



**The GPT Group**  
**ABN: 58 071 755 609**

**Interim Financial Report**  
**30 June 2008**

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

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2007 and any public announcements made by the GPT Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

## The GPT Group

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## The GPT Group

### DIRECTORS' REPORT

for the half year ended 30 June 2008

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report for the half year ended 30 June 2008.

#### 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)**

Peter Joseph

(ii) **Non-executive Directors**

Eric Goodwin

Malcolm Latham

Ian Martin

Anne McDonald

Ken Moss

Elizabeth Nosworthy (resigned 21 August 2008)

(iii) **Executive Director**

Nic Lyons

#### Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2007 and were:

- investment in income producing retail, office, industrial, business parks, residential and seniors housing properties
- development of retail, office, industrial and business park properties
- property trust management
- property management
- funds management
- hotel management, and
- residential property development

Subsequent to the period end the Directors' have announced the marketing of assets in the Hotels and Tourism portfolio.

The Group continues to operate in Australia, Europe and the United States of America.

## The GPT Group

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

#### Review and results of operations

The financial performance by portfolio are summarised below:

	30 Jun 2008	30 Jun 2007
	\$M	\$M
Profit / (loss) before income taxation	(67.7)	737.1
Income tax expense	-	-
Net profit / (loss) for the half year	(67.7)	737.1

#### Distributions

	30 Jun 2008	30 Jun 2007
	cents	cents
Distribution per stapled security **	11.4	14.3

\* This includes the March 2008 quarterly distribution of 7.2 cents paid on 27 May 2008 (\$154.7 million) and the June 2008 quarterly distribution of 4.2 cents (\$92.4 million) which is expected to be paid on 26 September 2008.

## The GPT Group

### DIRECTORS' REPORT

for the half year ended 30 June 2008

#### Distributions (continued)

No provision for the June quarterly distribution has been recognised in the balance sheet at 30 June 2008 as the distribution was not declared until 26 August 2008, which was after the end of the half year.

#### Significant changes in the state of affairs

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

- GPT received development approval for a new landmark office tower in Brisbane, QLD. Subsequently GPT agreed to sell two separate one third interests in the project. This transaction is expected to be finalised in the second half of the year. Construction of the building, to be known as One One One Eagle Street, commenced in May.
- As a result of difficult market conditions, GPT Halverton deferred the launch of the Northern European Light Industrial Fund (NELI) which was planned for this period.
- Due to continued losses in the European Funds Management business the value of the goodwill has been impaired by \$121.8 million to nil.

#### Events subsequent to the end of the half year

Except for the events listed below, the Directors are not aware of any matter or circumstance occurring since the end of the half year:

- On 7 July GPT revised full year realised operating income guidance to \$464.0 million and distribution per stapled security forecast of 20 cents. Subsequent to this announcement Standard & Poor's lowered GPT's credit rating to BBB. There was no change to the credit rating of Baa1 from Moodys.
- Distribution payout ratio – GPT will now distribute approximately 90-100% of operating income excluding development profits. The exact percentage will be determined based on the composition of operating income, capital management strategies of the Group, and general market conditions, as well as taking into account taxation consequences for trust distributions.
- A review of the operations of the European Funds Management business was completed and on 7 July a restructure program announced. The aim of this program is to reduce the operating costs of the business by 30%. This is to be achieved by reducing the number of offices together with outsourcing aspects of the back office operations of the business.
- GPT has appointed sales agents to market non-core assets, comprising the Hotels and Tourism portfolio, the Homemaker City retail portfolio and the Floreat Forum Shopping Centre.

#### Rounding of amounts

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

#### Auditor

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

#### Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Directors.



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Peter Joseph  
Chairman



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Nic Lyons  
Executive Director

Sydney  
26 August 2008

PricewaterhouseCoopers  
ABN 52 780 433 757

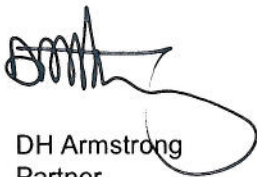
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**Auditor's Independence Declaration**

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2008, 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 the General Property Trust and the entities it controlled during the period.



DH Armstrong  
Partner  
PricewaterhouseCoopers

Sydney  
26 August 2008

The GPT Group

**CONSOLIDATED INCOME STATEMENT**

for the half year ended 30 June 2008

	Note	30 Jun 2008 \$M	30 Jun 2007 \$M
<b>Revenue</b>			
Rent from property investments		267.1	252.3
Revenue from hotel operations		92.9	99.8
Property, fund and development management fees		46.1	17.6
Proceeds from the sale of warehoused property investments		13.6	-
		<b>419.7</b>	<b>369.7</b>
<b>Other income</b>			
Fair value adjustments to investment properties		115.5	224.0
Share of after tax profits/(losses) of equity accounted investments		(74.8)	194.7
Interest revenue - joint venture investment arrangements		61.9	44.1
Interest revenue - cash and short term money market securities		5.6	10.7
Dividend from investments		0.2	-
Net foreign exchange gain		91.3	95.1
Net gain on fair value of derivatives		9.3	93.7
		<b>209.0</b>	<b>662.3</b>
<b>Total revenue and other income</b>		<b>628.7</b>	<b>1,032.0</b>
<b>Expenses</b>			
Property expenses and outgoings		62.9	64.1
Expenses from hotel operations		86.1	85.2
Cost of sales attributable to warehoused property investments		12.6	-
Management and other administration costs		67.4	21.0
Depreciation and amortisation expense		11.5	11.0
Finance costs		154.4	108.2
Revaluation of hotel properties		94.9	-
Impairment expense - goodwill		121.8	-
Impairment expense - warehoused property investments		63.7	-
Impairment expense - other		21.0	2.4
Net loss on disposal of assets		0.1	0.3
Costs associated with internalisation/merger proposal		-	2.7
<b>Total expenses</b>		<b>696.4</b>	<b>294.9</b>
<b>Profit/(loss) before income tax expense</b>		<b>(67.7)</b>	<b>737.1</b>
Income tax expense		-	-
<b>Net profit/(loss) for the period</b>		<b>(67.7)</b>	<b>737.1</b>
<b>Net profit/(loss) attributable to:</b>			
- Unitholders of the Trust		284.8	723.7
- Securityholders of other entities stapled to the Trust (minority interest)		(351.8)	13.4
- External minority interest		(0.7)	-
<b>Earnings per unit (cents per unit)</b>			
Basic and diluted earnings per unitholder of the Trust	4	13.3	35.4

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

The GPT Group

CONSOLIDATED BALANCE SHEET

as at 30 June 2008

	Note	30 Jun 2008 \$M	31 Dec 2007 \$M
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15(b)	426.2	350.3
Loans and receivables		177.8	271.2
Inventories	5	563.3	462.6
Derivative assets		94.1	143.4
Prepayments		10.6	20.6
Current tax recoverable		3.7	-
<b>Total Current Assets</b>		<b>1,275.7</b>	<b>1,248.1</b>
<b>Non-Current Assets</b>			
Investment properties	6	6,622.8	5,987.2
Equity accounted investments	7	3,403.3	3,519.5
Property, plant & equipment	9	686.7	1,163.1
Loans and receivables	8	1,810.9	1,841.3
Other assets		4.2	3.6
Intangible assets	10	57.9	190.9
Deferred tax assets		8.8	13.2
<b>Total Non-Current Assets</b>		<b>12,594.6</b>	<b>12,718.8</b>
<b>Total Assets</b>		<b>13,870.3</b>	<b>13,966.9</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		426.3	510.7
Borrowings	11	1,158.1	1,196.9
Derivative liabilities		119.5	140.7
Provisions		12.4	9.1
Current tax liabilities		-	11.4
<b>Total Current Liabilities</b>		<b>1,716.3</b>	<b>1,868.8</b>
<b>Non-Current Liabilities</b>			
Borrowings	11	3,998.7	3,798.1
Provisions		5.0	4.6
<b>Total Non-Current Liabilities</b>		<b>4,003.7</b>	<b>3,802.7</b>
<b>Total Liabilities</b>		<b>5,720.0</b>	<b>5,671.5</b>
<b>Net Assets</b>		<b>8,150.3</b>	<b>8,295.4</b>
<b>EQUITY</b>			
<b>Equity attributable to unitholders of the Trust (parent entity)</b>			
Contributed equity	12	4,949.4	4,648.6
Reserves		(105.4)	(3.6)
Retained profits		3,318.0	3,341.2
<b>Total equity of GPT Trust unitholders</b>		<b>8,162.0</b>	<b>7,986.2</b>
<b>Equity attributable to securityholders of other entities stapled to the Trust</b>			
Contributed equity	12	324.7	317.5
Reserves		33.9	9.5
Retained profits/(accumulated losses)		(371.8)	(20.0)
<b>Total equity of other stapled securityholders</b>		<b>(13.2)</b>	<b>307.0</b>
<b>Equity attributable to minority interests - external</b>			
Contributed equity	12	-	-
Reserves		-	-
Retained profits		1.5	2.2
<b>Total equity of external minority interests</b>		<b>1.5</b>	<b>2.2</b>
<b>Total Equity</b>		<b>8,150.3</b>	<b>8,295.4</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

The GPT Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2008

	Attributable to the Securityholders of General Property Trust				Attributable to the Securityholders of other entities stapled to General Property Trust				Attributable to the Securityholders of external minority interests				Total equity \$M
	Contributed equity	Reserves	Retained earnings	Total	Contributed equity	Reserves	Retained earnings	Total	Contributed equity	Reserves	Retained earnings	Total	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
<b>Balance at 1 January 2008</b>	4,648.6	(3.6)	3,341.2	7,986.2	317.5	9.5	(20.0)	307.0	-	-	2.2	2.2	8,295.4
Movement in asset revaluation reserve	-	(12.6)	-	(12.6)	-	-	-	-	-	-	-	-	(12.6)
Movement in foreign currency translation reserve	-	(87.8)	-	(87.8)	-	(2.6)	-	(2.6)	-	-	-	-	(90.4)
Movement in cash flow hedge reserve	-	-	-	-	-	26.9	-	26.9	-	-	-	-	26.9
<b>Net income recognised directly in equity</b>	4,648.6	(104.0)	3,341.2	7,885.8	317.5	33.8	(20.0)	331.3	-	-	2.2	2.2	8,219.3
Profit/(loss) for the half year	-	-	284.8	284.8	-	-	(351.8)	(351.8)	-	-	(0.7)	(0.7)	(67.7)
<b>Total recognised income and expenses for the half year</b>	4,648.6	(104.0)	3,626.0	8,170.6	317.5	33.8	(371.8)	(20.5)	-	-	1.5	1.5	8,151.6
<b>Transactions with Securityholders in their capacity as Securityholders:</b>													
Issue of share capital 12	300.8	-	-	300.8	7.2	-	-	7.2	-	-	-	-	308.0
Minority interest in acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in long term incentive reserve	-	(1.5)	-	(1.5)	-	-	-	-	-	-	-	-	(1.5)
Movement in employee incentive security scheme reserve	-	0.1	-	0.1	-	0.1	-	0.1	-	-	-	-	0.2
Distribution paid or payable	-	-	(308.0)	(308.0)	-	-	-	-	-	-	-	-	(308.0)
<b>Balance at 30 June 2008</b>	4,949.4	(105.4)	3,318.0	8,162.0	324.7	33.9	(371.8)	(13.2)	-	-	1.5	1.5	8,150.3
<b>Balance at 1 January 2007</b>	4,391.5	21.1	2,724.1	7,136.7	307.0	(0.8)	(0.8)	305.4	-	-	-	-	7,442.1
Movement in asset revaluation reserve	-	16.3	-	16.3	-	-	-	-	-	-	-	-	16.3
Movement in foreign currency translation reserve	-	(88.7)	-	(88.7)	-	(12.2)	-	(12.2)	-	-	-	-	(100.9)
Movement in cash flow hedge reserve	-	-	-	-	-	28.7	-	28.7	-	-	-	-	28.7
<b>Net income recognised directly in equity</b>	4,391.5	(51.3)	2,724.1	7,064.3	307.0	15.7	(0.8)	321.9	-	-	-	-	7,386.2
Profit/(loss) for the half year	-	-	723.7	723.7	-	-	13.4	13.4	-	-	-	-	737.1
<b>Total recognised income and expenses for the half year</b>	4,391.5	(51.3)	3,447.8	7,788.0	307.0	15.7	12.6	335.3	-	-	-	-	8,123.3
<b>Transactions with Securityholders in their capacity as Securityholders:</b>													
Issue of share capital 12	55.9	-	-	55.9	2.4	-	-	2.4	-	-	-	-	58.3
Movement in long term incentive reserve	-	(0.7)	-	(0.7)	-	-	-	-	-	-	-	-	(0.7)
Movement in employee incentive security scheme reserve	-	(1.2)	-	(1.2)	-	1.4	-	1.4	-	-	-	-	0.2
Distribution paid or payable	-	-	(285.8)	(285.8)	-	-	-	-	-	-	-	-	(285.8)
<b>Balance at 30 June 2007</b>	4,447.4	(53.2)	3,162.0	7,556.2	309.4	17.1	12.6	339.1	-	-	-	-	7,895.3

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



The GPT Group

**CONSOLIDATED CASH FLOW STATEMENT**

for the half year ended 30 June 2008

	Note	30 Jun 2008 \$M	30 Jun 2007 \$M
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations (inclusive of GST)		461.1	399.4
Cash payments in the course of operations (inclusive of GST)		(254.8)	(203.6)
Distributions received from associates and joint ventures		87.3	75.7
Distributions received from controlled entities		-	-
Interest received		60.3	76.1
Income taxes paid		(10.7)	(2.0)
Net receipt from derivatives		37.4	16.2
		<b>380.6</b>	<b>361.8</b>
Finance costs		(157.6)	(121.4)
<b>Net cash inflows from operating activities</b>	15(a)	<b>223.0</b>	<b>240.4</b>
<b>Cash flows from investing activities</b>			
Payments for investment properties		(92.3)	(18.4)
Proceeds from disposal of investment properties/current assets held for sale		3.0	1,243.7
Proceeds for the sale of Dutch Active Fund		80.0	-
Payments for properties under development		(183.4)	(232.3)
Deposit received for properties under development		11.9	-
Payments for property, plant and equipment		(7.1)	(5.8)
Payments for intangibles		(1.2)	(0.4)
Payments for inventories		(0.1)	-
Payment for warehoused property investments		(98.4)	-
Proceeds from sale of warehoused property investments		13.6	-
Payment for development inventory		(24.6)	-
Investments in joint ventures and associates		(62.5)	(127.0)
Capital repayment from joint ventures and associates		8.2	-
Loan (to)/from joint ventures and associates		(14.8)	(353.9)
Payments for controlled entities (net of cash acquired), associates and joint ventures		(44.8)	-
Payments for other assets		(0.6)	-
<b>Net cash inflows/(outflows) from investing activities</b>		<b>(413.1)</b>	<b>505.9</b>
<b>Cash flows from financing activities</b>			
Proceeds from net bank facilities		613.7	129.9
Proceeds/(repayments) of net short and medium term notes		(345.3)	(540.0)
Payment of employee incentive scheme loans, net of distributions		(2.4)	(14.2)
Proceeds from the issue of securities	12	238.5	58.3
Distributions paid to securityholders	3(a)	(238.5)	(285.8)
<b>Net cash (outflows)/inflows from financing activities</b>		<b>266.0</b>	<b>(651.8)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>75.9</b>	<b>94.5</b>
Cash and cash equivalents at the beginning of the period		350.3	58.8
<b>Cash and cash equivalents at the end of the period</b>	15(b)	<b>426.2</b>	<b>153.3</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2008

**1. Summary of significant accounting policies**

This general purpose financial report for the interim half year reporting period ended 30 June 2008 has been prepared in accordance with General Property Trust's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2007 and any public announcements made by the Group during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. These policies have been consistently applied to all of the periods presented.

The financial statements were approved by the Board of Directors on 26 August 2008.

**(a) Critical accounting estimates and judgements**

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

The key estimates and assumptions that have a significant risk of causing a material adjustment within the next financial year to the carrying amounts of assets and liabilities recognised in these financial statements are:

**(i) Valuation of property investments**

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

**(ii) Valuation of assets acquired in business combinations**

The fair value of assets acquired and liabilities assumed in a business combination as well as the goodwill and intangible assets arising from the business combination requires significant estimates and assumptions particularly concerning the future performance of the assets and business(s) purchased and the fair values for contingent liabilities (if any) which had not been previously required to be recognised or valued by the seller.

**(iii) Valuation of financial instruments**

Fair value of indemnities and guarantees provided by GPT are estimated based on future events which are reasonably likely, but which may not occur. The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for GPT's derivatives are set out in note 1(x) of the 31 December 2007 annual financial report however the fair values of derivatives reported at 30 June 2008 may differ if there is volatility in market rates, indices, equity prices or foreign exchange rates in future periods.

**(iv) Impairment of assets**

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

GPT also tests annually whether goodwill is impaired. As goodwill is assigned to Cash Generating Units (CGUs), this requires an estimation of the recoverable amount of the CGUs to which the goodwill is assigned. The assumptions used by GPT when estimating the future cash flows for the CGUs, which are based on future events, are critical in supporting the carrying value of goodwill. These assumptions are detailed in note 15 of the 31 December 2007 annual financial report.

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2008

**1. Summary of significant accounting policies (continued)**

**(a) Critical accounting estimates and judgements (continued)**

**(iv) Impairment of assets (continued)**

When appropriate, independent third party firms are engaged to assist in determining the fair values of assets and entities. These valuations, whether performed by GPT or an independent third party, require the use of management's assumptions, which would not reflect unanticipated events and circumstances that may occur.

**(v) Warehoused investment property assets**

GPT classifies its warehoused investment property assets as current inventory and the borrowings related to those properties as current borrowings on the basis that the investment property assets have been acquired to ultimately sell to external investors in proposed funds. Marketing and selling the funds is anticipated to take approximately twelve months, however external factors including global economic conditions could affect the timing of any sale.

**(vi) Share based payment transactions**

The Group measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo method, as discussed in note 26 of the 31 December 2007 annual financial report.

**(b) New accounting standards and interpretations**

Since 1 January 2008, the Group has adopted the following Standards and Interpretations, mandatory for annual reports beginning on or after 1 January 2008. Adoption of these Standards and Interpretations did not have any effect of the financial position or performance of the Group.

A list of Australian Accounting Standards newly released or existing standards to which amendments have been made in the half year are: 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038. UIG Interpretations newly released or amended are: 4, 11, 12, 14, 113 and 129.

No changes are expected to GPT's financial performance, position or accounting principles as a result of the application of the new and amended standards above however the type of information disclosed in future annual financial reports will change. Management's current assessment indicates that the most significant impact will arise from some additional new disclosures required by AASB 8 *Operating Segments* from 1 January 2009, although it is unlikely that any new operating segments, in addition to those disclosed at note 2, will be required. GPT has also considered the option to proportionately consolidate its investments in joint venture entities in the amendment to UIG 113 and currently does not consider taking up the option.

GPT has not elected to early adopt any of the new or amended standards and has applied the following standards and interpretations which were mandatory from 1 January 2008:

- UIG Interpretation 4 *Determining whether an Arrangement contains a Lease*
- UIG Interpretation 11 AASB 2 – *Group and Treasury Share Transactions* and all consequential amendments in AASB 2007-2 *Amendments to Australian Accounting Standards (AASB 1, 117, 118, 120, 121, 127, 131 & 139)*
- UIG Interpretation 12 *Service Concession Arrangements*
- UIG Interpretation 14 AASB 119 – *The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their interaction*
- UIG Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*
- UIG Interpretation 129 *Service Concession Arrangements: Disclosures*

Adoption of the above Interpretations did not have any affect on the financial position or performance of GPT.

**(c) Rounding of amounts**

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

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS for the half year ended 30 June 2008

#### 2. Segment reporting (includes net profit/(loss) after income tax to realised operating income reconciliation)

##### Primary reporting format – business segments

The Group is organised on a global basis into the following activities by business segment:

##### (a) Income Statement

At 30 June 2008

	Retail	Office	Industrial	Hotel & Tourism	Seniors Housing	Funds Management Australia	Funds Management Europe	Joint Venture	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>(i) Revenue</b>										
Rent from investment properties	162.5	47.2	30.5	8.7	-	-	18.2	-	-	267.1
Revenue from hotel operations	-	-	-	92.9	-	-	-	-	-	92.9
Property and fund management fees	8.9	1.8	-	-	-	19.3	16.1	-	-	46.1
Proceeds from the sale of warehoused property investments	-	-	-	-	-	-	13.6	-	-	13.6
	171.4	49.0	30.5	101.6	-	19.3	47.9	-	-	419.7
<b>Other income</b>										
Fair value adjustments to investment properties	(16.5)	123.5	(12.6)	21.1	-	-	-	-	-	115.5
Share of after tax profits of equity accounted investments										
- net operating income	24.3	48.9	-	0.5	6.1	-	2.9	2.1	(1.5)	83.3
- fair value adjustments	(12.5)	4.1	-	-	(20.8)	-	(6.3)	(122.6)	-	(158.1)
Interest revenue - joint venture investment arrangements	-	-	-	-	3.2	-	2.3	54.8	1.6	61.9
Interest revenue - cash and short term money market securities	-	-	-	0.5	-	-	0.5	-	4.6	5.6
Dividend from investments	-	-	-	-	-	-	0.2	-	-	0.2
Net foreign exchange gain	-	-	-	-	-	-	(0.4)	-	91.7	91.3
Net gain on fair value of derivatives	-	-	-	-	-	-	3.8	-	5.5	9.3
	(4.7)	176.5	(12.6)	22.1	(11.5)	-	3.0	(65.7)	101.9	209.0
<b>Total segment revenue</b>	166.7	225.5	17.9	123.7	(11.5)	19.3	50.9	(65.7)	101.9	628.7
<b>Expenses</b>										
Property expenses and outgoings	39.6	14.7	4.7	0.1	-	-	3.8	-	-	62.9
Expenses from hotel operations	-	-	-	86.1	-	-	-	-	-	86.1
Management and other administration costs	5.5	1.9	0.4	0.5	0.2	5.2	35.8	1.9	16.0	67.4
Depreciation and amortisation expense	3.6	-	-	6.3	-	-	0.6	-	1.0	11.5
Finance costs	-	-	-	-	-	-	12.3	-	142.1	154.4
Revaluation of Hotel Properties	-	-	-	94.9	-	-	-	-	-	94.9
Impairment expense - goodwill	-	-	-	-	-	-	121.8	-	-	121.8
Impairment expense - warehoused property investments	-	-	-	-	-	-	63.7	-	-	63.7
Impairment expense - other	-	-	1.8	8.8	2.9	-	-	7.5	-	21.0
Cost of sales attributable to warehoused property investments	-	-	-	-	-	-	12.6	-	-	12.6
Net loss on disposal of assets	-	-	0.1	-	-	-	-	-	-	0.1
	48.7	16.6	7.0	196.7	3.1	5.2	250.6	9.4	159.1	696.4
<b>Segment result for the financial period</b>	118.0	208.9	10.9	(73.0)	(14.6)	14.1	(199.7)	(75.1)	(57.2)	(67.7)
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Net profit for the financial period</b>										(67.7)
<b>(ii) adjusted to arrive at realised operating income as determined by the Directors</b>										
Fair value adjustments to investment properties	16.5	(123.5)	12.6	(21.1)	-	-	-	-	-	(115.5)
Fair value adjustments to equity accounted investments	12.5	(4.1)	-	-	20.8	-	6.3	122.6	-	158.1
JV adjustments - realised	-	-	-	-	-	-	-	1.1	-	1.1
Net foreign exchange gains and net gain on derivatives	-	-	-	-	-	-	(3.4)	-	(97.2)	(100.6)
Net receipts from interest rate derivatives	-	-	-	-	-	-	-	-	25.9	25.9
Realised net exchange gains	-	-	-	-	-	-	0.1	-	4.3	4.4
Net receipts from property derivatives	-	-	-	-	-	-	-	-	8.4	8.4
Impairment expense	-	-	1.8	8.8	2.9	-	185.5	7.5	-	206.5
Revaluation of Hotel Properties	-	-	-	94.9	-	-	-	-	-	94.9
Depreciation and amortisation expense	3.6	-	-	6.3	-	-	-	-	-	9.9
Net loss on disposal of assets	-	-	0.1	-	-	-	-	-	-	0.1
Non-cash revenue adjustments	2.2	2.5	(1.7)	-	-	-	-	-	-	3.0
Impact of external minority interest	-	-	-	-	-	-	0.6	-	-	0.6
Tax allocations	(1.0)	(0.1)	-	6.8	(1.6)	(4.3)	(1.1)	4.3	1.0	4.0
Other	-	-	0.1	(0.1)	0.9	0.1	(0.2)	-	0.1	0.9
<b>Realised operating income for the financial period</b>	151.8	83.7	23.8	22.6	8.4	9.9	(11.9)	60.4	(114.7)	234.0

Please refer to note 2(b) for an explanation of the adjustments made to arrive at realised operating income as determined by the Directors.

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS for the half year ended 30 June 2008

#### 2. Segment reporting (continued)

##### (a) Income Statement (continued)

As at 30 June 2007

	Retail	Office	Industrial	Hotel & Tourism	Seniors Housing	Funds Management Australia	Funds Management Europe	Joint Venture	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>(i) Revenue</b>										
Rent from investment properties	174.0	43.3	26.4	8.6	-	-	-	-	-	252.3
Revenue from hotel operations	-	-	-	99.8	-	-	-	-	-	99.8
Property and fund management fees	5.0	-	-	-	-	12.6	-	-	-	17.6
	179.0	43.3	26.4	108.4	-	12.6	-	-	-	369.7
<b>Other income</b>										
Fair value adjustments to investment properties	119.3	82.5	18.1	4.1	-	-	-	-	-	224.0
Share of after tax profits of equity accounted investments										
- net operating income	14.4	49.1	-	0.6	4.4	-	-	26.6	0.4	95.5
- receipt of income top-up	-	-	-	-	-	-	-	(25.6)	-	(25.6)
- fair value adjustments	1.0	105.1	-	-	-	-	-	18.7	-	124.8
Interest revenue - joint venture investment arrangements	-	-	-	0.1	3.7	-	-	39.6	0.7	44.1
Interest revenue - cash and short term money market securities	-	-	-	0.1	-	0.5	-	-	10.1	10.7
Net foreign exchange gain	-	-	-	-	-	-	-	-	95.1	95.1
Net gain on fair value of derivatives	-	-	-	-	-	-	-	-	93.7	93.7
	134.7	236.7	18.1	4.9	8.1	0.5	-	59.3	200.0	662.3
<b>Total segment revenue</b>	313.7	280.0	44.5	113.3	8.1	13.1	-	59.3	200.0	1,032.0
<b>Expenses</b>										
Property expenses and outgoings	44.9	15.4	3.8	-	-	-	-	-	-	64.1
Expenses from hotel operations	-	-	-	85.2	-	-	-	-	-	85.2
Management and other administration costs	2.4	-	-	-	-	5.5	-	-	13.1	21.0
Depreciation and amortisation expense	3.4	-	-	6.3	-	-	-	-	1.3	11.0
Finance costs	-	-	-	-	-	-	-	-	108.2	108.2
Impairment expense	-	-	-	2.4	-	-	-	-	-	2.4
Net loss on disposal of assets	0.1	-	-	0.2	-	-	-	-	-	0.3
Costs associated with internalisation/merger proposal	-	-	-	-	-	-	-	-	2.7	2.7
<b>Total expenses</b>	50.8	15.4	3.8	94.1	-	5.5	-	-	125.3	294.9
<b>Segment result for the financial period</b>	262.9	264.6	40.7	19.2	8.1	7.6	-	59.3	74.7	737.1
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Net profit for the financial period</b>										737.1
<b>(ii) adjusted to arrive at realised operating income as determined by the Directors</b>										
Fair value adjustments to investment properties	(119.3)	(82.5)	(18.1)	(4.1)	-	-	-	-	-	(224.0)
Fair value adjustments to equity accounted investments	(1.0)	(105.1)	-	-	-	-	-	(18.7)	-	(124.8)
JV adjustments - realised	-	-	-	-	-	-	-	38.5	-	38.5
Net foreign exchange gains and net gain on derivatives	-	-	-	-	-	-	-	-	(188.8)	(188.8)
Net receipts from interest rate derivatives	-	-	-	-	-	-	-	-	14.9	14.9
Realised net exchange gains	-	-	-	-	-	-	-	-	3.4	3.4
Net receipts from property derivatives	-	-	-	-	-	-	-	-	2.9	2.9
Impairment expense	-	-	-	2.4	-	-	-	-	-	2.4
Depreciation and amortisation expense	3.4	-	-	6.3	-	-	-	-	1.3	11.0
Net loss on disposal of assets	0.1	-	-	0.2	-	-	-	-	-	0.3
Costs associated with internalisation/merger proposal	-	-	-	-	-	-	-	-	2.7	2.7
Non-cash revenue adjustments	7.2	4.0	0.2	-	-	-	-	-	-	11.4
Tax allocations	(0.8)	-	-	4.5	(0.4)	(2.3)	-	(1.5)	-	(0.5)
Other	0.2	0.6	-	0.3	3.3	-	-	5.8	-	10.2
<b>Realised operating income for the financial period</b>	152.7	81.6	22.8	28.8	11.0	5.3	-	83.4	(88.9)	296.7

##### (b) Calculation of realised operating income

Realised operating income is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised, non-cash and gains or losses on investments. The directors use this amount as guidance for determining the amount of the distribution. The adjustments made, as detailed in Note 2(a)(ii), may change from time to time, depending on future changes to accounting standards and the Directors' assessment as to whether items are non-recurring or capital in nature.

Earnings reconciliation - basic and diluted	Note	30 Jun 2008 \$M	30 Jun 2007 \$M
<b>Basic and diluted earnings</b>		(67.7)	737.1
Less: adjusting items in arriving at realised operating income	2(a)(ii)	301.7	(440.4)
<b>Realised operating income per security</b>		234.0	296.7
		30 Jun 2008 Cents	30 Jun 2007 Cents
Basic and diluted earnings per stapled security using realised operating income		10.9	14.5

The GPT Group

NOTES TO THE FINANCIAL STATEMENTS  
for the half year ended 30 June 2008

2. Segment reporting (continued)

Primary reporting format – business segments

(c) Balance Sheet

As at 30 June 2008

	Retail	Office	Industrial	Hotel & Tourism	Seniors Housing	Funds Management Australia	Funds Management Europe	Joint Venture	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Current Assets</b>										
Inventories	-	152.0	-	7.6	-	-	403.7	-	-	563.3
Other current assets	-	-	-	-	-	-	-	-	712.4	712.4
<b>Total Current Assets</b>	-	152.0	-	7.6	-	-	403.7	-	712.4	1,275.7
<b>Non-Current Assets</b>										
Investment properties	4,375.6	1,309.7	694.0	243.5	-	-	-	-	-	6,622.8
Equity accounted investments (refer to Note 7)	965.5	1,858.5	-	11.1	195.4	-	74.6	276.1	22.1	3,403.3
Property, plant and equipment	-	-	134.9	529.0	-	-	-	-	22.8	686.7
Loans and receivables	-	-	-	-	68.5	-	60.1	1,610.7	71.6	1,810.9
Intangible assets	38.7	-	-	19.2	-	-	-	-	-	57.9
Deferred tax assets	-	-	-	-	-	-	-	-	8.8	8.8
Other non-current assets	-	-	-	-	-	-	-	-	4.2	4.2
<b>Total Non-Current Assets</b>	5,379.8	3,168.2	828.9	802.8	263.9	-	134.7	1,886.8	129.5	12,594.6
<b>Total Assets</b>	5,379.8	3,320.2	828.9	810.4	263.9	-	538.4	1,886.8	841.9	13,870.3
Current and non-current liabilities	-	-	-	-	-	-	358.7	-	5,361.3	5,720.0
<b>Total Liabilities</b>	-	-	-	-	-	-	358.7	-	5,361.3	5,720.0
<b>Net Assets</b>	5,379.8	3,320.2	828.9	810.4	263.9	-	179.7	1,886.8	(4,519.4)	8,150.3

As at 31 December 2007

<b>Current Assets</b>										
Inventories	-	58.2	-	7.1	-	-	397.3	-	-	462.6
Other current assets	-	-	-	-	-	-	-	-	785.5	785.5
<b>Total Current Assets</b>	-	58.2	-	7.1	-	-	397.3	-	785.5	1,248.1
<b>Non-Current Assets</b>										
Investment properties	3,828.6	1,235.1	702.2	221.3	-	-	-	-	-	5,987.2
Equity accounted investments (refer to Note 7)	976.7	1,853.8	-	10.6	232.2	-	49.0	373.6	23.6	3,519.5
Property, plant and equipment	477.3	-	35.6	629.6	-	-	-	-	20.6	1,163.1
Loans and receivables	-	-	-	-	75.0	-	56.6	1,636.6	73.1	1,841.3
Intangible assets	42.3	-	-	26.8	-	-	121.8	-	-	190.9
Other investments	-	-	-	0.7	-	-	-	-	2.9	3.6
Deferred tax assets	-	-	-	-	-	-	-	-	13.2	13.2
<b>Total Non-Current Assets</b>	5,324.9	3,088.9	737.8	889.0	307.2	-	227.4	2,010.2	133.4	12,718.8
<b>Total Assets</b>	5,324.9	3,147.1	737.8	896.1	307.2	-	624.7	2,010.2	918.9	13,966.9
Current and non-current liabilities	-	-	-	-	-	-	384.8	-	5,286.7	5,671.5
<b>Total Liabilities</b>	-	-	-	-	-	-	384.8	-	5,286.7	5,671.5
<b>Net Assets</b>	5,324.9	3,147.1	737.8	896.1	307.2	-	239.9	2,010.2	(4,367.8)	8,295.4

(d) Share of joint ventures and associates' net profits/(losses)

As at 30 June 2008

	Retail	Office	Industrial	Hotel & Tourism	Seniors Housing	Funds Management Australia	Funds Management Europe	Joint Venture	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue and other income	40.2	74.6	-	12.8	94.7	-	7.2	128.3	(1.5)	356.3
Expenses	28.2	21.5	-	12.4	109.4	-	10.6	245.7	-	427.8
Profit/(loss) before income tax expense	12.0	53.1	-	0.4	(14.7)	-	(3.4)	(117.4)	(1.5)	(71.5)
Income tax expense	-	-	-	0.1	-	-	-	3.2	-	3.3
Share of net profits/(losses) of joint venture and associate interests	12.0	53.1	-	0.5	(14.7)	-	(3.4)	(120.6)	(1.5)	(74.8)

As at 30 June 2007

Revenue and other income	27.5	172.1	-	12.1	80.5	-	-	178.2	1.9	472.3
Expenses	12.7	16.7	-	11.2	76.2	-	-	140.3	1.2	258.3
Profit/(loss) before income tax expense	14.8	155.4	-	0.9	4.3	-	-	37.9	0.7	214.0
Income tax expense	-	0.2	-	0.2	-	-	-	18.5	0.4	19.3
Share of net profits/(losses) of joint venture and associate interests	14.8	155.2	-	0.7	4.3	-	-	19.4	0.3	194.7

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

## 2. Segment reporting (continued)

### Primary reporting format – business segments

#### (e) Share of joint ventures and associates' assets and liabilities

As at 30 June 2008

	Retail	Office	Industrial	Hotel & Tourism	Seniors Housing	Funds Management Australia	Funds Management Europe	Joint Venture	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash and cash equivalents	11.6	11.2	-	3.1	23.6	-	3.3	85.5	3.0	141.3
Other assets	2.3	54.8	-	1.5	17.7	-	6.2	230.2	-	312.7
Property investments and loans	1,038.4	1,973.6	-	11.8	709.6	-	172.9	2,933.9	86.6	6,926.8
<b>Total assets</b>	<b>1,052.3</b>	<b>2,039.6</b>	<b>-</b>	<b>16.4</b>	<b>750.9</b>	<b>-</b>	<b>182.4</b>	<b>3,249.6</b>	<b>89.6</b>	<b>7,380.8</b>
Other liabilities	27.1	33.8	-	2.7	38.5	-	8.4	200.3	32.1	342.9
Borrowings										
- The GPT Group	-	4.1	-	-	64.4	-	-	805.3	35.4	909.2
- External - current	-	-	-	-	-	-	-	251.1	-	251.1
- External - non-current	59.7	143.2	-	2.6	452.6	-	99.4	1,709.7	-	2,467.2
<b>Total liabilities</b>	<b>86.8</b>	<b>181.1</b>	<b>-</b>	<b>5.3</b>	<b>555.5</b>	<b>-</b>	<b>107.8</b>	<b>2,966.4</b>	<b>67.5</b>	<b>3,970.4</b>
<b>Net assets</b>	<b>965.5</b>	<b>1,858.5</b>	<b>-</b>	<b>11.1</b>	<b>195.4</b>	<b>-</b>	<b>74.6</b>	<b>283.2</b>	<b>22.1</b>	<b>3,410.4</b>
Impairment	-	-	-	-	-	-	-	(7.1)	-	(7.1)
<b>Net assets after impairment</b>	<b>965.5</b>	<b>1,858.5</b>	<b>-</b>	<b>11.1</b>	<b>195.4</b>	<b>-</b>	<b>74.6</b>	<b>276.1</b>	<b>22.1</b>	<b>3,403.3</b>

As at 31 December 2007

Cash and cash equivalents	6.0	7.7	-	3.0	21.4	-	4.1	101.9	3.8	147.9
Other assets	2.2	63.9	-	3.3	30.9	-	3.4	239.9	29.2	372.8
Property investments and loans	1,045.3	1,976.9	-	11.0	795.7	-	186.9	3,218.4	55.7	7,289.9
<b>Total assets</b>	<b>1,053.5</b>	<b>2,048.5</b>	<b>-</b>	<b>17.3</b>	<b>848.0</b>	<b>-</b>	<b>194.4</b>	<b>3,560.2</b>	<b>88.7</b>	<b>7,810.6</b>
Other liabilities	30.9	45.3	-	3.8	45.6	-	7.2	186.4	27.9	347.1
Borrowings										
- The GPT Group	-	-	-	-	70.7	-	-	818.3	18.2	907.2
- External - current	-	-	-	-	-	-	-	136.9	-	136.9
- External - non-current	45.9	149.5	-	2.6	499.5	-	138.0	2,046.4	18.9	2,900.8
<b>Total liabilities</b>	<b>76.8</b>	<b>194.8</b>	<b>-</b>	<b>6.4</b>	<b>615.8</b>	<b>-</b>	<b>145.2</b>	<b>3,188.0</b>	<b>65.0</b>	<b>4,292.0</b>
<b>Net assets</b>	<b>976.7</b>	<b>1,853.7</b>	<b>-</b>	<b>10.9</b>	<b>232.2</b>	<b>-</b>	<b>49.2</b>	<b>372.2</b>	<b>23.7</b>	<b>3,518.6</b>

<b>Retail</b>	Segment includes regional, sub-regional and community shopping centres, Homemaker City (bulky goods) centres, retail re-developments and new retail developments as well as property management of retail assets.
<b>Office</b>	Segment includes office space with associated retail space and office developments.
<b>Industrial</b>	Segment includes traditional industrial and business park assets with capacity for organic growth through the expansion of vacant land as well as industrial re-developments.
<b>Hotel &amp; Tourism</b>	Segment includes nature-based resorts and hotel assets.
<b>Funds Management - Australia</b>	Segment includes asset and funds management of Australian wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
<b>Funds Management - Europe</b>	Segment includes asset and fund management in Europe through GPT Halverton and Hamburg Trust. European operations commenced in the second half of 2007.
<b>Joint Venture</b>	Segment includes investments in the Babcock & Brown joint venture which is invested in shopping centres and retail formats, light industrial assets, residential assets and office assets in Europe, the United States of America, New Zealand and Australia.
<b>Seniors Housing</b>	Segment includes investments in a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets.
<b>Corporate</b>	Segment includes costs associated with the funds management of General Property Trust, foreign exchange gains and losses, finance costs, company operating costs and seniors housing.

The GPT Group

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

		30 Jun 2008	30 Jun 2007
		\$M	\$M
<b>3. Distributions paid and payable to securityholders</b>			
<b>(a) Distributions paid</b>			
Quarter ended December 2007:	7.3 cents per stapled security paid 28 March 2008 (7.0 cents per stapled security paid 28 March 2007)	153.3	142.9
Quarter ended March 2008:	7.2 cents per stapled security paid 27 May 2008 (7.0 cents per stapled security paid 25 May 2007)	154.7	142.9
		<b>308.0</b>	285.8
<b>(b) Distributions proposed and not recognised as a liability*</b>			
Quarter ended June 2008:	4.2 cents per stapled security (7.3 cents per stapled security paid 21 September 2007)	92.4	149.9

\* The June 2008 quarterly distribution of 4.2 cents per stapled security was declared on 27 August 2008 (June 2007: 7.3 cents). The June 2008 quarterly distribution is expected to be paid on 26 September 2008 for approximately \$92.4 million (2007: \$149.9 million). No provision for the June quarterly distribution has been recognised in the balance sheet at 30 June 2008 as the distribution had not been declared by the end of the half year.

	Note	30 Jun 2008	30 Jun 2007
		Cents	Cents
<b>4. Earnings per stapled security</b>			
<b>(a) Attributable to unitholders of the Trust</b>			
Basic and diluted earnings per unitholder of the Trust		13.3	35.4
<b>(b) Attributable to stapled securityholders of the GPT Group</b>			
Basic and diluted earnings per stapled security		(3.1)	36.1

The earnings and securities used in the calculations of basic and diluted earnings per unit/stapled security are as follows:

<b>Earnings reconciliation - basic and diluted</b>	30 Jun 2008	30 Jun 2007
	\$M	\$M
Earnings used in calculating:		
Net profit attributable to the unitholders of the Trust	284.8	723.7
<b>Basic and diluted** earnings of the Trust</b>	<b>284.8</b>	723.7
Add: net profit attributable to the securityholders of other stapled entities (minority interest)	(351.8)	13.4
<b>Basic and diluted** earnings of the Trust and other entities stapled to the Trust (The GPT Group)</b>	<b>(67.0)</b>	737.1
Add: net profit attributable to external minority interest	(0.7)	-
<b>Basic and diluted** earnings</b>	<b>(67.7)</b>	737.1

<b>Weighted average number of units/stapled securities used as the denominator</b>	No. of securities millions	No. of securities millions
Weighted average number of ordinary securities used in calculating:		
Basic and diluted** earnings per unit - Trust	2,140.9	2,044.2
Basic and diluted** earnings per stapled security - The GPT Group	2,140.9	2,044.2

\*\* At 30 June 2008, there are no securities on issue which are dilutive or potentially dilutive. As such the earnings and number of securities per securities do not differ between the basic and diluted earnings per stapled security. Apart from the distribution reinvestment plan (DRP), there have been no other conversions to, calls of, or subscriptions for ordinary or potential ordinary securities since the reporting date and before the completion of this report.

Under the terms of the DRP, eligible securityholders are able to elect to reinvest all or part of their quarterly distribution in additional securities, free of any brokerage or other transaction costs, rather than being paid in cash. Securities are issued and/or transferred at a predetermined price, less any discount that the directors may elect to apply from time to time. Refer to note 12(a) for further details.

The DRP will apply to the June 2008 quarterly distribution.



**The GPT Group**

**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 30 June 2008

**5. Inventories**

		<b>30 Jun 2008</b>	31 Dec 2007
		<b>\$M</b>	<b>\$M</b>
Hotel merchandise:			
General supplies - at cost		<b>1.5</b>	1.0
Food and beverage - at cost		<b>2.3</b>	2.5
Retail - at cost		<b>3.5</b>	3.3
Other - at cost		<b>0.3</b>	0.3
Development inventory:			
workplace <sup>6</sup> , Darling Island, NSW	(a)	<b>82.8</b>	58.2
One One One Eagle Street, Brisbane, QLD	(b)	<b>69.2</b>	-
Warehoused property investments:			
Scandinavian Active Fund	(c)	<b>62.6</b>	8.5
H20 Fund		<b>256.7</b>	280.6
Hamburg Trust Alliance Fund		<b>84.4</b>	108.2
<b>Total inventories</b>		<b>563.3</b>	462.6

**(a) workplace<sup>6</sup>**

On 18 December 2007, GPT entered into an agreement with a related party to sell the site known as workplace<sup>6</sup> and received a first instalment by way of consideration. The agreement is conditional on GPT developing workplace<sup>6</sup> to practical completion, at which point the related party has been provided with a call option on the long term lease of the site at practical completion. The second instalment and associated costs of approximately \$82.2 million is conditional on GPT Development Pty Limited achieving practical completion, which is expected by November 2008. If practical completion is not achieved on the building, the deposit will be reimbursed.

**(b) One One One Eagle Street**

On 23 April 2008, GPT entered into an agreement with a related party and an existing capital partner to sell two thirds of its interest in the site known as One One One Eagle Street. The transaction is expected to settle by the end of September when the newly created title over the land is registered.

**(c) Warehoused property investments**

GPT, through its European funds management platform, has acquired investment properties in Europe (Scandinavian Active Fund Holdco AB and H20 Fund) and the United States of America (Hamburg Trust Alliance Fund) with a view to establishing a number of specialised property funds. Due to changes in investor appetite for this type of investment, management's current strategy is to sell these properties in the short to medium term.

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 6. Investment properties

	Note	30 Jun 2008 \$M	31 Dec 2007 \$M
Retail	6(a)	4,375.6	3,828.6
Office	6(b)	1,309.7	1,235.1
Industrial	6(c)	694.0	702.2
Hotel & Tourism	6(d)	243.5	221.3
<b>Total investment properties</b>		<b>6,622.8</b>	<b>5,987.2</b>

#### Reconciliation

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

		For the 6 months to 30 Jun 2008 \$M	For the 12 months to 31 Dec 2007 \$M
Carrying amount at beginning of the financial period		5,987.2	5,228.6
Additions (including capitalisations)		77.2	75.7
Acquisitions		-	71.9
Disposals		(3.1)	-
Revaluations		115.5	458.5
Transfers from property, plant and equipment	9	519.6	156.6
Transfers of properties to development inventories	5	(69.2)	-
Lease incentives		3.5	16.0
Amortisation of lease incentives		(8.0)	(21.7)
Leasing costs		0.1	1.6
<b>Carrying amount at end of the financial period</b>		<b>6,622.8</b>	<b>5,987.2</b>

#### Details of the Group's Investment Properties

	Ownership Interest <sup>(1)</sup>	Acquisition Date	Fair Value 30 Jun 2008 \$M	Fair Value 31 Dec 2007 \$M	Latest Valuer Independent Valuation Date
<b>(a) Retail</b>					
Casuarina Square, NT	100.0	Oct 1973	419.2	415.0	Mar 2006 CB Richard Ellis Pty Limited
Charlestown Square, NSW <sup>(5)</sup>	100.0	Dec 1977	477.9	444.5	Mar 2006 Knight Frank Valuations
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	15.2	15.2	Mar 2006 Knight Frank Valuations
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	226.1	225.0	Apr 2008 Colliers Pty Limited
Erina Fair, NSW <sup>(4)</sup>	33.3	Jun 1992	266.7	273.2	Mar 2006 CB Richard Ellis Pty Limited
Floreat Forum, WA	100.0	Jul 1996	127.0	135.0	Sep 2007 CB Richard Ellis Pty Limited
Westfield Penrith, NSW	50.0	Jun 1971	512.9	512.2	Mar 2007 Knight Frank Valuations
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	333.1	332.6	Mar 2007 Knight Frank Valuations
Plaza Parade, QLD	50.0	Jun 1999	13.6	13.6	Mar 2007 Knight Frank Valuations
Westfield Woden, ACT	* 50.0	Feb 1986	271.1	271.1	Mar 2006 CB Richard Ellis Pty Limited
Homemaker City, Aspley, QLD	100.0	Nov 2001	70.0	70.0	Mar 2008 Knight Frank Valuations
Homemaker City, Bankstown, NSW	100.0	Nov 2001	45.0	50.0	Sep 2006 CB Richard Ellis Pty Limited
Homemaker City, Cannon Hill, QLD	100.0	Nov 2001	21.5	22.0	Mar 2008 CB Richard Ellis Pty Limited
Homemaker City, Fortitude Valley, QLD	100.0	Dec 2001	140.6	140.0	Sep 2006 CB Richard Ellis Pty Limited
Homemaker City, Jindalee, QLD	100.0	Nov 2001	69.2	69.1	Sep 2007 CB Richard Ellis Pty Limited
Homemaker City, Mt Gravatt, QLD	100.0	Nov 2001	26.3	25.3	Mar 2008 Knight Frank Valuations
Homemaker City, Windsor, QLD	100.0	Nov 2001	26.0	22.7	Mar 2008 CB Richard Ellis Pty Limited
Rouse Hill Town Centre, Rouse Hill, NSW	100.0	Dec 2005	518.7	-	- -
Newcastle CBD, NSW	100.0	Jun 2007	71.9	71.9	- -
Melbourne Central, VIC - retail portion <sup>(2)</sup>	100.0	May 1999 / May 2001	723.6	720.2	Sep 2007 CB Richard Ellis Pty Limited
<b>Total Retail</b>			<b>4,375.6</b>	<b>3,828.6</b>	

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 6. Investment properties (continued)

##### Details of the Group's Investment Properties

	Ownership Interest <sup>(1)</sup>	Acquisition Date	Fair Value 30 Jun 2008	Fair Value 31 Dec 2007	Latest Valuer Independent Valuation Date
	%		\$M	\$M	
<b>(b) Office</b>					
Australia Square, Sydney, NSW	50.0	Sep 1981	312.8	300.0	Mar 2008 Colliers Pty Limited
MLC Centre, Sydney, NSW	50.0	Apr 1987	433.7	397.5	Mar 2008 Knight Frank Valuations
One One One Eagle Street, Brisbane, QLD <sup>(5) (6)</sup>	33.3	Apr 1984	35.8	36.4	Feb 2008 Knight Frank Valuations
Melbourne Central, VIC - office portion <sup>(2)</sup>	100.0	May 1999 / May 2001	394.4	394.4	Sep 2007 CB Richard Ellis Pty Limited
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	133.0	106.8	Mar 2008 CB Richard Ellis Pty Limited
<b>Total Office</b>			<b>1,309.7</b>	<b>1,235.1</b>	
<b>(c) Industrial</b>					
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	47.5	47.0	Jun 2008 Colliers Pty Limited
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	71.0	76.3	Mar 2006 Savills (VIC) Pty Limited
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	20.8	19.3	Jun 2007 CB Richard Ellis Pty Limited
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	21.7	21.7	Jun 2007 CB Richard Ellis Pty Limited
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	22.8	22.7	Mar 2006 Colliers Pty Limited
Quad 4, Sydney Olympic Park, NSW	* 100.0	June 2004	34.1	34.1	Sep 2007 CB Richard Ellis Pty Limited
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	9.0	9.0	Jun 2007 CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	20.0	20.4	Jun 2008 Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.9	10.8	Jun 2007 CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	20.1	19.1	Jun 2007 CB Richard Ellis Pty Limited
Rosehill Business Park, Camellia, NSW	100.0	May 1998	73.2	73.0	Sep 2006 CB Richard Ellis Pty Limited
15 Berry Street, Granville, NSW	100.0	Nov 2000	14.6	14.6	Sep 2006 CB Richard Ellis Pty Limited
19 Berry Street, Granville, NSW	100.0	Dec 2000	27.8	26.7	Sep 2006 CB Richard Ellis Pty Limited
973 Fairfield Road, Yeerongpilly, QLD	100.0	Dec 2005	13.1	13.3	- -
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	139.6	144.7	Sep 2006 Knight Frank Valuations
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	14.1	14.0	- -
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	15.1	15.0	- -
Block 1 & 4 Section 15, Sandford St, Mitchell, ACT	* 100.0	Mar 2006	10.0	9.9	- -
31 Vision Drive, Burwood East, VIC	100.0	Mar 2006	10.6	10.5	- -
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	32.8	34.3	- -
120 Miller Road, Villawood, NSW	100.0	Apr 2006	20.0	20.0	- -
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	21.5	22.1	- -
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	15.5	15.5	- -
Lots 42 & 44 Ocean Steamers Drive, Port Adelaide, SA	50.0	Jul 2006	8.2	8.2	- -
<b>Total Industrial</b>			<b>694.0</b>	<b>702.2</b>	
<b>(d) Hotel &amp; Tourism</b>					
Four Points by Sheraton Hotel, Sydney, NSW <sup>(3)</sup>	* 100.0	May 2000	251.9	228.3	Mar 2008 CB Richard Ellis Pty Limited
			(8.4)	(7.0)	
<b>Total Hotel &amp; Tourism</b>			<b>243.5</b>	<b>221.3</b>	

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

(2) Melbourne Central: 64.7% Retail and 35.3% Office (Dec 2007: 64.6% Retail and 35.4% Office).

(3) Security deposit held by GPT.

(4) Erina Fair is 33.3% directly owned by the Trust. A further 16.7% is owned through a 50% share of Erina Property Trust, a joint venture with APPF (refer note 7(a)(i)).

(5) Currently undergoing redevelopment.

(6) GPT has a 100% interest in One One One Eagle Street at 30 June 2008 but 33.3% is shown above with 66.7% included within development inventory.

Investment properties held in equity accounted investments are included in note 7(d).

Properties under development are classified as property, plant and equipment – refer note 9(a).

Hotel investments which are owned and operated by the Group are classified as property, plant and equipment – refer note 9.

The basis of valuation of investment properties remains unchanged – being amounts for which the assets could be exchanged between willing parties in an arms length transaction.

The GPT Group

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

7. Equity accounted investments

		30 Jun 2008	31 Dec 2007
		\$M	\$M
Investments in joint ventures	(a)(i)	1,431.5	1,554.0
Investments in associates	(a)(ii)	1,971.8	1,965.5
<b>Total equity accounted investments</b>		<b>3,403.3</b>	<b>3,519.5</b>

Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 2008	31 Dec 2007
		Jun 2008	Dec 2007		
		%	%	\$M	\$M
<b>(a)(i) Joint ventures</b>					
<b>Entities incorporated in Australia</b>					
1 Farrer Place Trust *	Investment property	50.00	50.00	372.6	371.1
2 Park Street Trust *	Investment property	50.00	50.00	421.2	421.4
DPT Operator Pty Limited *	Managing property	50.00	50.00	0.1	0.8
Erina Property Trust *	Investment property	50.00	50.00	133.3	136.6
Horton Trust *	Investment property	50.00	50.00	22.8	22.7
BGA Real Estate Finance Trust	Mezzanine loan	50.00	50.00	13.3	12.1
Lend Lease GPT (Rouse Hill) Pty Limited * <sup>(1)</sup>	Property development	50.00	-	10.8	-
<b>Entities incorporated in the United States</b>					
Babcock & Brown GPT REIT Inc	Property investment	50.00	50.00	34.3	36.8
B&B GPT Alliance 1 LLC <sup>(2)</sup>	Property investment	50.00	50.00	(9.3)	-
B&B GPT Alliance 2 LLC	Mezzanine loan	50.00	50.00	6.4	7.2
Benchmark GPT LLC	Property investment	95.00	95.00	185.0	215.3
B-VII Operations Holding Co LLC	Property investment	95.00	95.00	9.6	12.5
B&B GPT Holdings (No. 1) LLC	Mezzanine loan	50.00	50.00	15.2	-
<b>Entities incorporated in Luxembourg</b>					
BGP Investment SARL	Property investment	50.00	50.00	216.2	317.5
<b>Total investment in joint ventures</b>				<b>1,431.5</b>	<b>1,554.0</b>
<b>(a)(ii) Associates</b>					
<b>Entities incorporated in Australia</b>					
161 Sussex St Pty Limited	Property investment	40.00	40.00	4.7	4.1
GPT Wholesale Office Fund *	Property investment	38.19	39.35	1,064.6	1,060.5
GPT Wholesale Shopping Centre Fund *	Property investment	39.77	39.92	809.4	817.4
Kings Canyon (Watarrka) Resort Trust *	Investment property	46.00	46.00	6.4	6.5
Lend Lease GPT (Rouse Hill) Pty Limited * <sup>(1)</sup>	Property development	-	49.00	-	11.9
Lend Lease (Twin Waters) Pty Limited *	Property development	49.00	49.00	11.3	11.7
<b>Entities incorporated in the United States</b>					
Benchmark Assisted Living LLC	Property management	20.00	20.00	0.8	4.4
<b>Entities incorporated in The Netherlands</b>					
Dutch Active Fund Propco BV	Investment property	38.04	38.04	74.6	49.0
<b>Total investments in associates</b>				<b>1,971.8</b>	<b>1,965.5</b>

\* All entities have a 31 December balance date except those marked with "\*" which have a 30 June balance date.

- (1) GPT acquired an additional 1% interest in this entity and accordingly reclassified the equity accounted investment from an investment in an associate to an investment in a joint venture.
- (2) Under the umbrella joint venture agreement preferred capital and interest must be returned prior to ordinary capital. The above represents an impairment of preference capital in the B&B GPT Alliance I LLC which will need to be funded from the ordinary capital in another entity in the Joint Venture with Babcock & Brown.

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 7. Equity accounted investments (continued)

##### (b) Share of joint ventures and associates' net profits/(losses)

GPT's share of net profits/(losses) after income tax from its equity accounted investments is set out below by the geographic segment they operate in:

	Australia		Europe		United States		Total	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue and other income	130.6	215.1	109.2	155.4	116.5	101.8	356.3	472.3
Expenses	64.9	42.4	228.7	115.4	134.2	100.5	427.8	258.3
Profit/(loss) before income tax expense	65.7	172.7	(119.5)	40.0	(17.7)	1.3	(71.5)	214.0
Income tax expense	0.1	0.8	3.2	18.5	-	-	3.3	19.3
Share of net profits/(losses) of joint ventures and associate interests	65.6	171.9	(122.7)	21.5	(17.7)	1.3	(74.8)	194.7

##### (c) Share of joint ventures and associates' assets and liabilities

GPT's share of its equity accounted investments balance sheet by the geographic location they operate in are set out below. Key asset and liability categories have been individually presented for further detail.

	Australia		Europe		United States		Total	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash and cash equivalents	29.0	20.2	73.5	93.5	38.8	34.2	141.3	147.9
Other assets	58.8	100.7	229.4	237.9	24.5	34.2	312.7	372.8
Property investments and loans	3,159.8	3,136.0	2,558.6	2,813.2	1,208.4	1,340.6	6,926.8	7,289.8
<b>Total assets</b>	<b>3,247.6</b>	<b>3,256.9</b>	<b>2,861.5</b>	<b>3,144.6</b>	<b>1,271.7</b>	<b>1,409.0</b>	<b>7,380.8</b>	<b>7,810.5</b>
Other liabilities	97.7	108.1	190.9	176.0	54.3	62.9	342.9	347.0
Borrowings								
- The GPT Group	73.9	54.8	613.5	667.3	221.8	185.1	909.2	907.2
- External - current	-	-	135.2	62.4	115.9	74.5	251.1	136.9
- External - non-current	205.5	217.0	1,631.1	1,873.7	630.6	810.1	2,467.2	2,900.8
<b>Total liabilities</b>	<b>377.1</b>	<b>379.9</b>	<b>2,570.7</b>	<b>2,779.4</b>	<b>1,022.6</b>	<b>1,132.6</b>	<b>3,970.4</b>	<b>4,291.9</b>
<b>Net assets</b>	<b>2,870.5</b>	<b>2,877.0</b>	<b>290.8</b>	<b>365.2</b>	<b>249.1</b>	<b>276.4</b>	<b>3,410.4</b>	<b>3,518.6</b>
Impairment	-	-	-	-	(7.1)	-	(7.1)	-
<b>Net assets after impairment</b>	<b>2,870.5</b>	<b>2,877.0</b>	<b>290.8</b>	<b>365.2</b>	<b>242.0</b>	<b>276.4</b>	<b>3,403.3</b>	<b>3,518.6</b>

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 7. Equity accounted investments (continued)

##### (d) Share of joint ventures and associates' assets and liabilities

Further details of the property investments, investment property and mezzanine loans listed as the principal activity of equity accounted investments in note 7(a) are set out below.

Equity accounted investment	Investment property/ portfolio, loans and other assets	30 Jun 2008 \$M	31 Dec 2007 \$M
<b>Australia</b>			
Erina Property Trust	Erina Fair, NSW	133.6	136.8
Horton Trust	Horton Parade, QLD	12.2	11.5
Horton Trust	Maroochydore Superstore Plaza, QLD	10.6	11.2
GPT Wholesale Shopping Centre Fund	Various retail assets (8)	882.0	885.8
<b>Total Retail</b>		<b>1,038.4</b>	<b>1,045.3</b>
2 Park Street Trust	Citigroup Centre, NSW	425.3	425.0
1 Farrer Place Trust	1 Farrer Place, NSW	373.1	371.6
GPT Wholesale Office Fund	Various office buildings (10)	1,175.2	1,180.4
DPT Operator Pty Limited	Property Management	-	-
<b>Total Office</b>		<b>1,973.6</b>	<b>1,977.0</b>
Kings Canyon (Watarrka) Resort Trust	Kings Canyon (Watarrka) Resort, NT	8.2	7.3
161 Sussex Street Pty Limited	Four Points by Sheraton Hotel	3.6	3.6
<b>Total Hotel &amp; Tourism</b>		<b>11.8</b>	<b>10.9</b>
Lend Lease GPT (Rouse Hill) Pty Ltd	Residential land - Rouse Hill, NSW	73.5	42.5
Lend Lease GPT (Twin Waters) Pty Ltd	Land, Twin Waters, QLD	13.1	13.2
BGA Real Estate Finance Trust	Mezzanine loan (international)*	49.4	47.1
<b>Total Corporate &amp; Joint Venture</b>		<b>136.0</b>	<b>102.8</b>
<b>Total Australia</b>		<b>3,159.8</b>	<b>3,136.0</b>
<b>Europe</b>			
BGP Investment SARL	German Residential	1,068.6	1,122.3
	European Office	23.6	114.6
	European Light Industrial	713.5	755.4
	European Retail	551.4	608.7
	UK Mezzanine Loan	28.6	25.4
Dutch Active Fund Propco BV	Dutch office, light industrial & logistics buildings (40)	172.9	186.9
<b>Total Europe</b>		<b>2,558.6</b>	<b>2,813.3</b>
<b>United States</b>			
Babcock & Brown GPT REIT Inc	Shopping Centre	311.2	343.6
B&B GPT Alliance I LLC	Multifamily	7.1	9.3
B&B GPT Alliance II LLC	Multifamily mezzanine loan*	31.8	36.5
B&B GPT Holdings (No. 1) LLC	Commercial real estate loan portfolio*	148.7	155.4
Benchmark GPT LLC and B-VII Operations Holding Co LLC	Seniors Housing	709.6	795.7
<b>Total United States</b>		<b>1,208.4</b>	<b>1,340.5</b>
<b>Total property investments, investment properties and mezzanine loans</b>		<b>6,926.8</b>	<b>7,289.8</b>

Investment property unless otherwise marked with a '\*' which denotes loans and receivables.

##### (e) Share of joint ventures and associates' commitments

The Group's share of its associates and joint ventures' capital expenditure commitments for the purchase of property, plant and equipment which have been approved but not provided for at 30 June 2008 is as follows:

	Australia		Europe		United States		Total	
	30 Jun 2008 \$M	31 Dec 2007 \$M	30 Jun 2008 \$M	31 Dec 2007 \$M	30 Jun 2008 \$M	31 Dec 2007 \$M	30 Jun 2008 \$M	31 Dec 2007 \$M
Capital expenditure commitments	130.9	106.8	1.5	72.3	5.7	4.4	138.1	183.5
Operating lease commitments	-	-	79.1	79.8	2.8	0.4	81.9	80.2
<b>Total joint venture and associates' commitments</b>	<b>130.9</b>	<b>106.8</b>	<b>80.6</b>	<b>152.1</b>	<b>8.5</b>	<b>4.8</b>	<b>220.0</b>	<b>263.7</b>

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

	Note	30 Jun 2008 \$M	31 Dec 2007 \$M
<b>8. Loans and receivables – non-current</b>			
<b>Australian dollar denominated loans with associates and joint ventures</b>			
BGA Real Estate Finance Trust		29.1	29.1
Lend Lease GPT (Rouse Hill) Pty Limited		35.4	37.1
		<b>64.5</b>	<b>66.2</b>
<b>New Zealand dollar denominated loans with associates and joint ventures</b>			
BGA Real Estate Finance Trust		39.7	43.7
<b>Euro denominated loans with associates and joint ventures</b>			
BGP Investment SARL		1,227.1	1,334.6
<b>US dollar denominated loans with associates and joint ventures</b>			
Babcock & Brown GPT REIT Inc		151.2	152.7
B&B GPT Alliance 1 LLC		15.2	16.6
B&B GPT Alliance 2 LLC		52.4	57.4
B&B GPT Holdings (No. 1) LLC		96.0	2.5
Benchmark GPT LLC		66.4	72.7
B-VII Operations Holding Co LLC		1.5	1.6
Benchmark Assisted Living LLC		0.6	0.7
		<b>383.3</b>	<b>304.2</b>
Loans to employees		36.2	36.0
Loan to Babcock & Brown Residential Operating Partnership LP		52.2	56.6
Loan to German Retail Fundco SARL		7.9	-
<b>Total non-current loans and receivables</b>		<b>1,810.9</b>	<b>1,841.3</b>

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

9. Property, plant and equipment

	Note	30 Jun 2008 \$M	31 Dec 2007 \$M
Property under development	(a)	134.9	512.9
Hotel properties		529.0	629.6
Office fixtures, fittings & operating equipment		22.8	20.6
<b>Total property, plant and equipment</b>		<b>686.7</b>	<b>1,163.1</b>

(a) Details of property under development – at cost

	Ownership Interest	Acquisition Date	Cost	
			30 Jun 2008 \$M	31 Dec 2007 \$M
21 Talavera Road, Macquarie Park, NSW	100.0	Jun 2006	17.5	19.2
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	16.4	16.4
connect@erskinpark, Erskine Park, NSW	100.0	May 2008	101.0	-
Rouse Hill Town Centre, Rouse Hill, NSW <sup>(1)</sup>	100.0	Dec 2005	-	477.3
<b>Total Property under Development</b>			<b>134.9</b>	<b>512.9</b>

(1) Practical completion on the Rouse Hill Town Centre was achieved in March 2008 and the property was reclassified to investment property (refer note 6(a)).

10. Intangibles

	30 Jun 2008 \$M	31 Dec 2007 \$M
Goodwill	-	121.8
Management rights	38.7	42.3
Operating rights	19.2	26.8
<b>Total Intangibles</b>	<b>57.9</b>	<b>190.9</b>

Impairment of Goodwill

As a result of current market conditions, the European Funds Management Cash Generating Unit (CGU) has been unable to achieve the growth in funds under management envisaged and has incurred losses since acquisition, accordingly an impairment review has been undertaken. The recoverable amount of the goodwill has been determined based on value in use.

The value in use has been determined using managements forecasts in a 5 year discounted cash flow model. Forecasts were based on projected returns of the business in light of current market conditions. Funds under management has been assumed to grow marginally over the 5 year forecast period reflecting the current challenging market. The performance in year 5 has been used as a terminal value. The cash flows have been discounted at 15% which is the cost of capital attributable to the European Funds Management CGU.

The result has been an impairment loss of \$121.8 million. This has been recorded in the income statement as "Impairment Expense – Goodwill" and this has been allocated into the Funds Management Europe segment in Note 2.



The GPT Group

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

11. Borrowings

		30 Jun 2008	31 Dec 2007
		\$M	\$M
<b>Current - unsecured</b>			
Bank facilities			
Multi option facility - Australian Dollar	(a)(v)	-	50.0
Short term bank loan - Australian Dollar	(a)(ii)	-	299.8
Overdraft facility - euro	(a)(iii)	-	7.8
Bridge facility - US Dollar	(a)(iv)	94.4	102.4
Short term notes	(b)	-	45.8
Medium term notes	(b)	799.4	399.9
<b>Total current borrowings - unsecured</b>		<b>893.8</b>	<b>905.7</b>
<b>Current - secured</b>			
Bank facilities			
Australian Dollar	(a)(vi)	-	16.6
US Dollar	(a)(vi)	71.3	74.4
Euro	(a)(vi)	159.9	166.0
Danish Kroner	(a)(vi)	27.0	27.9
Swedish Kroner	(a)(vi)	6.1	6.3
<b>Total current borrowings - secured</b>		<b>264.3</b>	<b>291.2</b>
<b>Total current borrowings</b>		<b>1,158.1</b>	<b>1,196.9</b>
<b>Non-Current - unsecured</b>			
Bank borrowings			
Multi option syndicated facility - euro	(a)(i)	1,931.8	1,891.9
Multi option syndicated facility - US Dollar	(a)(i)	664.9	588.9
Multi option syndicated facility - Australian Dollar	(a)(i)	520.0	-
Multi option syndicated facility - New Zealand Dollar	(a)(i)	46.9	-
Bank loan - Australian dollar	(a)(ii)	199.5	-
Medium term notes	(b)	435.9	1,134.9
CPI coupon indexed bond	(c)	124.6	124.6
<b>Total non-current borrowings - non-secured</b>		<b>3,923.6</b>	<b>3,740.3</b>
<b>Non-Current - secured</b>			
Bank facilities - Australian Dollar	(a)(vi)	75.1	57.8
<b>Total non-current borrowings - secured</b>		<b>75.1</b>	<b>57.8</b>
<b>Total non-current borrowings</b>		<b>3,998.7</b>	<b>3,798.1</b>
<b>Total borrowings</b>		<b>5,156.8</b>	<b>4,995.0</b>
The maturity profile of the above current and non-current borrowings is:			
Due within one year *		1,158.1	1,196.9
Due between one and five years		3,662.7	3,462.1
Due after five years		336.0	336.0
		<b>5,156.8</b>	<b>4,995.0</b>

\* Bank facilities of AUD \$264.3 million (Dec 2007: AUD \$274.6 million) in the consolidated entity have been classified as due within one year, which is consistent with the treatment of the secured assets as current inventory. Actual maturity of these facilities is due after five years. Refer note 11(a)(vi)

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 11. Borrowings (continued)

##### (a) Bank facilities

###### Unsecured

##### (i) Multi option syndicated facility

A EUR €2,010 million (AUD \$3,302.7 million) multi option syndicated facility became available to the Trust on 26 October 2007. At 30 June 2008 the facility is drawn to EUR €1,180 million (AUD \$1,938.9 million), USD \$637.4 million (AUD \$664.9 million), AUD \$520 million and NZD \$59 million (AUD \$46.9 million) (Dec 2007: EUR €1,140 million (AUD \$1,900 million) and USD \$515.4 million (AUD \$588.9 million)). The facility has three maturity tranches as follows:

- 1 year (EUR €335 million) maturing October 2008,
- 3 years (EUR €670 million) maturing October 2010, and;
- 5 years (EUR €1,005 million) maturing October 2012.

The 1 year tranche may be extended for an additional 2 years at GPT's option. The current intention is to extend this tranche to 26 October 2010. Accordingly the multi option syndicated facility has been classified as non-current borrowings.

##### (ii) Bank loan

On 23 June 2008 an AUD \$200 million bank loan replaced the AUD \$300 million short term bank loan which was due to mature on 12 October 2008. The remaining \$100 million of this facility was refinanced through a draw down from the Multi option syndicated facility. The loan matures on 23 June 2009. The loan may be extended for an additional 2 years at GPT's option. The current intention is to extend this facility to 23 June 2011. Accordingly the bank loan has been classified as non-current borrowings. As part of ongoing negotiations subsequent to 30 June 2008 security has been offered against this facility,

##### (iii) Overdraft facility

A EUR €5.5 million (AUD \$9.0 million) overdraft facility was acquired as part of GPT's acquisition of Halverton. At 30 June 2008 the facility has been repaid and the overdraft facility is no longer available (Dec 2007: EUR €4.7 million (AUD \$7.8 million)).

##### (iv) Bridge facility

A USD \$40.0 million (AUD \$41.7 million) bridge facility was acquired through the Hamburg Trust acquisition. The facility matures on 30 December 2008. As at 30 June 2008, the facility is fully drawn (Dec 2007: fully drawn) and the current intention is to repay the facility following the close or sale of the Hamburg Trust Alliance Fund.

A USD \$52.5 million (AUD \$54.8 million) bridge facility matures 30 December 2008. As at 30 June 2008, the facility was drawn to USD \$50.5 million (AUD \$52.7 million) (Dec 2007: USD \$50.5 million (AUD \$57.6 million)).

###### Secured

##### (v) Multi option facility

A multi-option facility of AUD \$350 million, which may be drawn in AUD, EUR, USD or NZD is available to the Trust. This facility may be structured at GPT's option as follows:

- (i) An AUD \$175 million unsecured facility with a 3 year maturity; or
- (ii) An AUD \$350 million secured facility with AUD \$175 million available for 3 years (Tranche A) and AUD \$175 million available for 1 year (Tranche B).

GPT may elect to grant security at its option to access the increased facility size in structure (ii), above. If security has not been granted by 30 September 2008 the option will lapse and the facility will be restricted to AUD \$175 million.

##### (vi) Bank facilities

A floating rate bill facility originally for AUD \$115 million was established in March 2004 for the GPT/Austrak Joint Venture to fund the capital expenditure requirements of the Austrak Business Park, Somerton, Victoria. In January 2007, the facility was increased by AUD \$40 million to AUD \$155 million (GPT 50% share: AUD \$77.5 million). In July 2008 this facility was re-financed with a limit of \$155 million. The loan matures on 31 March 2011.

At 30 June 2008, the facility is drawn to AUD \$150.2 million (GPT 50% share: \$75.1 million) (Dec 2007: AUD \$148.7 million (GPT 50% share: \$74.4 million)). This facility is secured by a mortgage over Austrak Business Park, Somerton, Victoria. The interest rate for the facility is the applicable bank bill rate.

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 11. Borrowings (continued)

##### (a) Bank facilities (continued)

##### (vi) Bank facilities (continued)

A USD \$72.0 million (AUD \$75.1 million) bank facility acquired through the Hamburg Trust acquisition is secured against assets in the Hamburg Trust Alliance Fund (refer note 5). As at 30 June 2008, the facility was fully drawn (Dec 2007: fully drawn) and matures in July 2017. When the fund closes, or is sold, the facility will be transferred to the new equity holders. This facility is classified as current borrowings, which is consistent with the treatment of the secured assets as current inventory.

A EUR €99.3 million (AUD \$163.2 million) (Dec 2007: EUR €295.5 million (AUD \$492.5 million)) and DKK 124.5 million (AUD \$27.4 million) (Dec 2007: DKK 297.6 million (AUD \$66.1 million)) bank facility maturing July 2014 is available to the H2O Fund, a fund which is owned by GPT and managed by GPT Halverton, to acquire assets. The funds raised under this facility are secured against assets in the fund.

As at 30 June 2008 the EUR and DKK facilities are fully drawn (Dec 2007: EUR €100.9 million (AUD \$166.0 million) and DKK 124.5 million (AUD \$27.9 million)). When the fund closes the facility will be transferred to the new equity holders. When the fund closes, or is sold, the facility will be transferred to the new equity holders. This facility is classified as current borrowings, which is consistent with the treatment of the secured assets as current inventory.

A SEK 35.0 million (AUD \$6.1 million) (Dec 2007: SEK 244.0 million (AUD \$42.3 million)) bank facility is available to the Scandinavian Active Fund, a fund owned by GPT and managed by GPT Halverton, to acquire assets. The funds raised under this facility are secured against assets in the fund. As at 30 June 2008 this facility is fully drawn (Dec 2007: SEK 35.7 million (AUD \$6.3 million)) and matures in February 2015. When the fund closes, or is sold, the facility will be transferred to the new equity holders. This facility is classified as current borrowings, which is consistent with the treatment of the secured assets as current inventory.

##### (vii) Eagle Street

An AUD \$164m bank facility was established in May 2008. This facility is for the purpose of funding GPT's one third share of the construction of One One One Eagle Street, Brisbane, QLD and is secured by a mortgage over the One One One Eagle Street Property (among other security granted by other co-owners). The facility is unutilised at 30 June 2008 and matures on 30 November 2011 however, if unutilised at 31 December 2008 this facility will be cancelled.

##### (viii) Underwriting facilities

GPT has the benefit of a committed bank offer to underwrite Commercial Papers or Medium Term Notes under the terms of the Euro Medium Term Note Programme or on any other terms the Underwriter and Borrower may agree, up to a limit of AUD \$300 million (Dec 2007: AUD \$500 million). This facility has a maximum term of 3 years from the relevant issue or drawdown date. As at 30 June 2008 there were no issues under this facility. On 1 August 2008 this facility was re signed to accommodate the downgrade by Standard & Poors into the General Underwriting Conditions; the programme limit and maximum term remain unchanged.

##### (b) Short Term Notes (STNs)/Medium Term Notes (MTNs) program

##### (i) Short Term Notes (STNs)/Medium Term Notes (MTNs)

The Short Term and Medium Term Note Programme is a revolving, non-underwritten debt programme which was established in 1999 to provide flexible funding to enable GPT to fund short term and medium term commitments and act promptly on investment opportunities. The value of the Notes issued under the Programme is limited by the Trust Constitution, which limits the total amount of debt including that incurred under the STN/MTN program to no more than 40% of the total assets of General Property Trust. At 30 June 2008, there were no short term notes on issue.

At 30 June 2008, fixed rate MTNs have a principal value of AUD \$625 million (Dec 2007: AUD \$785 million) and floating rate MTNs have a principal value of AUD \$612 million (Dec 2007: \$752 million) with maturities ranging from August 2008 to August 2013.

##### (ii) Standby facilities

As support to the STN/MTN program, a standby facility of AUD \$200 million (Dec 2007: AUD \$400 million) which matures on 22 November 2008 is available to GPT. This facility is available to be drawn to provide liquidity backup in the event of a commercial paper or MTN market disruption and is subject to semi-annual or annual review.

##### (c) CPI coupon indexed bonds

The Trust issued a CPI coupon indexed bond in December 1999 with a principal value of AUD \$125 million and a current coupon of 7.87% per annum (Dec 2007: 7.66%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. The CPI coupon indexed bonds mature on 10 December 2029.

## The GPT Group

### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 11. Borrowings (continued)

##### (d) Financing Facilities

A summary of GPT's finance facilities is below:

	Note	30 June 2008		
		Total facility \$M	Used facility \$M	Unused facility \$M
Multi option syndicated facility - multi currency	(a)(i)	3,302.7	3,170.7	132.0
Bank borrowings				
Multi option facilities	(a)(v)	350.0	-	350.0
Bank loan	(a)(ii)	200.0	200.0	-
Bridge facilities	(a)(iv)	96.5	94.4	2.1
Bank facilities	(a)(vi)	349.3	346.9	2.4
Bank borrowings - One One One Eagle Street	(a)(vii)	164.0	-	164.0
Underwriting facilities	(a)(viii)	300.0	-	300.0
Medium Term Notes	(b)(i)	1,237.0	1,237.0	-
Standby facilities on Short Term Notes / Medium Term Notes	(b)(ii)	200.0	-	200.0
CPI coupon indexed bond	(c)	125.0	125.0	-
<b>Total financing facilities</b>		<b>6,324.5</b>	<b>5,174.0</b>	<b>1,150.5</b>
Cash and cash equivalents				426.2
<b>Total financing resources available at end of half year</b>				<b>1,576.7</b>

\* The above facilities are stated at the face value of the facility and differ from the total borrowings presented in the balance sheet at 30 June 2008 by \$17.2 million, which represents amortisation of borrowing costs.

##### (e) Maturity profile of financing facilities

	30 Jun 2008	31 Dec 2007
	\$M	\$M
Due within one year **	1,368.3	3,166.4
Due between one and five years	4,619.2	4,335.0
Due after five years	337.0	337.0
<b>Total financing facilities</b>	<b>6,324.5</b>	<b>7,838.4</b>

\*\* Bank facilities of AUD \$271.8 million (Dec 2007: AUD \$684.0 million) in the consolidated entity have been classified as due within one year, which is consistent with the treatment of the secured assets as current inventory. Actual maturity of these facilities is due after five years.

##### (f) Gearing Ratios

At 30 June 2008, the percentage of debt to total tangible assets is 37.3% (Dec 2007: 36.3%)

GPT is committed to a maximum of 50% debt to total assets on a 'look through basis'. In calculating the 'look through' gearing, GPT's interest in the joint ventures and associates are proportionately consolidated based on GPT's ownership interest. At 30 June 2008, the percentage of 'look through' debt to total assets is 46.7% (Dec 2007: 46.8%).

##### (g) Debt covenants

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

- A threshold limit on the percentage of GPT debt to total tangible assets. Under GPT's facilities the maximum debt to total tangible assets ratio limit is 40%;
- A threshold limit on the percentage of GPT debt to total assets on a "look through" basis. Under GPT's facilities the maximum "look through" debt to total assets ratio limit is 50%; and
- An interest cover floor. Under GPT's facilities the minimum interest cover ratio is 2 times.

A breach of these covenants for individual facilities may trigger consequences ranging from repricing to repayment of outstanding amounts.

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for the half year ended 30 June 2008

		GPT Stapled Securities	GPT	Other entities stapled to GPT	External minority interest	Total
	Note	Number	\$M	\$M	\$M	\$M
<b>12. Contributed equity</b>						
1 Jan 2007		2,041,530,506	4,391.5	307.0	-	4,698.5
25 May 2007	(a)	12,105,370	56.0	2.4	-	58.4
21 Sep 2007	(a)	13,169,408	56.2	2.2	-	58.4
23 Nov 2007	(a)	10,589,549	46.8	1.9	-	48.7
23 Nov 2007	(b)	22,219,109	98.1	4.0	-	102.1
31 Dec 2007		2,099,613,942	4,648.6	317.5	-	4,966.1
1 Jan 2008		2,099,613,942	4,648.6	317.5	-	4,966.1
28 Mar 2008	(a)	9,059,869	27.3	0.7	-	28.0
28 Mar 2008	(b)	40,613,601	122.4	2.9	-	125.3
27 May 2008	(a)	13,353,787	40.5	1.0	-	41.5
27 May 2008	(b)	36,492,741	110.6	2.6	-	113.2
30 Jun 2008		2,199,133,940	4,949.4	324.7	-	5,274.1

**(a) Distribution Reinvestment Plan**

GPT introduced a Distribution Reinvestment Plan (DRP) to eligible securityholders in March 2007. The DRP first applied to the March 2007 quarterly distribution, which was paid on 25 May 2007 and has subsequently been applied to all quarterly distributions since. It will also apply to the June 2008 quarterly distribution. The last date for the receipt of an election notice for participation in the DRP is 5pm (Sydney, Australia time) on the record date for the relevant distribution, which in the case of the June quarterly distribution, is 5 September 2008.

Under the terms of the DRP, eligible securityholders are able to elect to reinvest all or part of their quarterly distribution in additional stapled securities, free of any brokerage or other transaction costs, rather than being paid in cash. Securities are issued and/or transferred at a predetermined price, less any discount that the Directors may elect to apply from time to time. The DRP issue price is based on the arithmetic average of the daily volume weighted average price of GPT Group stapled securities traded on the Australian Securities Exchange for the ten business days preceding the relevant quarterly distribution record date, adjusted to an ex-dividend rate, less a 1.5% discount rounded to the nearest cent.

**(b) Underwriting the Distribution Reinvestment Plan**

GPT also entered into an underwriting agreement on 17 October 2007. Under this agreement GPT has the option to elect before each quarterly distribution payment whether to have that distribution underwritten. The terms of the agreement provide that the underwriter fully underwrites distribution payments from October 2007 in exchange for GPT stapled securities of the securityholders who had not elected to participate in the DRP. The stapled securities are to be issued at the same price as securities issued under the DRP to other GPT securityholders.

At 30 June 2008 77,106,342 new stapled securities relating to the distribution for the December 2007 quarter and March 2008 quarter were issued under the underwriting agreement.

The DRP for the June quarter distribution will not be underwritten. The March 2007 and June 2007 quarter DRPs were not underwritten.

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### NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

#### 13. Commitments

##### (a) Capital expenditure commitments

At 30 June 2008, GPT has commitments principally relating to the purchase of property, plant and equipment which have been approved but not recognised as liabilities in the balance sheet, as set out below:

	30 Jun 2008	31 Dec 2007
	\$M	\$M
Within one year	335.6	444.8
Later than one year but not later than five years	392.5	12.4
<b>Total capital expenditure commitments</b>	<b>728.1</b>	<b>457.2</b>

##### (b) Operating lease commitments

At 30 June 2008, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within one year	12.0	7.7
Due between one and five years	25.4	39.3
Over five years and expiry date of leases	161.9	147.6
<b>Total operating lease commitments</b>	<b>199.3</b>	<b>194.6</b>

GPT has entered into commercial leases on motor vehicles, office equipment, office premises, ground leases on certain leasehold properties and hereditary building rights.

The most significant ground leases are:

- \$3.0 million (Dec 2007: \$3.1 million) for three (Dec 2007: three) leasehold properties in Germany held in the joint venture, BGP Investment SARL, with durations between 4 to 31 years, and
- \$67.8 million (Dec 2007: \$51.6 million) for the use of Lizard Island, QLD until 2033. The lease payments comprise a turnover rent of 10% of all beverages sold and 20% of all accommodation and meal revenues, calculated semi-annually and a standard monthly rental which is increased every 2 years by an amount that is contingent on movements in the consumer price index relevant for Brisbane, QLD. At 30 June 2008, the contingent rents payable have not been included in the above operating lease commitments.

The hereditary building rights of \$79.0 million (Dec 2007: \$76.5 million) relate to nine properties (Dec 2007: nine) in Germany which are held in the joint venture, BGP Investment SARL, with durations between 40 and 197 years and have been discounted in the above operating lease commitments.

##### (c) Commitments relating to associate and joint venture investments

The above commitments include GPT's share of commitments relating to associate and joint venture investments. Refer to note 7(e) for the share of associates and joint venture entities' commitments.

#### 14. Contingent Assets and Liabilities

Except for the matters below, there are no other material contingent assets or liabilities at reporting date.

##### GPT Wholesale Office Fund (GWOF)

At 30 June 2008, the GWOF, after taking into account carried forward outperformance, outperformed the benchmark. Due to the fee cap, the performance fee was limited to \$7,140,861 (June 2007: \$5,233,134) for the six months to 30 June 2008. The discounted benefit of the current outperformance is forecast to be \$14,833,423 (Dec 2007: \$44,590,570). As the performance of the fund may fluctuate in future periods, the amount receivable is contingent on future events not wholly within the control of the Company and as such has not been recognised as income/ a receivable on the balance sheet at 30 June 2008.

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NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2008

15. Notes to the Cash Flow Statement

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

	30 Jun 2008	30 Jun 2007
	\$M	\$M
Net profit for the financial year	(67.7)	737.1
Fair value adjustments to investment properties	(115.5)	(224.0)
Fair value adjustments to equity accounted investments	158.1	(126.1)
Fair value adjustments to derivatives	28.1	(74.1)
Net foreign exchange (gain)/loss	(91.3)	(95.1)
Impairment expense	206.5	2.4
Revaluation of hotel properties	94.9	-
Net (gain)/loss on disposal of investment properties	0.1	0.3
Depreciation and amortisation	11.5	11.0
Non cash revenue adjustments	8.6	12.3
Non-cash employee benefits - share based payments	0.9	0.1
Interest capitalised	(9.7)	(10.0)
Provision for doubtful debts	-	0.1
Change in operating assets and liabilities		
(Increase)/decrease in receivables	6.4	16.8
Increase/(decrease) in payables	(7.9)	(10.4)
<b>Net cash inflows from operating activities</b>	<b>223.0</b>	<b>240.4</b>

(b) Reconciliation of cash

	30 Jun 2008	30 Jun 2007
Note	\$M	\$M
Cash at bank and on hand	426.2	153.3
<b>Total cash at end of the financial year</b>	<b>426.2</b>	<b>153.3</b>

16. Net Tangible Asset Backing

	30 Jun 2008	31 Dec 2007
	\$	\$
Net tangible asset backing per stapled security/unit	3.68	3.86

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the number of securities on issue.

17. Events subsequent of reporting date

Except for the events listed below, the Directors are not aware of any matter or circumstance occurring since the end of the half year:

- On 7 July GPT revised full year realised operating income guidance to \$464.0 million and distribution per stapled security forecast of 20 cents. Subsequent to this announcement Standard & Poor's lowered GPT's credit rating to BBB. There was no change to the credit rating of Baa1 from Moodys.
- A review of the operations of the European Funds Management business was completed and on 7 July a restructure program announced. The aim of this program is to reduce the operating costs of the business by 30%. This is to be achieved by reducing the number of offices together with outsourcing aspects of the back office operations of the business.
- GPT has appointed sales agents to market non-core assets, comprising the Hotels and Tourism portfolio, the Homemaker City retail portfolio and the Floreat Forum Shopping Centre.

**The GPT Group**

**DIRECTORS' DECLARATION**

In the Directors of the Responsible Entity's opinion for the half year ended 30 June 2008:

- (a) the interim financial statements and notes set out on pages 6 to 31 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the General Property Trust's and GPT Group's financial position as at 30 June 2008 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the General Property Trust will be able to pay its debts as and when they become due and payable.

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

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



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Peter Joseph  
Chairman



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Nic Lyons  
Executive Director

GPT RE Limited  
Sydney  
26 August 2008



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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Property Trust (the Trust), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the GPT Group (the consolidated entity). The consolidated entity comprises both the Trust and the entities it controlled during that half-year including GPT Management Holdings Limited and its controlled entities.

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

The directors of GPT RE Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of a half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's review report to the unitholders of General Property Trust (continued)**

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

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the GPT Group for the half-year ended 30 June 2008 included on the Group's website. The Responsible Entity's directors are responsible for the integrity of the Group's web site. We have not been engaged to report on the integrity of this website. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this website.

*Independence*

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

*Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



DH Armstrong  
Partner



SJ Hadfield  
Partner

Sydney  
26 August 2008