 31 December 2017 Consolidated Statement of Financial Position has been restated as a result of the adoption of new accounting standards. Refer to note 12.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Half year ended 30 June 2018

		General Property Trust				Other entities stapled to the General Property Trust				
	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Accumulated losses $M	Total $M	Total equity $M
Equity attributable to Securityholders										
At 1 January 2017		7,804.3	(31.2)	1,022.8	8,795.9	325.5	59.5	(898.7)	(513.7)	8,282.2
Revaluation of available for sale financial asset net of tax		-	-	-	-	-	0.8	-	0.8	0.8
Movement in hedging reserve		-	(0.4)	-	(0.4)	-	-	-	-	(0.4)
Movement in fair value of cash flow hedges		-	(0.9)	-	(0.9)	-	-	-	-	(0.9)
Other comprehensive income for the half year		-	(1.3)	-	(1.3)	-	0.8	-	0.8	(0.5)
Profit for the half year		-	-	737.8	737.8	-	-	13.4	13.4	751.2
Total comprehensive income for the half year		-	(1.3)	737.8	736.5	-	0.8	13.4	14.2	750.7
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	4	10.4	-	-	10.4	0.2	-	-	0.2	10.6
Movement in employee incentive scheme reserve net of tax		-	-	-	-	-	(4.0)	-	(4.0)	(4.0)
Distributions paid and payable	6	-	-	(221.6)	(221.6)	-	-	-	-	(221.6)
At 30 June 2017 (1)		7,814.7	(32.5)	1,539.0	9,321.2	325.7	56.3	(885.3)	(503.3)	8,817.9
Equity attributable to Securityholders										
At 1 January 2018 (1)		**7,814.8**	**(40.6)**	**1,828.4**	**9,602.6**	**325.7**	**57.0**	**(879.4)**	**(496.7)**	**9,105.9**
Movement in foreign exchange translation reserve		**-**	**-**	**-**	**-**	**-**	**(1.7)**	**-**	**(1.7)**	**(1.7)**
Movement in hedging reserve		**-**	**8.0**	**-**	**8.0**	**-**	**-**	**-**	**-**	**8.0**
Movement in fair value of cash flow hedges		**-**	**(0.6)**	**-**	**(0.6)**	**-**	**-**	**-**	**-**	**(0.6)**
Other comprehensive income for the half year		**-**	**7.4**	**-**	**7.4**	**-**	**(1.7)**	**-**	**(1.7)**	**5.7**
Profit for the half year		**-**	**-**	**716.9**	**716.9**	**-**	**-**	**11.6**	**11.6**	**728.5**
Total comprehensive income for the half year		**-**	**7.4**	**716.9**	**724.3**	**-**	**(1.7)**	**11.6**	**9.9**	**734.2**
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	4	**10.9**	**-**	**-**	**10.9**	**0.2**	**-**	**-**	**0.2**	**11.1**
Movement in employee incentive scheme reserve net of tax		**-**	**-**	**-**	**-**	**-**	**(6.0)**	**-**	**(6.0)**	**(6.0)**
Distributions paid and payable	6	**-**	**-**	**(227.6)**	**(227.6)**	**-**	**-**	**-**	**-**	**(227.6)**
At 30 June 2018		**7,825.7**	**(33.2)**	**2,317.7**	**10,110.2**	**325.9**	**49.3**	**(867.8)**	**(492.6)**	**9,617.6**

(1) The 30 June 2017 Consolidated Statement of Changes in Equity and opening balance as at 1 January 2018 have been restated as a result of the adoption of new accounting standards. Refer to note 12.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
Half year ended 30 June 2018

	Note	30 Jun 18 $M	30 Jun 17 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**383.4**	368.5
Payments in the course of operations (inclusive of GST)		**(152.5)**	(146.7)
Proceeds from sale of inventories		**20.9**	4.7
Payments for inventories		**(7.4)**	(4.3)
Distributions received from equity accounted investments		**72.5**	84.9
Dividend received from available for sale investment		**-**	30.4
Interest received		**0.7**	0.5
Income taxes paid		**(15.0)**	(0.4)
Finance costs paid		**(66.7)**	(59.0)
Net cash inflows from operating activities	8	**235.9**	278.6
Cash flows from investing activities			
Payments for acquisition of investment properties		**(78.3)**	(33.0)
Payments for operating capital expenditure on investment properties		**(32.7)**	(32.3)
Payments for development capital expenditure on investment properties		**(108.4)**	(85.6)
Proceeds from disposal of assets		**-**	5.5
Payments for property, plant and equipment		**(4.1)**	(0.8)
Payments for intangibles		**(0.8)**	(2.7)
Investment in equity accounted investments		**(2.0)**	(152.3)
Capital return from joint venture		**1.9**	-
Net cash outflows from investing activities		**(224.4)**	(301.2)
Cash flows from financing activities			
Proceeds from borrowings		**952.4**	607.6
Repayment of borrowings		**(744.3)**	(383.2)
Payment for termination of derivatives		**-**	(3.1)
Distributions paid to securityholders		**(221.6)**	(214.0)
Net cash (outflows)/inflows from financing activities		**(13.5)**	7.3
Net decrease in cash and cash equivalents		**(2.0)**	(15.3)
Cash and cash equivalents at the beginning of the half year		**49.9**	56.3
Cash and cash equivalents at the end of the half year		**47.9**	41.0

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

These are the consolidated financial statements of the consolidated entity, the GPT Group (GPT), which consists of General Property Trust (the Trust), GPT Management Holdings Limited (the Company) and their controlled entities.

The notes to these financial statements have been organised into sections to help users find and understand the information they need to know. GPT has also provided additional information where it is helpful to understand GPT'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 GPT.
Notes 2 to 3 - Operating assets and liabilities: provides information on the assets and liabilities used to generate GPT's trading performance.
Notes 4 to 7 - Capital structure: outlines how GPT manages its capital structure and various financial risks.
Notes 8 to 13 - 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 GPT's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

The following judgements, estimates and assumptions have the potential to have a material impact on the financial statements:

Area of judgements and estimates	Assumptions underlying
Management rights with indefinite life	Impairment trigger and recoverable amounts
IT development and software	Impairment trigger and recoverable amounts
Inventories	Lower of cost and net realisable value
Deferred tax assets	Recoverability
Security based payments	Fair value
Investment properties	Fair value
Derivatives	Fair value
Investment in equity accounted investments	Assessment of control versus disclosure guidance

RESULT FOR THE HALF YEAR

1. SEGMENT INFORMATION

GPT's operating segments are described in the table below. The chief operating decision makers monitor the performance of the business on the basis of Funds from Operations (FFO) for each segment. FFO represents GPT's underlying and recurring earnings from its operations, and is determined by adjusting the statutory net profit after tax for items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia.

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed use) and management of predominantly regional and sub-regional shopping centres as well as GPT's equity investment in GPT Wholesale Shopping Centre Fund.
Office	Ownership, development (including mixed use) and management of prime CBD office properties with some associated retail space as well as GPT's equity investment in GPT Wholesale Office Fund.
Logistics	Ownership, development (including mixed use) and management of logistics and business park assets.
Funds Management	Management of two Australian wholesale property funds in the retail and office sectors.
Corporate	Cash and other assets and borrowings and associated hedges plus resulting net finance costs, management operating costs and income tax expense.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

(a) Segment financial information

30 June 2018
The segment financial information provided to the chief operating decision maker for the half year ended 30 June 2018 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	182.2	121.1	63.2	-	-	**366.5**
Property expenses and outgoings	b(iii)	(50.6)	(23.1)	(10.7)	-	-	**(84.4)**
Income from Funds	b(iv)	22.9	35.3	-	-	-	**58.2**
Fee income		7.5	3.3	0.1	28.6	-	**39.5**
Management & administrative expenses	b(v)	(5.2)	(3.7)	(0.8)	(7.5)	(14.0)	**(31.2)**
Operations Net Income		**156.8**	**132.9**	**51.8**	**21.1**	**(14.0)**	**348.6**
Development management fees		1.1	0.9	0.8	-	-	**2.8**
Development revenue	b(vi)	0.6	-	32.1	-	-	**32.7**
Development costs		0.2	-	(26.8)	-	-	**(26.6)**
Development management expenses	b(v)	(0.9)	(0.3)	(0.1)	-	-	**(1.3)**
Development Net Income		**1.0**	**0.6**	**6.0**	**-**	**-**	**7.6**
Interest income		-	-	-	-	0.7	**0.7**
Finance costs		-	-	-	-	(59.5)	**(59.5)**
Net Finance Costs		**-**	**-**	**-**	**-**	**(58.8)**	**(58.8)**
Segment Result Before Tax		**157.8**	**133.5**	**57.8**	**21.1**	**(72.8)**	**297.4**
Income tax expense	b(vii)	-	-	-	-	(8.0)	**(8.0)**
Funds from Operations (FFO)	b(i)	**157.8**	**133.5**	**57.8**	**21.1**	**(80.8)**	**289.4**

Reconciliation of segment assets and liabilities to the Statement of Financial Position

	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Current Assets						
Current assets	-	-	5.6	-	181.2	**186.8**
Total Current Assets	**-**	**-**	**5.6**	**-**	**181.2**	**186.8**
Non-Current Assets						
Investment properties	4,949.6	2,618.2	1,671.9	-	-	**9,239.7**
Equity accounted investments	1,051.9	2,721.9	-	-	10.0	**3,783.8**
Inventories	65.1	-	60.9	-	-	**126.0**
Other non-current assets	10.3	3.8	1.9	-	301.9	**317.9**
Total Non-Current Assets	**6,076.9**	**5,343.9**	**1,734.7**	**-**	**311.9**	**13,467.4**
Total Assets	**6,076.9**	**5,343.9**	**1,740.3**	**-**	**493.1**	**13,654.2**
Current and non-current liabilities	-	-	-	-	4,036.6	**4,036.6**
Total Liabilities	**-**	**-**	**-**	**-**	**4,036.6**	**4,036.6**
Net Assets	**6,076.9**	**5,343.9**	**1,740.3**	**-**	**(3,543.5)**	**9,617.6**

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

30 June 2017
The segment financial information provided to the chief operating decision maker for the half year ended 30 June 2017 is set out below:

Financial performance by segment

	Note	Retail	Office	Logistics	Funds Management	Corporate	Total
		$M	$M	$M	$M	$M	**$M**
Rent from investment properties	b(ii)	178.5	117.7	54.6	-	-	**350.8**
Property expenses and outgoings	b(iii)	(49.9)	(27.2)	(8.5)	-	-	**(85.6)**
Income from Funds	b(iv)	21.2	38.1	-	-	-	**59.3**
Fee income		7.5	2.4	0.1	25.0	-	**35.0**
Management & administrative expenses	b(v)	(5.3)	(3.7)	(1.1)	(7.5)	(14.2)	**(31.8)**
Operations Net Income		**152.0**	**127.3**	**45.1**	**17.5**	**(14.2)**	**327.7**
Development management fees		6.4	0.7	0.1	-	-	**7.2**
Development revenue	b(vi)	9.7	-	8.9	-	-	**18.6**
Development costs		(4.4)	-	(7.6)	-	-	**(12.0)**
Development management expenses	b(v)	(6.7)	(0.1)	(0.3)	-	-	**(7.1)**
Development Net Income		**5.0**	**0.6**	**1.1**	**-**	**-**	**6.7**
Interest income		-	-	-	-	0.5	**0.5**
Finance costs		-	-	-	-	(47.7)	**(47.7)**
Net Finance Costs		**-**	**-**	**-**	**-**	**(47.2)**	**(47.2)**
Segment Result Before Tax		**157.0**	**127.9**	**46.2**	**17.5**	**(61.4)**	**287.2**
Income tax expense	b(vii)	-	-	-	-	(7.4)	**(7.4)**
Funds from Operations (FFO)	b(i)	**157.0**	**127.9**	**46.2**	**17.5**	**(68.8)**	**279.8**

Reconciliation of segment assets and liabilities to the Statement of Financial Position – as at 31 December 2017

	Retail	Office	Logistics	Funds Management	Corporate	Total
Current Assets						
Current assets	-	-	11.8	-	179.2	**191.0**
Total Current Assets	**-**	**-**	**11.8**	**-**	**179.2**	**191.0**
Non-Current Assets						
Investment properties	4,818.7	2,379.4	1,547.6	-	-	**8,745.7**
Equity accounted investments (1)	1,047.1	2,504.7	-	-	10.0	**3,561.8**
Inventories	62.4	-	78.0	-	-	**140.4**
Other non-current assets	10.2	0.3	1.9	-	306.0	**318.4**
Total Non-Current Assets	**5,938.4**	**4,884.4**	**1,627.5**	**-**	**316.0**	**12,766.3**
Total Assets	**5,938.4**	**4,884.4**	**1,639.3**	**-**	**495.2**	**12,957.3**
Current and non-current liabilities	-	-	-	-	3,851.4	**3,851.4**
Total Liabilities	**-**	**-**	**-**	**-**	**3,851.4**	**3,851.4**
Net Assets	**5,938.4**	**4,884.4**	**1,639.3**	**-**	**(3,356.2)**	**9,105.9**

(1) The 31 December 2017 equity accounted investments balance has been restated as a result of the adoption of new accounting standards. Refer to note 12.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

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

	30 Jun 18 $M	30 Jun 17 [1] $M
(i) FFO to Net profit for the half year		
Segment result		
FFO	**289.4**	279.8
Adjustments		
Fair value gain on investment properties	**264.3**	298.4
Fair value gain and other adjustments to equity accounted investments	**207.5**	194.1
Amortisation of lease incentives and costs	**(23.5)**	(16.9)
Straightlining of rental income	**8.4**	4.4
Valuation increase	**456.7**	480.0
Net loss on fair value movement of derivatives	**(9.0)**	(3.0)
Net impact of foreign currency borrowings and associated hedging loss	**(0.7)**	(2.4)
Net foreign exchange loss	**(0.4)**	0.6
Gain on financial liability at amortised cost	**1.2**	1.1
Financial instruments mark to market and net foreign exchange loss	**(8.9)**	(3.7)
Net foreign exchange translation adjustment	**1.8**	-
Impairment expense	**(11.4)**	(2.9)
Other items	**0.9**	(2.0)
Total other items	**(8.7)**	(4.9)
Consolidated Statement of Comprehensive Income		
Net profit for the half year	**728.5**	751.2
(ii) Rent from investment properties		
Segment result		
Rent from investment properties	**366.5**	350.8
Less: share of rent from investment properties in equity accounted investments	**(37.7)**	(36.4)
Adjustments		
Amortisation of lease incentives and costs	**(23.5)**	(16.9)
Straightlining of rental income	**8.4**	4.4
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**313.7**	301.9
(iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	**(84.4)**	(85.6)
Less: share of property expenses and outgoings in equity accounted investments	**6.3**	7.7
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	**(78.1)**	(77.9)
(iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from Funds	**58.2**	59.3
Share of rent from investment properties in equity accounted investments	**37.7**	36.4
Share of property expenses and outgoings in equity accounted investments	**(6.3)**	(7.7)
Share of profit from associate	**4.0**	-
Development revenue	**0.6**	6.4
Adjustments		
Fair value gain and other adjustments to equity accounted investments	**207.5**	194.1
Transition to AASB 9	**-**	(1.1)
Consolidated Statement of Comprehensive Income		
Share of after tax profit of equity accounted investments	**301.7**	287.4
(v) Management and administration expenses		
Segment result		
Operations	**(31.2)**	(31.8)
Development	**(1.3)**	(7.1)
Less: depreciation expense	**1.1**	0.8
Add: other	**(0.6)**	
Consolidated Statement of Comprehensive Income		
Management and administration expenses	**(32.0)**	(38.1)

(1) The 30 June 2017 reconciliation of segment result to the statement of comprehensive income has been restated as a result of the adoption of new accounting standards. Refer to note 12.

OPERATING ASSETS AND LIABILITIES

	30 Jun 18 $M	30 Jun 17 $M
(vi) Development revenue		
Segment result		
Development revenue	**32.7**	**18.6**
Share of after tax profit of equity accounted investments	**(0.6)**	**(6.4)**
Adjustment		
Development revenue - equity accounted investments	**(9.7)**	**-**
Consolidated Statement of Comprehensive Income		
Development revenue	**22.4**	**12.2**
(vii) Income tax expense		
Segment result		
Income tax expense	**(8.0)**	**(7.4)**
Adjustment		
Tax impact of reconciling items from segment result to net profit for the half year	**4.1**	**1.7**
Consolidated Statement of Comprehensive Income		
Income tax expense	**(3.9)**	**(5.7)**

2. INVESTMENT PROPERTIES

	Note	30 Jun 18 $M	31 Dec 17 $M
Retail	(a)	**4,949.6**	4,818.7
Office	(b)	**2,490.4**	2,306.8
Logistics	(c)	**1,618.4**	1,498.6
Properties under development	(d)	**181.3**	121.6
Total investment properties	(e)	**9,239.7**	8,745.7

	Ownership interest (1) %	Acquisition date	Fair value 30 Jun 18 $M	Fair value 31 Dec 17 $M	Latest independent valuation date	Valuer
(a) Retail						
Casuarina Square, NT	50.0	Oct 1973	**302.2**	322.6	Jun 2018	Savills Australia
Charlestown Square, NSW	100.0	Dec 1977	**960.0**	924.8	Jun 2018	Knight Frank Valuations
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	**8.0**	6.6	Jun 2018	Knight Frank Valuations
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**435.0**	434.2	Jun 2018	CB Richard Ellis Pty Ltd
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	**12.0**	11.7	Jun 2018	CB Richard Ellis Pty Ltd
Westfield Penrith, NSW	50.0	Jun 1971	**713.5**	669.5	Jun 2018	M3 Property
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Sep 2004	**492.0**	449.3	Jun 2018	M3 Property
Plaza Parade, QLD	50.0	Jun 1999	**11.0**	10.0	Jun 2018	M3 Property
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**618.5**	606.8	Dec 2017	M3 Property
Melbourne Central, VIC - retail portion (2)	100.0	May 1999 / May 2001	**1,397.4**	1,383.2	Dec 2017	CB Richard Ellis Pty Ltd
Total Retail			**4,949.6**	4,818.7		
(b) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	**526.5**	444.2	Jun 2018	Colliers International
MLC Centre, Sydney, NSW	50.0	Apr 1987	**726.2**	662.2	Jun 2018	Jones Lang LaSalle
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**294.8**	293.7	Jun 2018	CB Richard Ellis Pty Ltd
Melbourne Central, VIC - office portion (2)	100.0	May 1999 / May 2001	**572.9**	546.7	Jun 2018	CB Richard Ellis Pty Ltd
Corner of Bourke and William, VIC	50.0	Oct 2014	**370.0**	360.0	Jun 2018	Urbis
Total Office			**2,490.4**	2,306.8		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Melbourne Central: 70.9% Retail and 29.1% Office (31 Dec 2017: 71.7% Retail and 28.3% Office). Melbourne Central - Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street.

	Ownership interest (1) %	Acquisition date	Fair value 30 Jun 18 $M	Fair value 31 Dec 17 $M	Latest independent valuation date	Valuer
(c) Logistics						
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	**83.5**	81.6	Dec 2017	CB Richard Ellis Pty Ltd
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	**26.5**	24.0	Jun 2018	M3 Property
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	**54.8**	51.5	Jun 2018	M3 Property
6 Herb Elliott Avenue, Sydney Olympic Park, NSW	* 100.0	Jun 2010	**12.4**	12.0	Jun 2018	Jones Lang LaSalle
8 Herb Elliott Avenue, Sydney Olympic Park, NSW	* 100.0	Aug 2004	**12.1**	11.7	Jun 2018	Jones Lang LaSalle
3 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Apr 2013	**24.5**	24.5	Jun 2018	Jones Lang LaSalle
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	**28.5**	26.7	Jun 2018	Jones Lang LaSalle
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	**15.5**	15.3	Jun 2018	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**82.3**	81.4	Dec 2017	CB Richard Ellis Pty Ltd
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**58.3**	58.3	Dec 2017	Colliers International
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**24.2**	24.2	Dec 2017	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**170.7**	170.5	Dec 2017	Jones Lang LaSalle
4 Holker Street, Newington, NSW	100.0	Mar 2006	**34.0**	33.0	Dec 2017	CB Richard Ellis Pty Ltd
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**24.9**	24.8	Dec 2017	CB Richard Ellis Pty Ltd
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**37.3**	34.6	Jun 2018	Savills Australia
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**78.0**	75.8	Jun 2018	Jones Lang LaSalle
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**34.9**	34.8	Dec 2017	Jones Lang LaSalle
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**33.2**	33.2	Dec 2017	Jones Lang LaSalle
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	**25.5**	25.5	Jun 2018	Jones Lang LaSalle
Corner Pine Road and Loftus Road, Yennora, NSW	100.0	Nov 2013	**54.0**	52.9	Jun 2018	M3 Property
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	**44.4**	44.3	Dec 2017	CB Richard Ellis Pty Ltd
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	**110.0**	108.0	Jun 2018	Savills Australia
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	**99.8**	98.1	Jun 2018	Savills Australia
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**100.1**	98.3	Jun 2018	Jones Lang LaSalle
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**149.5**	145.0	Jun 2018	M3 Property
1 Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**61.2**	50.9	Jun 2018	CB Richard Ellis Pty Ltd
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	**15.8**	15.0	Jun 2018	Savills Australia
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	**48.0**	42.7	Jun 2018	CB Richard Ellis Pty Ltd
Sunshine Business Estate, Sunshine, VIC (2)	100.0	Jan 2018	**74.5**	-	Jun 2018	CB Richard Ellis Pty Ltd
Total Logistics			**1,618.4**	1,498.6		
(d) Properties under development						
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**5.6**	5.6	Jun 2016	M3 Property
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**22.2**	21.7	Dec 2017	Jones Lang LaSalle
Lot 21, Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	**25.7**	21.7	-	-
4 Murray Rose Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	**85.0**	33.0	Jun 2018	Knight Frank Valuations
32 Smith, Parramatta, NSW	100.0	Mar 2017	**42.8**	39.6	-	-
Total Properties under development			**181.3**	121.6		

(3) On 24 January 2018 GPT acquired a 100% interest in 4 logistics assets in Sunshine, Victoria for total consideration of $78.3 million (including transaction costs of $4.3 million).

(e) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	For the 6 months to 30 Jun 18 $M	For the 12 months to 31 Dec 17 $M
Carrying amount at the beginning of the period	4,818.7	2,306.8	1,498.6	121.6	**8,745.7**	7,944.9
Additions - operating capital expenditure	13.4	7.9	1.3	-	**22.6**	50.9
Additions - development capital expenditure	55.8	7.5	10.7	40.7	**114.7**	215.8
Additions - interest capitalised (1)	3.4	-	0.3	2.8	**6.5**	8.6
Asset acquisitions	-	-	78.3	-	**78.3**	33.0
Transfers from inventory	-	-	-	-	**-**	2.8
Disposals	-	-	-	-	**-**	(5.5)
Fair value adjustments	49.7	170.7	27.7	16.2	**264.3**	481.0
Lease incentives	6.3	9.7	3.8	-	**19.8**	36.3
Leasing costs	2.0	0.8	0.1	-	**2.9**	5.1
Amortisation of lease incentives and costs	(6.7)	(12.7)	(4.1)	-	**(23.5)**	(38.9)
Straightlining of leases	7.0	(0.3)	1.7	-	**8.4**	11.7
Carrying amount at the end of the period	4,949.6	2,490.4	1,618.4	181.3	**9,239.7**	8,745.7

(1) A capitalisation interest rate of 4.9% (31 December 2017: 5.4%) has been applied when capitalising interest on qualifying assets.

3. EQUITY ACCOUNTED INVESTMENTS

	Note	30 Jun 18 $M	31 Dec 17 $M
Investments in joint ventures	(i)	**1,264.6**	1,135.0
Investments in associates (3)	(ii)	**2,519.2**	2,426.8
Total equity accounted investments		**3,783.8**	3,561.8

Details of equity accounted investments

Name	Principal Activity	Ownership Interest 30 Jun 18 %	Ownership Interest 31 Dec 17 %	30 Jun 18 $M	31 Dec 17 $M
(i) Joint ventures					
2 Park Street Trust (1)	Investment property	50.00	50.00	**698.3**	630.1
1 Farrer Place Trust (1)	Investment property	50.00	50.00	**528.2**	465.9
Horton Trust	Investment property	50.00	50.00	**27.2**	27.0
Lendlease GPT (Rouse Hill) Pty Limited (1) (2)	Property development	50.00	50.00	**10.8**	11.9
DPT Operator Pty Limited	Management	50.00	50.00	**0.1**	0.1
Total investment in joint venture entities				**1,264.6**	1,135.0
(ii) Associates					
GPT Wholesale Office Fund (1) (3)	Investment property	24.75	24.95	**1,495.3**	1,408.6
GPT Wholesale Shopping Centre Fund (1)	Investment property	28.68	28.80	**1,013.9**	1,008.2
GPT Funds Management Limited	Funds management	100.00	100.00	**10.0**	10.0
Total investments in associates				**2,519.2**	2,426.8

(1) The entity has a 30 June balance date.
(2) GPT 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 31 December 2017 balance of investments in associates has been restated as a result of the adoption of new accounting standards. Refer to note 12.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

CAPITAL STRUCTURE

4. EQUITY

	Number	Trust $M	Other entities stapled to the Trust $M	Total $M
Ordinary stapled securities				
Opening securities on issue at 1 January 2017	1,797,955,568	7,804.3	325.5	8,129.8
Securities issued - Long Term Incentive Plan	2,763,052	6.0	0.1	6.1
Securities issued - Deferred Short Term Incentive Plan	855,355	4.2	0.1	4.3
Securities issued - Broad Based Employee Security Ownership Plan	54,338	0.2	-	0.2
Closing securities on issue and contributed equity at 30 June 2017	1,801,628,313	7,814.7	325.7	8,140.4
Opening securities on issue at 1 January 2018	**1,801,640,882**	**7,814.8**	**325.7**	**8,140.5**
Securities issued - Long Term Incentive Plan	**2,332,026**	**6.6**	**0.1**	**6.7**
Securities issued - Deferred Short Term Incentive Plan	**875,344**	**4.1**	**0.1**	**4.2**
Securities issued - Broad Based Employee Security Ownership Plan	**42,174**	**0.2**	**-**	**0.2**
Closing securities on issue and contributed equity at 30 June 2018	**1,804,890,426**	**7,825.7**	**325.9**	**8,151.6**

5. EARNINGS PER STAPLED SECURITY

	30 Jun 18 Cents	30 Jun 18 Cents	30 Jun 17 (1) Cents
(a) Attributable to ordinary securityholders of the Trust	**Basic**	**Diluted**	Basic and Diluted
Basic and diluted earnings per security - profit from continuing operations	**39.7**	**39.6**	40.9
Basic and diluted earnings per security - profit from discontinued operations	**0.1**	**0.1**	-
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**39.8**	**39.7**	40.9
(b) Attributable to ordinary stapled securityholders of the GPT Group			
Basic and diluted earnings per security - profit from continuing operations	**40.3**	**40.3**	41.7
Basic and diluted earnings per security - profit from discontinued operations	**0.1**	**0.1**	-
Total basic and diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group	**40.4**	**40.4**	41.7

The earnings and weighted average number of ordinary securities (WANOS) 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	**$M**	**$M**	$M
Net profit from continuing operations attributable to the securityholders of the Trust	**715.5**	**715.5**	737.2
Net profit from discontinued operations attributable to the securityholders of the Trust	**1.4**	**1.4**	0.6
Basic and diluted earnings of the Trust	**716.9**	**716.9**	737.8
Basic and diluted earnings of the Company	**11.6**	**11.6**	13.4
Basic and diluted earnings of The GPT Group	**728.5**	**728.5**	751.2

(d) WANOS	**Millions**	**Millions**	Millions
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,803.9**	**1,803.9**	1,800.5
Performance security rights at weighted average basis (2)		**2.5**	1.9
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		**1,806.4**	1,802.4

(1) The 30 June 2017 basic and diluted earnings per security has been restated as a result of the adoption of new accounting standards. Refer to note 12.
(2) 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.

6. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT securityholders half yearly.

	Cents per stapled security	Total amount $M
Distributions paid / payable		
2018		
6 month period ended 30 June 2018 (1)	**12.61**	**227.6**
Total distributions paid / payable for the half year	**12.61**	**227.6**
2017		
6 month period ended 30 June 2017	12.30	221.6
Total distributions paid / payable for the half year	12.30	221.6

(1) June 2018 half yearly distribution of 12.61 cents per stapled security was declared on 22 June 2018 and is expected to be paid on 31 August 2018 based on a record date of 29 June 2018.

7. BORROWINGS

	30 Jun 18 $M	31 Dec 17 $M
Current borrowings at amortised cost - unsecured	**401.5**	-
Current borrowings at amortised cost - secured	**97.2**	19.9
Current borrowings	**498.7**	19.9
Non-current borrowings at amortised cost - unsecured	**1,641.8**	1,911.9
Non-current borrowings at fair value through profit and loss - unsecured	**1,381.7**	1,280.5
Non-current borrowings at amortised cost - secured	**-**	88.3
Non-current borrowings	**3,023.5**	3,280.7
Total borrowings (1) - carrying amount	**3,522.2**	3,300.6
Total borrowings (2) - fair value	**3,576.4**	3,347.8

(1) Including unamortised establishment costs, fair value and other adjustments.
(2) For the majority of borrowings, the carrying amount is a reasonable approximation of fair value. Where material differences arise, the fair value is calculated using market observable inputs (level 2) and unobservable inputs (level 3). This excludes unamortised establishment costs.

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

The maturity profile of borrowings as at 30 June 2018 is provided below:

	Total facility (1)(2)(3) $M	Used facility (1) $M	Unused facility (2)(3) $M
Due within one year	499.7	498.9	0.8
Due between one and five years	2,100.0	1,137.0	963.0
Due after five years	1,696.8	1,696.8	-
	4,296.5	**3,332.7**	**963.8**
Cash and cash equivalents			**47.9**
Total financing resources available at the end of the half year			**1,011.7**
Less: commercial paper (4)			**(151.5)**
Total financing resources available at the end of the half year			**860.2**

(1) Excluding unamortised establishment costs, and fair value and other adjustments. This reflects the contractual cashflows payable on maturity of the borrowings taking into account historical exchange rates under cross currency swaps entered into to hedge the foreign currency denominated borrowings.
(2) Drawings on GPT's uncommitted commercial paper program are in addition to GPT's committed facilities and are classified as current borrowings. These drawings may be refinanced by non-current unsecured undrawn bank loan facilities.
(3) Including $200 million of forward starting facilities available to GPT.
(4) GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is therefore excluded from available liquidity.

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:

- Gearing: total debt must not exceed 50% of total tangible assets; and
- Interest coverage: the ratio of earnings before interest and taxes (EBIT) to finance costs is not to be less than 2 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants at 30 June 2018 and no breaches were identified.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

OTHER DISCLOSURE ITEMS

8. CASH FLOW INFORMATION

Reconciliation of net profit for the half year to net cash inflows from operating activities:

	30 Jun 18 $M	30 Jun 17 [(1)] $M
Net profit for the half year	**728.5**	751.2
Fair value gain on investment properties	**(264.3)**	(298.4)
Fair value loss on derivatives	**9.0**	3.0
Net impact of foreign currency borrowings and associated hedging loss	**0.7**	2.4
Gain on financial liability at amortised cost	**(1.2)**	(1.1)
Impairment expense	**11.4**	2.9
Share of after tax profit of equity accounted investments (net of distributions)	**(220.6)**	(206.5)
Loss on disposal of assets	**(1.8)**	-
Depreciation and amortisation	**3.7**	3.4
Non-cash employee benefits - security based payments	**5.0**	6.1
Non-cash revenue adjustments	**6.7**	3.8
Interest capitalised	**(6.5)**	(11.8)
Profit on sale of inventories	**(1.7)**	(0.9)
Proceeds from sale of inventories	**20.9**	4.7
Payment for inventories	**(7.4)**	(4.3)
(Increase)/decrease in operating assets	**(19.1)**	28.3
Decrease in operating liabilities	**(30.1)**	(6.3)
Net foreign exchange loss/(gain)	**0.4**	(0.6)
Other	**2.3**	2.7
Net cash inflows from operating activities	**235.9**	278.6

(1) The 30 June 2017 cash flow reconciliation has been restated as a result of the adoption of new accounting standards. Refer to note 12.

9. COMMITMENTS

(a) Capital expenditure commitments
Commitments arising from contracts principally relating to the purchase and development of investment properties contracted for at balance date but not recognised in the Consolidated Statement of Financial Position:

	30 Jun 18 $M	31 Dec 17 $M
Retail	**107.3**	101.2
Office	**19.3**	23.1
Logistics	**11.1**	6.1
Properties under development	**34.7**	48.3
Corporate	**0.9**	1.4
Total capital expenditure commitments	**173.3**	180.1

(b) Operating lease commitments
Operating lease commitments are contracted non-cancellable future minimum lease payments expected to be payable but not recognised in the Consolidated Statement of Financial Position:

	30 Jun 18 $M	31 Dec 17 $M
Due within one year	**6.9**	3.2
Due between one and five years	**16.7**	6.2
Over five years	**13.3**	-
Total operating lease commitments	**36.9**	9.4

(c) Capital commitments relating to equity accounted investments
GPT's share of equity accounted investments' capital commitments at balance date are set out below:

	30 Jun 18 $M	31 Dec 17 $M
Capital expenditure	**44.7**	31.8
Total joint ventures and associates' commitments	**44.7**	31.8

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2018

10. FAIR VALUE DISCLOSURES

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 in the table below:

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy (1)	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 June 2018	Unobservable inputs 31 Dec 2017
Derivative financial instruments	Level 2	Discounted cash flow (DCF) (adjusted for counterparty credit worthiness)	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable - all inputs are market observable inputs	
	Level 3		Interest rates	Not applicable - market observable input	
			CPI volatility	0.89%	0.91%
Foreign currency borrowings	Level 2	DCF	Interest rates Foreign exchange rates	Not applicable - all inputs are market observable inputs	

(1) 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).

Counterparty credit worthiness	Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

(b) Movements in level 3 financial instruments
The following table presents the changes in level 3 instruments for recurring fair value measurements. GPT's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Financial assets at fair value through profit and loss $M	Derivative liabilities $M	Total $M
Opening balance 1 January 2017	9.3	(12.3)	(3.0)
Fair value movements in profit or loss	-	7.2	7.2
Transfers from level 3 to level 2	(9.3)	-	(9.3)
Closing balance 31 December 2017	-	(5.1)	(5.1)
Opening balance 1 January 2018	**-**	**(5.1)**	**(5.1)**
Fair value movements in profit or loss	-	**3.7**	**3.7**
Closing balance 30 June 2018	**-**	**(1.4)**	**(1.4)**

(c) Sensitivities
The table below summarises the impact from the change of significant inputs on GPT's profit and equity for the period.

	Change of significant input	30 Jun 18 $M	31 Dec 17 $M
Fair value of level 3 derivatives		**(1.4)**	(5.1)
	1% increase in interest rates - gain	**0.5**	1.4
	1% decrease in interest rates - loss	**(0.5)**	(1.5)

11. ACCOUNTING POLICIES

(a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*;
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis in the belief that GPT 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 net deficiency of current assets over current liabilities at 30 June 2018 of $724.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders and borrowings due within 12 months. GPT has access to undrawn financing facilities of $963.8 million as set out in note 7;
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies with 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 hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2017 and any public announcements made by GPT during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules. Comparatives in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and notes to the financial statements have been restated to the current year presentation. There was no effect on the profit for the year.

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 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.

The interim financial report was approved by the Board of Directors on 13 August 2018.

(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 the adoption of AASB 9 *Financial Instruments: Recognition and Measurement* and AASB 15 *Revenue from Contracts with Customers* and other new and amended standards and interpretations commencing 1 January 2018 which have been adopted where applicable.

New and amended accounting standards and interpretations commencing 1 January 2018

GPT has adopted AASB 9 and AASB 15 at 1 January 2018. AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. AASB 15 contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time.

There have been no significant changes to GPT'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 2018, with the exception of the adoption of AASB 9. The impact of AASB 9 is a $1.1 million reduction in the value of equity accounted investments and retained earnings in equity. Refer to note 12 (a). There has been no financial impact as a result of adopting AASB 15 and new disclosures have been included where required.

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2018

(c) Changes in accounting policies

AASB 9 *Financial Instruments*

The requirements of AASB 9 represent a significant change from AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effects of the key changes to GPT's accounting policies resulting from the adoption of AASB 9 are summarised below.

(i) Classification and measurement of financial assets and financial liabilities

On 1 January 2018 (the date of initial application of AASB 9), GPT's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate AASB 9 categories. The adoption of AASB 9 has not impacted the carrying value of financial assets but has resulted in classification changes on initial application at 1 January 2018 which is shown in the following table:

	Original classification under AASB 139	New classification under AASB 9	Original carrying amount under AASB 139 31 Dec 17 $M	New carrying amount under AASB 9 31 Dec 17 $M
Financial Assets				
Trade receivables	Loans and receivables	Financial assets at amortised cost	48.4	48.4
Other receivables	Loans and receivables	Financial assets at amortised cost	47.5	47.5
Other assets	Loans and receivables	Financial assets at amortised cost	23.0	23.0
Available for sale financial asset	Available for sale financial asset	Financial assets at fair value through profit and loss	-	-

Loans and receivables are classified and measured at amortised cost. GPT holds these financial assets in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding. Available for sale financial assets are classified and measured at fair value through profit and loss.

AASB 9 requires that all financial liabilities be subsequently classified at amortised cost, except in certain circumstances. None of these circumstances apply to GPT and accordingly there is no change to the classification of GPT's payables and borrowings on adoption of AASB 9.

(ii) Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. GPT has assessed the impact of the adoption of an ECL model under AASB 9 and an adjustment to the opening balance has been recognised (see note 12 (a)). See section (iv) 'Recoverability of loans and receivables' section below for details on how ECL amounts are determined.

(iii) Derivatives and hedge accounting

On 1 January 2018 (the date of initial application of AASB 9), GPT has elected to adopt the new general hedge accounting model in AASB 9. There has been no impact with the adoption of AASB 9 on GPT's derivatives and hedge accounting. GPT's risk management strategies and hedge documentation are aligned with the requirements of AASB 9 and therefore hedging relationships are treated as continuing.

(iv) Accounting policies

Policy applicable from 1 January 2018

AASB 9 contains three principal classification categories for financial assets:

- measured at amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Loans and receivables

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the ECL model.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of loans and receivables
At each reporting date, GPT assesses whether financial assets carried at amortised cost are ‘credit-impaired’. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

GPT recognises loss allowances at an amount equal to lifetime ECL on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the trade receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to GPT in accordance with the contract and the cash flows that GPT expects to receive).

GPT analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL. Other current observable data may include:

- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
- conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Derivatives and hedge accounting
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. For cash flow hedges, the effective portion of changes in the fair value of derivatives is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When cross currency interest rate swaps are used to hedge the market risks of borrowings denominated in foreign currencies, GPT does not designate the currency basis spread as part of the hedging instrument within the hedge relationship.

Currency basis spread is a liquidity premium that is charged for exchanging different currencies, and changes over time impacting the fair value of cross currency swaps. The changes in the fair value of currency basis spread are recognised in other comprehensive income in the hedging reserve in equity. Until 31 December 2017, GPT recognised these changes in the cash flow hedge reserve.

(v) Transition
Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively.

The impact on GPT’s previously reported financial position at 30 June 2017 and 31 December 2017, as a result of the adoption AASB 9 and its application retrospectively, is detailed in note 12 (a).

AASB 15 *Revenue from Contracts with Customers*
The requirements of AASB 15 replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. AASB 15 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.

(vi) Classification and measurement of revenue
Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller’s performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

The table below summarises the changes in terminology with respect to the timing of revenue recognition between AASB 111 and AASB 118 compared to AASB 15 and the new revenue recognition policies under AASB 15. From our assessment of when performance obligations are satisfied, there is no change in the timing of revenue recognition when comparing the previous accounting policies to those now under AASB 15.

Type of revenue	Description	Revenue recognition policy under AASB 111 and AASB 118	Revenue recognition policy under AASB 15
Recoveries revenue	The Group recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration is due 30 days from invoice date. Should any adjustment be required based on actual costs incurred, this is recognised in the statement of financial performance within the same reporting period and billed annually.	Recognised on an accruals basis based on the contract terms	Over time
Recharge revenue	The Group recovers costs for any additional specific services requested by the lessee under the lease agreement. These costs are recovered in accordance with specific clauses within the lease agreements. Revenue from recharges is recognised as the services are provided. The lessee is invoiced on a monthly basis, where applicable. Consideration is due 30 days from invoice date.	Revenue recognised when costs are incurred	Point in time
Fund management fees	The Company provides fund management services to GPT Wholesale Office Fund (GWOF) and GPT Wholesale Shopping Centre Fund (GWSCF) (the Funds) in accordance with the Funds constitutions. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the relevant constitution. The fees are invoiced on a quarterly basis and consideration is payable within 21 days of the quarter end.	Recognised on an accruals basis based on the contract terms.	Over time
Fee income - property management fees	The Company provides property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements. Should an adjustment, as calculated in accordance with the property services agreement be required, this is recognised in the statement of financial performance within the same reporting period.	Recognised on an accruals basis based on the contract terms.	Over time
Fee income - property management leasing fees - over time	Under some property management agreements, the Company provides a lease management service to the owners. These services are delivered on an ongoing basis and revenue is recognised monthly, calculated in accordance with the property management agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Recognised on an accruals basis based on the contract terms.	Over time
Fee income - property management leasing fees - point in time	Under some property management agreements, the Company provides a lease management service to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Recognised in the period in which the services are rendered.	Point in time
Development management fees	The Company provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	If the agreement includes an hourly fee, the revenue is recognised in the period in which the services are rendered.	Point in time
		If the agreement includes a fixed price, the revenue is recognised in proportion to the value of the works delivered until the completion of the associated development works.	Over time
Development revenue	The Company provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated in accordance with the specific agreement and invoiced in accordance with the contract terms. Consideration is due from the customer based on the specific terms agreed in the contract and is recognised when the Company has control of the benefit.	Recognised in the period in which the services are rendered.	Point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Company in accordance with a specific contract entered into with another party for the delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	When significant risk and rewards are transferred.	Point in time

(vii) Transition

Changes in accounting policies resulting from the adoption of AASB 15 have been applied retrospectively. There has been no impact on GPT's previously reported financial position as a result of the adoption AASB 15.

(d) New accounting standards and interpretations issued but not yet applied
The following standards and amendments to standards are relevant to GPT.

Reference	Description	Application of Standard
AASB 16 *Leases*	AASB 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. Where GPT is the lessee, this new treatment will result in recognition of a right of use asset along with the associated lease liability in the Consolidated Statement of Financial Position and both a depreciation and interest charge in the Consolidated Statement of Comprehensive Income. In contrast, lessor accounting will remain similar to current practice. The new leasing model requires the recognition of operating leases on the Consolidated Statement of Financial Position. In relation to these operating leases, if GPT had adopted the new standard from 1 January 2018, management estimates that net profit before tax for the half year ended 30 June 2018 would increase by approximately $0.1 million. Assets at 30 June 2018 would increase by approximately $5.1 million and liabilities would increase by approximately $6.6 million. In addition, lease liabilities arising from leasehold arrangements which are currently recognised as a component of Investment Properties will be separately disclosed in the Statement of Financial Position.	1 January 2019

12. ADOPTION OF NEW ACCOUNTING STANDARDS

(a) AASB 9 *Financial Instruments* - impact of adoption
As set out in note 11, GPT has adopted AASB 9. The impact on GPT's 30 June 2017 Consolidated Statement of Comprehensive Income and 31 December 2017 Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity as a result of applying AASB 9 retrospectively is as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Extract)	30 Jun 17 Prior year $M	Decrease $M	**30 Jun 17 Restated $M**
Other income			
Share of after tax profit of equity accounted investments	288.5	(1.1)	**287.4**
	588.5	(1.1)	**587.4**
Total revenue and other income	944.8	(1.1)	**943.7**
Profit before income tax expense	757.4	(1.1)	**756.3**
Profit after income tax expense	751.7	(1.1)	**750.6**
Net profit for the half year	752.3	(1.1)	**751.2**
Total comprehensive income for the half year	751.8	(1.1)	**750.7**
Total comprehensive income for the half year from continuing operations	752.3	(1.1)	**751.2**
Net profit attributable to:			
- Securityholders of the Trust	738.9	(1.1)	**737.8**
Total comprehensive income attributable to:			
- Securityholders of the Trust	737.6	(1.1)	**736.5**
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	41.0	(0.1)	**40.9**

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Extract)	31 Dec 17 Prior year $M	Decrease $M	**31 Dec 17 Restated $M**
ASSETS			
Non-current assets			
Equity accounted investments	3,562.9	(1.1)	**3,561.8**
Total non-current assets	12,767.4	(1.1)	**12,766.3**
Total assets	12,958.4	(1.1)	**12,957.3**
EQUITY			
Securityholders of the Trust (parent entity)			
Retained earnings	1,829.5	(1.1)	**1,828.4**
Total equity of the Trust securityholders	9,603.7	(1.1)	**9,602.6**
Total equity	9,107.0	(1.1)	**9,105.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Extract)	**Retained earnings $M**	**Total $M**	**Total equity $M**
Half year ended 30 June 2017			
Equity attributable to Securityholders			
Profit for the half year	738.9	738.9	752.3
Decrease	(1.1)	(1.1)	(1.1)
Profit for the half year - restated	**737.8**	**737.8**	**751.2**
Total comprehensive income for the half year	738.9	737.6	751.8
Decrease	(1.1)	(1.1)	(1.1)
Total comprehensive income for the half year - restated	**737.8**	**736.5**	**750.7**
Equity attributable to Securityholders at 30 June 2017	1,540.1	9,322.3	8,819.0
Decrease	(1.1)	(1.1)	(1.1)
Equity attributable to Securityholders at 30 June 2017 - restated	**1,539.0**	**9,321.2**	**8,817.9**

(b) AASB 15 *Revenue from Contracts with Customers* - impact of adoption

As set out in note 11, GPT has adopted AASB 15. There has been no changes to GPT's financial performance and position as a result of the adoption of this standard.

Lease Revenue

	30 Jun 18				30 Jun 17			
	Retail $M	**Office $M**	**Logistics $M**	**Total $M**	Retail $M	Office $M	Logistics $M	Total $M
Segment Result								
Lease revenue	**139.4**	**69.8**	**58.0**	**267.2**	138.3	68.0	50.7	257.0
Recovery of operating costs	**41.8**	**14.6**	**5.2**	**61.6**	39.3	14.2	3.9	57.4
Share of rent from investment properties in equity accounted investments	**1.0**	**36.7**	**-**	**37.7**	0.9	35.5	-	36.4
	182.2	**121.1**	**63.2**	**366.5**	178.5	117.7	54.6	350.8
Less:								
Share of rent from investment properties in equity accounted investments				**(37.7)**				(36.4)
Amortisation of lease incentives and costs				**(23.5)**				(16.9)
Straightlining of leases				**8.4**				4.4
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**313.7**				301.9

Rent from investment properties

Rent from investment properties is recognised and measured in accordance with AASB 117 *Leases*. In addition to revenue generated directly from the lease, rent from investment properties includes non-lease revenue earned from tenants, predominantly in relation to recovery of asset operating costs, which is recognised and measured under AASB 15 *Revenue from Contracts with Customers*. Details on the classification and measurement of this non-lease revenue is disclosed in note 11 (vi).

13. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2018 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in subsequent financial years.

DIRECTORS' DECLARATION

Half year ended 30 June 2018

In the Directors of the Responsible Entity's opinion:

(a) The consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
   - complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   - giving a true and fair view of GPT's financial position at 30 June 2018 and of its performance for the half year ended on that date; and

(b) There are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 30 June 2018 of $724.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders and borrowings due within 12 months. GPT has access to undrawn financing facilities of $963.8 million as set out in note 7 to the financial statements.

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 a resolution of the Directors.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT RE Limited

Sydney
13 August 2018

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Property Trust (the Trust), which comprises the consolidated statement of financial position as at 30 June 2018, 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, a summary of significant accounting policies, other explanatory notes and the directors of the Responsible Entity's declaration for The GPT Group (the group). The group comprises the Trust and the entities it controlled during that half-year, including GPT Management Holdings Limited and its controlled entities.

Directors of the Responsible Entity's responsibility for the half-year financial report

The directors of the Responsible Entity of the Trust 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 of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 group's financial position as at 30 June 2018 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*.

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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:

1. giving a true and fair view of the group's financial position as at 30 June 2018 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

S. Horl

Buckman

Susan Horlin
Partner

Bianca Buckman
Partner

Sydney
13 August 2018