



The GPT Group

General Property Trust
ABN: 58 071 755 609

Interim Financial Report
30 June 2017

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

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

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

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DIRECTORS' REPORT

For the half year ended 30 June 2017

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (the consolidated entity) for the half year ended 30 June 2017. The consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT).

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

1. OPERATING AND FINANCIAL REVIEW

Review of operations

Funds from Operations (FFO) represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined in accordance with the guidelines established by the Property Council of Australia.

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

For the half year ended	30 Jun 17	30 Jun 16	Change
	\$M	\$M	%
Retail			
- Operations net income	152.0	141.7	7.3%
- Development net income	5.0	6.9	(27.5%)
	157.0	148.6	5.7%
Office			
- Operations net income	127.3	106.5	19.5%
- Development net income	0.6	0.6	0.0%
	127.9	107.1	19.4%
Logistics			
- Operations net income	45.1	46.7	(3.4%)
- Development net income	1.1	3.0	(63.3%)
	46.2	49.7	(7.0%)
Funds management	17.5	29.2	(40.1%)
Corporate management expenses	(14.2)	(13.8)	(2.9%)
Net finance costs	(47.2)	(50.1)	5.8%
Income tax expense	(7.4)	(5.9)	(25.4%)
Non-core	-	5.0	(100.0%)
Funds from Operations (FFO)	279.8	269.8	3.7%
Other non-FFO items:			
Valuation increase	480.0	379.9	26.3%
Financial Instruments mark to market and net foreign exchange loss	(3.7)	(65.7)	94.4%
Other items ⁽¹⁾	(3.8)	2.4	(258.3%)
Net profit after tax	752.3	586.4	28.3%
FFO per ordinary stapled security (cents)	15.54	15.02	3.5%
Funds from Operations (FFO)	279.8	269.8	3.7%
Maintenance capex	(21.4)	(25.5)	16.1%
Lease incentives and costs	(23.4)	(36.2)	35.4%
Adjusted Funds from Operations (AFFO)	235.0	208.1	12.9%
Distribution paid and payable	221.6	206.8	7.2%
Distribution per ordinary stapled security (cents)	12.3	11.5	7.0%

(1) Other items include impairment and amortisation of intangibles, profit on disposal of assets and related tax impact.

Operating result

GPT delivered FFO of \$279.8 million for the half year ended 30 June 2017, an increase of 3.7% on the prior comparable period. This translated into FFO per security of 15.54 cents, up 3.5%. The result was driven by increased contributions from the investment portfolio of high quality Australian retail, office and logistics properties.

GPT's statutory net profit after tax is \$752.3 million, an increase of 28.3% on the prior comparable period, driven by \$480.0 million in property valuation increases and a lower negative mark to market and net foreign exchange movement of financial instruments.

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GPT has maintained strong metrics across its core portfolios:

	Overall Portfolios	Retail Portfolio	Office Portfolio	Logistics Portfolio
Value of Portfolio		\$5.61 billion portfolio including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (31 Dec 2016: \$5.32 billion)	\$4.77 billion portfolio including GPT's equity interest in the GPT Wholesale Office Fund (31 Dec 2016: \$4.34 billion)	\$1.48 billion portfolio (31 Dec 2016: \$1.40 billion)
Occupancy	96.9% (31 Dec 2016: 97.1%)	99.6% (31 Dec 2016: 99.6%)	97.4% (31 Dec 2016: 97.0%)	95.0% (31 Dec 2016: 95.3%)
Weighted average lease expiry (WALE)	5.2 years (31 Dec 2016: 5.1 years)	4.1 years * (31 Dec 2016: 4.0 years)	5.3 years (31 Dec 2016: 5.5 years)	8.0 years (31 Dec 2016: 7.9 years)
Structured rental reviews		74% of specialty tenants subject to average increases of 4.7% (30 Jun 2016: 72% subject to average increases of 4.5%)	90% of tenants subject to average increases of 3.9% (30 Jun 2016: 87% subject to average increases of 3.8%)	93% of tenants subject to average increases of 3.3% (30 Jun 2016: 92% subject to average increases of 3.3%)
Comparable income growth	4.7% (30 Jun 2016: 3.8%)	3.8% (30 Jun 2016: 3.0%)	5.8% (30 Jun 2016: 6.0%)	3.8% (30 Jun 2016: 0.1%)
Weighted average capitalisation rate	5.39% (31 Dec 2016: 5.58%)	5.28% (31 Dec 2016: 5.39%)	5.25% (31 Dec 2016: 5.55%)	6.39% (31 Dec 2016: 6.54%)

*The methodology of WALE at June 2017 has been revised to exclude holdovers.

Retail

(i) Operations net income

The retail portfolio achieved a net revaluation uplift of \$120.6 million in the 6 month period to June 2017, including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The positive revaluation is predominantly the result of favourable valuations at Charlestown Square, Highpoint Shopping Centre, Westfield Penrith and the contribution from GWSCF. The positive revaluation across the portfolio has been driven by a combination of net income growth and firming in valuation metrics.

Like for like income growth of 3.8% was driven by a high proportion of structured rental increases and continued strength in leasing metrics including an ongoing focus on active remixing. Retail sales have moderated over the 12 month period to June 2017 consistent with what was anticipated and on trend with ABS retail sales, with weighted total centre sales up 3.4% and specialty annual sales up 2.1%. The portfolio remains well leased with occupancy at 99.6%.

(ii) Development net income

The retail development team has focused on master planning and delivery of development opportunities within its \$1.9 billion development pipeline. In the first half of 2017, this includes the delivery of the \$68.0 million repositioning of Wollongong Central. The remix will introduce David Jones and is on track to be completed later this year. The \$210.0 million Sunshine Plaza retail expansion is on track for an opening in late 2018.

During the first half of 2017, the business unit contributed \$5.0 million to FFO, predominantly from residential land sales at Rouse Hill (30 Jun 2016: \$6.9 million).

Office

(i) Operations net income

The office portfolio achieved a net revaluation uplift of \$321.2 million in the period to June 2017, including GPT's equity interest in the GPT Wholesale Office Fund (GWOF), as a result of continued high occupancy levels, market rental growth and firming investment metrics. The positive revaluation has been driven by favourable valuations at MLC Centre, Citigroup Centre, Australia Square and Farrer Place.

Like for like income growth of 5.8% was achieved as a result of leasing success leading to strong rental growth and continued high levels of occupancy at 97.4% (including signed leases). The assets which were the main contributors to income growth were Australia Square, Citigroup Centre, MLC Centre and One One One Eagle Street.

(ii) Development net income

The team has focused on progressing a number of repositioning projects at Melbourne Central Tower, CBW and 750 Collins Street in Melbourne and MLC Centre in Sydney. Progress is also being made on the planning approval for a new tower at Darling Park.

Following the successful pre-commitment lease of 9,240sqm to the Rural Fire Service, construction has commenced on a 15,680sqm campus building on the 4 Murray Rose site at Sydney Olympic Park. Completion is expected in late 2018.

The acquisition of an office development site of 2,439sqm in the heart of Parramatta's commercial district settled in March 2017. This site will provide the opportunity for an office building of over 28,000sqm, with the development application underway.

Logistics

(i) Operations net income

The logistics portfolio achieved a net revaluation uplift of \$38.2 million in the period to June 2017. This uplift is attributed to continued investor interest in quality logistics assets which led to a firming of investment metrics combined with high occupancy of 95.0%. The weighted average lease expiry has been maintained at a long duration of 8 years.

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For the half year ended 30 June 2017

(ii) Development net income

In the period to June 2017, the development logistics business unit has completed construction of an 18,000sqm speculative logistics facility at Abbott Road Seven Hills. At practical completion the asset was 50% leased to Easy Auto 123. A 26,000sqm facility is under construction at Lot 2012 Eastern Creek Drive, with completion anticipated in the second half of 2017. GPT has also successfully completed development of a facility at Metroplex Wacol, which has been leased to Loscam Australia. At the recently acquired Huntingwood site, IVE has taken a 10 year lease over the existing asset, whilst authority approvals are in place to develop an 11,000sqm warehouse on the adjoining land parcel. Planning approval is also well advanced on the Lot 21 Old Wallgrove Road site at Eastern Creek.

Funds management

As at and for the half year ended 30 June 2017	GWOF	GWSCF	Total
Funds under Management	\$6.8bn	\$3.9bn	\$10.7bn
Number of Assets	17	8	25
GPT Interest	24.95%	28.86%	-
GPT Investment	\$1,367.6m	\$976.4m	\$2,344.0m
One year Equity IRR (post-fees)	13.5%	13.4%	N/A
Share of profit - FFO	\$38.1m	\$21.2m	\$59.3m
Funds Management fee income	\$16.5m	\$8.5m	\$25.0m

The performance of the Wholesale Funds was strong, GWOF achieving a one year equity IRR of 13.5% and GWSCF achieving a one year equity IRR of 13.4%.

GWOF

GWOF's funds under management have grown to \$6.8 billion, up \$0.7 billion compared to 30 June 2016. The management fee income earned from GWOF for the half year ending 30 June 2017 decreased by \$11.1 million as compared to 30 June 2016, primarily due to the performance fee income of \$14.4 million recognised in 2016. This was partially offset by higher base management fee income of \$3.3 million due to strong upward revaluations across the portfolio, positive net new asset acquisitions and a higher base management fee structure compared with the first half of 2016.

During September 2016, GPT acquired an additional 158.1 million securities in GWOF for \$209.0 million, increasing GPT's ownership interest from 20.43 per cent to 24.53 per cent. During June 2017, GPT acquired a further 16.3 million securities in GWOF for \$23.2 million, increasing GPT's ownership interest from 24.53 per cent to 24.95 per cent.

GWSCF

GWSCF's funds under management of \$3.9 billion has remained stable compared with 30 June 2016 owing to strong upward revaluations across the portfolio offset by the sale of Westfield Woden in December 2016 for \$335.0 million. Management fee income earned from GWSCF of \$8.5 million has also remained stable as compared to 30 June 2016.

During September 2016, GPT acquired an additional 164.2 million in securities in GWSCF for \$157 million, increasing GPT's ownership interest from 20.22 per cent to 25.29 per cent. During May 2017, GPT acquired a further 115.6 million securities in GWSCF for \$116.6 million, increasing GPT's ownership interest from 25.29 per cent to 28.86 per cent.

Fund Terms Review

On 20 February 2017, GWSCF held an Extraordinary General Meeting (EGM) in relation to changes in the terms of GWSCF. At the EGM, investors approved all seven resolutions put to the meeting.

The key changes included:

- removal of the performance fee structure from 1 April 2017;
- introduction of an Investor Representation Committee; and
- other amendments to operational policies and investor rights.

Investor Liquidity Review

On 31 March 2017, the investor liquidity review concluded which allowed GWSCF Securityholders to notify GPT Funds Management Limited (as Responsible Entity of GWSCF) whether they required liquidity. The outcome of the review was that binding requests for liquidity for a total of 78,474,213 securities, being 2.4% of securities on issue, were submitted. This equated to \$79.8 million at the 31 March 2017 current unit value of \$1.0174. All requests for liquidity were met within the June 2017 quarter.

Management expenses

Management expenses increased to \$38.9 million (30 Jun 2016: \$32.4 million) predominantly caused by lower intercompany income elimination and moderate expense increases. In the first half of 2017 GPT achieved an MER (Management Expense Ratio) of 38 basis points on a rolling annual basis (30 Jun 2016: 38 basis points).

Distribution

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

For the half year ended 30 June 2017, a distribution of 12.3 cents, up 7.0% on 30 June 2016 distribution of 11.5 cents, was declared on 22 June 2017 and is expected to be paid on 31 August 2017.

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For the half year ended 30 June 2017

Financial position

	Net Assets 30 Jun 17 \$M	Net Assets 31 Dec 16 \$M	Change %
Core			
Retail	5,693.9	5,391.4	5.6%
Office	4,764.1	4,327.9	10.1%
Logistics	1,566.2	1,485.4	5.4%
Total core assets	12,024.2	11,204.7	7.3%
Non-core	10.4	39.7	(73.8%)
Financing and corporate assets	498.3	573.5	(13.1%)
Total assets	12,532.9	11,817.9	6.1%
Borrowings	3,179.7	2,996.6	6.1%
Other liabilities	534.2	539.1	(0.9%)
Total liabilities	3,713.9	3,535.7	5.0%
Net assets	8,819.0	8,282.2	6.5%
Total number of ordinary stapled securities (million)	1,801.6	1,798.0	0.2%
NTA (\$)	4.88	4.59	6.3%

Balance sheet

- Total core assets increased by 7.3% primarily due to development capital expenditure, positive property revaluations and further investment in the wholesale funds.
- Total borrowings increased by \$183.1 million due to net asset investments offset by fair value adjustments of \$41.2 million to the carrying value of foreign currency debt.

Capital management

	30 Jun 17	30 Jun 16	Change
Cost of debt	4.2%	4.3%	Down by 10bps
	30 Jun 17	31 Dec 16	Change
Net gearing	24.1%	23.7%	Up by 40bps
Weighted average debt maturity	5.9 years	6.5 years	Down 0.6 years
S&P/Moody's credit rating	A stable / A3 stable	A stable / A3 stable	Unchanged

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

- Reduced weighted average cost of debt by 10 basis points due to lower fixed and floating interest rates offset by higher margins.
- Net gearing⁽¹⁾ increased to 24.1% (31 Dec 2016: 23.7%), which is slightly below GPT's target gearing range of 25% to 35%. This was a result of net asset investments during the period.
- Available liquidity through cash and undrawn facilities (inclusive of forward starting facilities available to GPT) is \$697.6 million (31 Dec 2016: \$785.8 million).
- Net tangible assets were impacted by a \$5.6 million loss on net mark to market movements on derivatives and foreign bonds largely due to a decrease in market swap rates during the period.

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

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Cash flows

The cash balance as at 30 June 2017 decreased to \$41.0 million (31 Dec 2016: \$56.3 million).

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

	30 Jun 17	30 Jun 16	Change
For the half year ended	\$M	\$M	%
FFO	279.8	269.8	3.7%
Add back: non-cash items included in FFO	(5.6)	(0.9)	(522.2%)
Less: interest capitalised on developments	(11.8)	(3.4)	(247.1%)
Less: net movement on inventory (excluding capitalised interest)	(0.5)	(8.7)	94.3%
Timing difference in receivables and payables	16.7	(3.7)	551.4%
Net cash inflows from operating activities	278.6	253.1	10.1%
Add: interest capitalised on developments	11.8	3.4	247.1%
Add: net movement on inventory (excluding capitalised interest)	0.5	8.7	(94.3%)
Less: dividend income from available for sale investment	(30.4)	-	100.0%
Less: maintenance capex	(21.4)	(25.5)	16.1%
Less: lease incentives (excluding rent free)	(10.5)	(21.9)	52.1%
Free cash flow	228.6	217.8	5.0%

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

Prospects

(i) Group

GPT is well positioned with high quality assets and high levels of occupancy. As at 30 June 2017, the Group's balance sheet is in a strong position, with a smooth debt expiry profile and net gearing slightly below the Group's target range of 25% to 35%.

(ii) Retail

Australian retail sales grew 3.2 per cent for the year to 30 June 2017 led by the Eastern states. This has supported the performance of the GPT portfolio, which is strongly weighted to these states, with total centre sales up 3.4 per cent for the 12 months to 30 June 2017. Retail sales growth has been stronger across the Eastern seaboard in 2017 and we expect to continue to see this trend going forward with employment growth being stimulated by government and infrastructure investment across these states. GPT's retail assets are well positioned with 85% of the portfolio located in NSW and Victoria.

(iii) Office

The Eastern Seaboard office markets in particular Sydney and Melbourne have continued to strengthen in 2017 with office demand remaining strong in each market. The markets have passed a peak in their respective supply cycles and have a limited supply outlook for the next two years. With demand forecast to remain positive during this period, vacancy rates are expected to contract and rental growth to continue in the short to medium term. GPT's office portfolio weighting in the Sydney and Melbourne markets should benefit from these favourable market conditions.

(iv) Logistics

The investment market for institutional grade product has been strong over the past 24 months, with quality assets and portfolios transacting at yields firmer than at previous market peaks. Despite a modest rental growth outlook and increasing supply, assets with long WALE, good review structures and secure covenants have been well sought after. The medium term outlook is for a stabilisation of yields as this investment activity tapers off, while rents are likely to remain stable. GPT's desire to increase exposure to the sector will see a continued focus on development of the existing land bank.

(v) Funds management

GPT has a strong funds management platform which has experienced significant growth over the past five years. The funds management team will continue to actively manage the existing portfolios, with new acquisitions, divestments and developments reviewed based on meeting the relevant investment objectives of the respective funds.

(vi) Guidance for 2017

In 2017 GPT expects to deliver approximately 3% growth in FFO per ordinary security and approximately 5% growth in distribution per ordinary security. Achieving this target is subject to risks detailed in the following section.

Risks

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

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

The key components of the approach include the following:

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

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The Board sets the risk framework via the organisation's risk appetite. The risk appetite considers the most significant, material risks to which GPT is exposed and provides the Board with ongoing monitoring of risk exposures, with particular regard to the following categories:

- Investment Mandate
- Development
- Competition
- Digital disruption
- Leasing
- Capital Management (including macro-economic factors)
- Health & Safety
- People
- Environment & Sustainability (including the impacts of climate change)
- Energy security and cost

2. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstances occurring since 30 June 2017 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

3. DIRECTORS

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Chief Executive Officer and Managing Director

Bob Johnston

(iii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Swe Guan Lim

Michelle Somerville

Gene Tilbrook

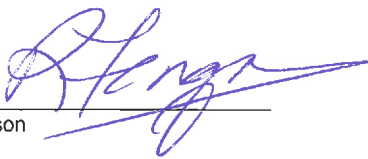
4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 and forms part of the Directors' Report.

5. ROUNDING

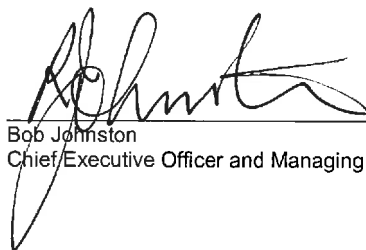
The amounts contained in this report and in the financial statements have been rounded to the nearest hundred thousand dollars unless otherwise stated (where rounding is applicable) under the option available to GPT under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.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

The Directors' Report is signed in accordance with a resolution of the directors of the GPT Group.



Rob Ferguson
Chairman

Sydney
15 August 2017



Bob Johnston
Chief Executive Officer and Managing Director



Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of General Property Trust and the entities it controlled during the period.

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

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
15 August 2017

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half year ended 30 June 2017

	Note	30 Jun 17 \$M	30 Jun 16 \$M
Revenue			
Rent from investment properties		301.9	286.2
Property and fund management fees		35.0	47.7
Development revenue		12.2	9.9
Development management fees		7.2	2.4
		356.3	346.2
Other income			
Fair value gain on investment properties		298.4	233.2
Share of after tax profit of equity accounted investments		288.5	235.7
Interest revenue		0.5	1.7
Gain on financial liability at amortised cost		1.1	0.5
		588.5	471.1
Total revenue and other income		944.8	817.3
Expenses			
Property expenses and outgoings		77.9	80.7
Management and other administration costs		38.1	31.3
Development costs		12.0	1.3
Depreciation expense		0.8	1.1
Amortisation expense		2.6	2.8
Impairment expense / (reversal of prior period impairment)		2.9	(0.2)
Finance costs		47.7	51.8
Net loss on fair value movements of derivatives		3.0	62.2
Net impact of foreign currency borrowings and associated hedging loss		2.4	4.1
Net foreign exchange loss		-	0.1
Net loss on disposal of assets		-	0.5
		187.4	235.7
Profit before income tax expense		757.4	581.6
Income tax expense		5.7	2.5
		751.7	579.1
Profit after income tax expense		751.7	579.1
Profit from discontinued operations		0.6	7.3
Net profit for the half year		752.3	586.4
Other comprehensive income			
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Changes in the fair value of cash flow hedges		(1.3)	(0.5)
Revaluation of available for sale financial asset		0.8	(0.3)
Net foreign exchange translation adjustments		-	(0.8)
		(0.5)	(1.6)
Total other comprehensive income		(0.5)	(1.6)
Total comprehensive income for the half year		751.8	584.8
Total comprehensive income for the half year from continuing operations		751.2	578.3
Total comprehensive income for the half year from discontinued operations		0.6	6.5
Net profit attributable to:			
- Securityholders of the Trust		738.9	554.2
- Securityholders of other entities stapled to the Trust		13.4	32.2
Total comprehensive income attributable to:			
- Securityholders of the Trust		737.6	551.9
- Securityholders of other entities stapled to the Trust		14.2	32.9
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	5(a)	41.0	30.4
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) - profit from continuing operations	5(b)	41.7	32.2

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	30 Jun 17 \$M	31 Dec 16 \$M
ASSETS			
Current assets			
Cash and cash equivalents		41.0	56.3
Loans and receivables		103.1	149.2
Inventories		5.4	4.5
Derivative assets		6.4	-
Prepayments		10.3	4.7
Other assets		10.4	9.3
Total current assets		176.6	224.0
Non-current assets			
Investment properties	2	8,400.7	7,944.9
Equity accounted investments	3	3,479.1	3,120.2
Intangible assets		32.2	35.3
Inventories		135.1	131.4
Property, plant & equipment		13.2	13.5
Derivative assets		285.0	337.2
Deferred tax assets		7.5	7.5
Other assets		3.5	3.9
Total non-current assets		12,356.3	11,593.9
Total assets		12,532.9	11,817.9
LIABILITIES			
Current liabilities			
Payables		377.0	378.3
Current tax liabilities		5.4	-
Borrowings	7	32.4	48.8
Provisions		17.0	30.5
Total current liabilities		431.8	457.6
Non-current liabilities			
Borrowings	7	3,147.3	2,947.8
Derivative liabilities		127.5	128.5
Provisions		7.3	1.8
Total non-current liabilities		3,282.1	3,078.1
Total liabilities		3,713.9	3,535.7
Net assets		8,819.0	8,282.2
EQUITY			
Securityholders of the Trust (parent entity)			
Contributed equity	4	7,814.7	7,804.3
Reserves		(32.5)	(31.2)
Retained earnings		1,540.1	1,022.8
Total equity of Trust securityholders		9,322.3	8,795.9
Securityholders of other entities stapled to the Trust			
Contributed equity	4	325.7	325.5
Reserves		56.3	59.5
Accumulated losses		(885.3)	(898.7)
Total equity of other stapled securityholders		(503.3)	(513.7)
Total equity		8,819.0	8,282.2

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half year ended 30 June 2017

	Note	General Property Trust				Other entities stapled to the General Property Trust				Total equity \$M
		Contributed equity	Reserves	Retained earnings	Total	Contributed equity	Reserves	Accumulated losses	Total	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Equity attributable to Securityholders										
At 1 January 2016										
		7,709.4	(43.9)	477.8	8,143.3	325.3	59.1	(1,002.6)	(618.2)	7,525.1
Revaluation of available for sale financial asset net of tax		-	-	-	-	-	(0.3)	-	(0.3)	(0.3)
Foreign currency translation reserve		-	(1.8)	-	(1.8)	-	1.0	-	1.0	(0.8)
Cash flow hedge reserve		-	(0.5)	-	(0.5)	-	-	-	-	(0.5)
Other comprehensive income for the half year		-	(2.3)	-	(2.3)	-	0.7	-	0.7	(1.6)
Profit for the half year		-	-	554.2	554.2	-	-	32.2	32.2	586.4
Total comprehensive income for the half year		-	(2.3)	554.2	551.9	-	0.7	32.2	32.9	584.8
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	4	10.4	-	-	10.4	0.2	-	-	0.2	10.6
Reclassification of redemption deficit of exchangeable securities to retained earnings	4	84.5	-	(84.5)	-	-	-	-	-	-
Movement in employee incentive scheme reserve net of tax		-	-	-	-	-	(3.9)	-	(3.9)	(3.9)
Distributions paid and payable	6	-	-	(206.8)	(206.8)	-	-	-	-	(206.8)
At 30 June 2016		7,804.3	(46.2)	740.7	8,498.8	325.5	55.9	(970.4)	(589.0)	7,909.8
Equity attributable to Securityholders										
At 1 January 2017										
		7,804.3	(31.2)	1,022.8	8,795.9	325.5	59.5	(898.7)	(513.7)	8,282.2
Revaluation of available for sale financial asset net of tax		-	-	-	-	-	0.8	-	0.8	0.8
Cash flow hedge reserve		-	(1.3)	-	(1.3)	-	-	-	-	(1.3)
Other comprehensive income for the half year		-	(1.3)	-	(1.3)	-	0.8	-	0.8	(0.5)
Profit for the half year		-	-	738.9	738.9	-	-	13.4	13.4	752.3
Total comprehensive income for the half year		-	(1.3)	738.9	737.6	-	0.8	13.4	14.2	751.8
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	4	10.4	-	-	10.4	0.2	-	-	0.2	10.6
Movement in employee incentive scheme reserve net of tax		-	-	-	-	-	(4.0)	-	(4.0)	(4.0)
Distributions paid and payable	6	-	-	(221.6)	(221.6)	-	-	-	-	(221.6)
At 30 June 2017		7,814.7	(32.5)	1,540.1	9,322.3	325.7	56.3	(885.3)	(503.3)	8,819.0

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

Half year ended 30 June 2017

	Note	30 Jun 17 \$M	30 Jun 16 \$M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		368.5	371.9
Payments in the course of operations (inclusive of GST)		(146.7)	(141.4)
Proceeds from sale of inventories		4.7	-
Payment for inventories		(4.3)	(9.8)
Distributions received from equity accounted investments		84.9	64.4
Dividend received from available for sale investment		30.4	-
Interest received		0.5	22.7
Income taxes paid		(0.4)	-
Finance costs paid		(59.0)	(54.7)
Net cash inflows from operating activities	8	278.6	253.1
Cash flows from investing activities			
Acquisition of investment properties		(33.0)	(30.6)
Payments for operating capital expenditure on investment properties		(32.3)	(50.0)
Payments for development capital expenditure on investment properties		(85.6)	(59.5)
Proceeds from disposal of assets		5.5	219.6
Payments for property, plant and equipment		(0.8)	(0.3)
Payments for intangibles		(2.7)	(2.1)
Investment in equity accounted investments		(152.3)	(12.3)
Proceeds from disposal of equity accounted investments		-	1.3
Proceeds from loan repayments		-	84.7
Loans advanced		-	(1.7)
Net cash (outflows) / inflows from investing activities		(301.2)	149.1
Cash flows from financing activities			
Proceeds from borrowings		607.6	789.3
Repayment of borrowings		(383.2)	(1,000.0)
Payment for termination of derivatives		(3.1)	-
Distributions paid to securityholders		(214.0)	(206.4)
Net cash inflows / (outflows) from financing activities		7.3	(417.1)
Net decrease in cash and cash equivalents		(15.3)	(14.9)
Cash and cash equivalents at the beginning of the half year		56.3	69.3
Cash and cash equivalents at the end of the half year		41.0	54.4

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

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

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

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

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

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

Note 2 to 3 - Operating assets and liabilities: provides information on the assets and liabilities used to generate GPT's trading performance.

Note 4 to 7 - Capital structure: outlines how GPT manages its capital structure and various financial risks.

Note 8 to 12 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements and estimates

In applying GPT's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

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

Area of judgements and estimates

Management rights with indefinite life
IT development and software
Inventories
Deferred tax assets
Security based payments
Investment properties
Derivatives
Investment in equity accounted investments

Assumptions underlying

Impairment trigger and recoverable amounts
Impairment trigger and recoverable amounts
Lower of cost and net realisable value
Recoverability
Fair value
Fair value
Fair value
Assessment of control versus disclosure guidance

RESULT FOR THE HALF YEAR

1. SEGMENT INFORMATION

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

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed use) and management of predominantly regional and sub-regional shopping centres as well as GPT's equity investment in GPT Wholesale Shopping Centre Fund.
Office	Ownership, development (including mixed use) and management of prime CBD office properties with some associated retail space as well as GPT's equity investment in GPT Wholesale Office Fund.
Logistics	Ownership, development (including mixed use) and management of logistics and business park assets as well as GPT's equity investment in GPT Metro Office Fund until GPT divested its interest on 1 July 2016.
Funds Management	Management of two Australian wholesale property funds in the retail and office sectors. And management of one Australian listed property fund in the metropolitan office and business park sector until 30 September 2016.
Corporate	Cash and other assets and borrowings and associated hedges plus resulting net finance costs, management operating costs and income tax expense.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

(a) Segment financial information

30 June 2017

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

Financial performance by segment

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

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

Current assets

Current assets	-	-	5.4	-	160.8	166.2	10.4	176.6
Total current assets	-	-	5.4	-	160.8	166.2	10.4	176.6

Non-current assets

Investment properties	4,607.3	2,309.1	1,484.3	-	-	8,400.7	-	8,400.7
Equity accounted investments	1,015.6	2,453.5	-	-	10.0	3,479.1	-	3,479.1
Inventories	60.7	-	74.4	-	-	135.1	-	135.1
Other non-current assets	10.3	1.5	2.1	-	327.5	341.4	-	341.4
Total non-current assets	5,693.9	4,764.1	1,560.8	-	337.5	12,356.3	-	12,356.3
Total assets	5,693.9	4,764.1	1,566.2	-	498.3	12,522.5	10.4	12,532.9

Current and non-current liabilities

Current and non-current liabilities	-	-	-	-	3,713.9	3,713.9	-	3,713.9
Total liabilities	-	-	-	-	3,713.9	3,713.9	-	3,713.9
Net assets	5,693.9	4,764.1	1,566.2	-	(3,215.6)	8,808.6	10.4	8,819.0

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

30 June 2016

The segment financial information provided to the chief operating decision maker for the half year ended 30 June 2016 is set out below.

Financial performance by segment

		Retail	Office	Logistics	Funds Management	Corporate	Total Core	Non-Core	Total
	Note	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Rent from investment properties	b(ii)	173.7	110.0	54.3	-	-	338.0	-	338.0
Property expenses and outgoings	b(iii)	(52.8)	(26.8)	(8.3)	-	-	(87.9)	-	(87.9)
Income from Funds	b(iv)	17.8	25.1	1.4	-	-	44.3	-	44.3
Fee income		7.3	2.5	0.5	23.0	-	33.3	-	33.3
Performance Fee income		-	-	-	14.4	-	14.4	-	14.4
Management & administrative expenses	b(v)	(4.3)	(4.3)	(1.2)	(8.2)	(13.8)	(31.8)	-	(31.8)
Operations Net Income		141.7	106.5	46.7	29.2	(13.8)	310.3	-	310.3
Development fees		1.6	0.7	0.1	-	-	2.4	-	2.4
Development revenue	b(vi)	6.7	-	3.2	-	-	9.9	-	9.9
Development costs		(1.3)	-	-	-	-	(1.3)	-	(1.3)
Share of profit from associate	b(iv)	-	-	0.1	-	-	0.1	-	0.1
Development management expenses	b(v)	(0.1)	(0.1)	(0.4)	-	-	(0.6)	-	(0.6)
Development Net Income		6.9	0.6	3.0	-	-	10.5	-	10.5
Interest income		-	-	-	-	1.7	1.7	5.0	6.7
Finance costs		-	-	-	-	(51.8)	(51.8)	-	(51.8)
Net Finance Costs		-	-	-	-	(50.1)	(50.1)	5.0	(45.1)
Segment Result Before Tax		148.6	107.1	49.7	29.2	(63.9)	270.7	5.0	275.7
Income tax expense	b(vii)	-	-	-	-	(5.9)	(5.9)	-	(5.9)
Funds from Operations (FFO)	b(i)	148.6	107.1	49.7	29.2	(69.8)	264.8	5.0	269.8

Reconciliation of segment assets and liabilities to the Statement of Financial Position – 31 December 2016

Current assets

Current assets	-	-	4.5	-	179.8	184.3	39.7	224.0
Total current assets	-	-	4.5	-	179.8	184.3	39.7	224.0

Non-current assets

Investment properties	4,468.6	2,071.5	1,404.8	-	-	7,944.9	-	7,944.9
Equity accounted investments	855.0	2,255.2	-	-	10.0	3,120.2	-	3,120.2
Inventories	57.4	-	74.0	-	-	131.4	-	131.4
Other non-current assets	10.4	1.2	2.1	-	383.7	397.4	-	397.4
Total non-current assets	5,391.4	4,327.9	1,480.9	-	393.7	11,593.9	-	11,593.9
Total assets	5,391.4	4,327.9	1,485.4	-	573.5	11,778.2	39.7	11,817.9

Current and non-current liabilities	-	-	-	-	3,535.7	3,535.7	-	3,535.7
Total liabilities	-	-	-	-	3,535.7	3,535.7	-	3,535.7
Net assets	5,391.4	4,327.9	1,485.4	-	(2,962.2)	8,242.5	39.7	8,282.2

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

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

	30 Jun 17 \$M	30 Jun 16 \$M
(i) FFO to Net profit for the half year		
Segment result		
FFO	279.8	269.8
Adjustments		
Fair value gain on investment properties	298.4	233.2
Fair value gain and other adjustments to equity accounted investments	194.1	164.8
Amortisation of lease incentives and costs	(16.9)	(24.8)
Straightlining of leases	4.4	6.7
Valuation increase	480.0	379.9
Net loss on fair value movement of derivatives	(3.0)	(62.2)
Net impact of foreign currency borrowings and associated hedging loss	(2.4)	(4.1)
Net foreign exchange gain	0.6	0.1
Gain on financial liability at amortised costs	1.1	0.5
Financial instruments mark to market and net foreign exchange loss	(3.7)	(65.7)
Net gain on disposal of assets	-	1.4
(Impairment expense) / reversal of prior year impairment	(2.9)	0.4
Other items	(0.9)	0.6
Total other items	(3.8)	2.4
Consolidated Statement of Comprehensive Income		
Net profit for the half year	752.3	586.4
(ii) Rent from investment properties		
Segment result		
Rent from investment properties	350.8	338.0
Less: share of rent from investment properties in equity accounted investments	(36.4)	(33.7)
Adjustments		
Amortisation of lease incentives and costs	(16.9)	(24.8)
Straightlining of leases	4.4	6.7
Consolidated Statement of Comprehensive Income		
Rent from investment properties	301.9	286.2
(iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	(85.6)	(87.9)
Less: share of property expenses and outgoings in equity accounted investments	7.7	7.2
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	(77.9)	(80.7)
(iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from Funds	59.3	44.3
Share of rent from investment properties in equity accounted investments	36.4	33.7
Share of property expenses and outgoings in equity accounted investments	(7.7)	(7.2)
Share of profit from associate	-	0.1
Development revenue	6.4	-
Adjustment		
Fair value gain and other adjustments to equity accounted investments	194.1	164.8
Consolidated Statement of Comprehensive Income		
Share of after tax profit of equity accounted investments	288.5	235.7
(v) Management and administration expenses		
Segment result		
Operations	(31.8)	(31.8)
Development	(7.1)	(0.6)
Less: depreciation expense	0.8	1.1
Consolidated Statement of Comprehensive Income		
Management and administration expenses	(38.1)	(31.3)

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

	30 Jun 17 \$M	30 Jun 16 \$M
(vi) Development revenue		
Segment result		
Development revenue	18.6	9.9
Share of after tax profit of equity accounted investments	(6.4)	-
Consolidated Statement of Comprehensive Income		
Development revenue	12.2	9.9
(vii) Income tax expense		
Segment result		
Income tax expense	(7.4)	(5.9)
Adjustment		
Tax impact of reconciling items from segment result to net profit for the half year	1.7	3.4
Consolidated Statement of Comprehensive Income		
Income tax expense	(5.7)	(2.5)

OPERATING ASSETS AND LIABILITIES

2. INVESTMENT PROPERTIES

	30 Jun 17 \$M	31 Dec 16 \$M
	Note	
Retail	(a)	4,607.3
Office	(b)	2,259.0
Logistics	(c)	1,413.4
Properties under development	(d)	121.0
Total investment properties	(e)	8,400.7

	Ownership interest ⁽⁵⁾ %	Acquisition date	Fair value 30 Jun 17 \$M	Fair value 31 Dec 16 \$M	Latest	
					independent valuation date	Valuer
(a) Retail						
Casuarina Square, NT	50.0	Oct 1973	315.3	313.0	Dec 2016	CB Richard Ellis Pty Ltd
Charlestown Square, NSW	100.0	Dec 1977	920.0	885.5	Jun 2017	M3 Property
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	6.6	7.1	Jun 2017	M3 Property
Highpoint Shopping Centre, VIC	16.7	Aug 2009	400.0	373.4	Jun 2017	Savills Australia
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	9.8	9.8	Dec 2016	Savills Australia
Westfield Penrith, NSW	50.0	Jun 1971	665.0	636.2	Jun 2017	Knight Frank Valuations
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Sep 2004	411.0	380.5	Jun 2017	M3 Property
Plaza Parade, QLD	50.0	Jun 1999	10.0	10.3	Jun 2017	M3 Property
Rouse Hill Town Centre, NSW	100.0	Dec 2005	583.5	578.8	Dec 2016	M3 Property
Melbourne Central, VIC - retail portion ⁽¹⁾	100.0	May 1999 / May 2001	1,286.1	1,274.0	Dec 2016	CB Richard Ellis Pty Ltd
Total Retail			4,607.3	4,468.6		
(b) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	438.5	402.6	Jun 2017	Colliers International
MLC Centre, Sydney, NSW	50.0	Apr 1987	650.0	531.5	Jun 2017	Knight Frank Valuations
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	290.0	284.2	Jun 2017	CB Richard Ellis Pty Ltd
Melbourne Central, VIC - office portion ⁽¹⁾	100.0	May 1999 / May 2001	532.0	513.5	Jun 2017	Jones Lang LaSalle
Corner of Bourke and William, VIC	50.0	Oct 2014	348.5	336.3	Jun 2017	Jones Lang LaSalle
Total Office			2,259.0	2,068.1		

(1) Melbourne Central: 70.7% Retail and 29.3% Office (31 Dec 2016: 71.3% Retail and 28.7% Office). Melbourne Central – Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

	Ownership interest ⁽⁵⁾ %	Acquisition date	Fair value 30 Jun 17 \$M	Fair value 31 Dec 16 \$M	Latest independent valuation date	Valuer
(c) Logistics						
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	72.7	70.6	Dec 2016	CB Richard Ellis Pty Ltd
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	24.0	23.4	Jun 2017	M3 Property
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	51.5	49.3	Jun 2017	M3 Property
6 Herb Elliott Avenue, Sydney Olympic Park, NSW	* 100.0	Jun 2010	12.0	11.1	Jun 2017	Knight Frank Valuations
8 Herb Elliott Avenue, Sydney Olympic Park, NSW	* 100.0	Aug 2004	11.7	11.3	Jun 2017	Knight Frank Valuations
3 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Apr 2013	24.5	24.0	Jun 2017	Knight Frank Valuations
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	26.6	26.5	Jun 2017	Knight Frank Valuations
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	15.3	15.0	Jun 2017	Knight Frank Valuations
Rosehill Business Park, Camellia, NSW	100.0	May 1998	80.0	79.4	Dec 2016	CB Richard Ellis Pty Ltd
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	55.8	54.5	Jun 2017	CB Richard Ellis Pty Ltd
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	23.5	23.5	Dec 2016	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	165.7	165.4	Dec 2016	M3 Property
4 Holker Street, Newington, NSW	100.0	Mar 2006	30.1	29.0	Dec 2016	CB Richard Ellis Pty Ltd
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	24.1	21.8	Dec 2016	CB Richard Ellis Pty Ltd
18 - 24 Abbott Road, Seven Hills, NSW ⁽²⁾	100.0	Oct 2006	32.5	-	Jun 2017	CB Richard Ellis Pty Ltd
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	74.5	71.0	Jun 2017	Savills Australia
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	32.9	31.8	Dec 2016	Jones Lang LaSalle
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	32.0	32.0	Dec 2016	Knight Frank Valuations
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	25.5	26.5	Jun 2017	Jones Lang LaSalle
Corner Pine Road and Loftus Road, Yennora, NSW	100.0	Nov 2013	52.8	52.2	Jun 2017	M3 Property
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	43.9	43.2	Dec 2016	CB Richard Ellis Pty Ltd
Toll NQX, Karawatha, QLD	100.0	Dec 2012	108.0	102.5	Jun 2017	CB Richard Ellis Pty Ltd
TNT, 29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	96.5	85.5	Jun 2017	Savills Australia
RAND, 36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	98.3	97.0	Jun 2017	Jones Lang LaSalle
RRM, 54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	145.0	138.0	Jun 2017	M3 Property
1 Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	39.0	32.8	Jun 2017	CB Richard Ellis Pty Ltd
Loscam, Metroplex, Wacol, QLD ⁽²⁾	100.0	Dec 2016	15.0	-	Jun 2017	Jones Lang LaSalle
Total Logistics			1,413.4	1,317.3		
(d) Properties under development						
Erskine Park, NSW ⁽³⁾	100.0	Jun 2008	-	5.5	Jun 2015	CB Richard Ellis Pty Ltd
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	5.6	5.5	Jun 2016	M3 Property
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	20.1	19.4	Dec 2016	M3 Property
18 - 24 Abbott Road, Seven Hills, NSW ⁽²⁾	100.0	Oct 2006	-	14.7	Jun 2017	CB Richard Ellis Pty Ltd
4 Murray Rose Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	16.0	3.4	Dec 2014	CB Richard Ellis Pty Ltd
Lot 2012 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	26.5	18.9	-	-
Lot 21 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	18.7	17.1	-	-
Loscam, Metroplex, Wacol, QLD ⁽²⁾	100.0	Dec 2016	-	6.4	Jun 2017	Jones Lang LaSalle
32 Smith Street, Parramatta, NSW ⁽⁴⁾	100.0	Mar 2017	34.1	-	-	-
Total Properties under development			121.0	90.9		

(2) Following practical completion in April and May 2017 respectively, 18-24 Abbott Road, Seven Hills and Loscam, Metroplex, Wacol have been reclassified from properties under development to investment property in the Logistics portfolio.

(3) On 8 February 2017 GPT sold its 100% interest in Lot 101 16 Lockwood Road, Erskine Park for a consideration of \$5.5 million.

(4) On 17 March 2017 GPT acquired a 100% interest in 32 Smith Street, Parramatta for a total consideration of \$33.0 million (including transaction costs of \$1.8 million).

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

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

(e) Reconciliation

	Retail	Office	Logistics	Properties under development	For the 6 months to 30 Jun 17	For the 12 months to 31 Dec 16
	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount at the beginning of the year	4,468.6	2,068.1	1,317.3	90.9	7,944.9	7,372.8
Additions - operating capital expenditure	8.5	6.9	4.1	-	19.5	38.4
Additions - development capital expenditure	39.3	13.2	4.7	41.5	98.7	128.8
Additions - interest capitalised ⁽¹⁾	1.1	-	0.9	2.2	4.2	4.5
Asset acquisitions	-	-	-	33.0	33.0	71.3
Transfers from properties under development	-	-	41.1	(41.1)	-	-
Transfers from inventory	-	-	2.8	-	2.8	(30.1)
Lease incentives	5.7	5.2	4.1	-	15.0	47.3
Amortisation of lease incentives and costs	(4.9)	(9.9)	(2.1)	-	(16.9)	(42.5)
Disposals	-	-	-	(5.5)	(5.5)	(82.4)
Fair value adjustments	86.5	175.8	36.1	-	298.4	417.5
Leasing costs	1.5	0.5	0.2	-	2.2	5.7
Straightlining of rental income	1.0	(0.8)	4.2	-	4.4	13.6
Carrying amount at the end of the period	4,607.3	2,259.0	1,413.4	121.0	8,400.7	7,944.9

(1) A capitalisation interest rate of 5.8% has been applied when capitalising interest on qualifying assets.

3. EQUITY ACCOUNTED INVESTMENTS

	Note	30 Jun 17 \$M	31 Dec 16 \$M
Investments in joint ventures	(a)	1,125.1	1,004.4
Investments in associates	(b)	2,354.0	2,115.8
Total equity accounted investments		3,479.1	3,120.2

Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 17 \$M	31 Dec 16 \$M
		30 Jun 17 %	31 Dec 16 %		
(a) Joint ventures					
2 Park Street Trust	Investment property	50.00	50.00	623.7	547.9
1 Farrer Place Trust	Investment property	50.00	50.00	462.1	424.1
Horton Trust	Investment property	50.00	50.00	27.1	26.6
Lendlease GPT (Rouse Hill) Pty Limited ⁽¹⁾	Property development	50.00	50.00	12.1	5.7
DPT Operator Pty Limited	Management	50.00	50.00	0.1	0.1
Total investment in joint venture entities				1,125.1	1,004.4
(b) Associates					
GPT Wholesale Office Fund ⁽²⁾	Investment property	24.95	24.53	1,367.6	1,283.1
GPT Wholesale Shopping Centre Fund ⁽³⁾	Investment property	28.86	25.29	976.4	822.7
GPT Funds Management Limited	Funds management	100.00	100.00	10.0	10.0
Total investments in associates				2,354.0	2,115.8

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

(2) In June 2017, GPT acquired an additional 16.3 million units in GWOF.

(3) In May 2017, GPT acquired an additional 115.6 million units in GWSCF.

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

CAPITAL STRUCTURE

4. EQUITY

	Number	Trust \$M	Other entities Stapled to GPT \$M	Total \$M
(a) Ordinary stapled securities				
Opening securities on issue as at 1 January 2016	1,794,816,529	7,793.9	325.3	8,119.2
Securities issued - Long Term Incentive Plan	2,102,805	5.6	0.1	5.7
Securities issued - Deferred Short Term Incentive Plan	978,834	4.5	0.1	4.6
Securities issued - Broad Based Employee Security Ownership Plan	57,400	0.3	-	0.3
Closing securities on issue as at 30 June 2016	1,797,955,568	7,804.3	325.5	8,129.8
Opening securities on issue as at 1 January 2017	1,797,955,568	7,804.3	325.5	8,129.8
Securities issued - Long Term Incentive Plan	2,763,052	6.0	0.1	6.1
Securities issued - Deferred Short Term Incentive Plan	855,355	4.2	0.1	4.3
Securities issued - Broad Based Employee Security Ownership Plan	54,338	0.2	-	0.2
Closing securities on issue as at 30 June 2017	1,801,628,313	7,814.7	325.7	8,140.4
(b) Exchangeable securities				
Opening securities on issue as at 1 January 2016	-	(84.5)	-	(84.5)
Transfer to retained earnings	-	84.5	-	84.5
Closing securities on issue as at 30 June 2016	-	-	-	-
Total Contributed Equity - 31 December 2016	-	7,804.3	325.5	8,129.8
Total Contributed Equity - 30 June 2017	-	7,814.7	325.7	8,140.4

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

5. EARNINGS PER STAPLED SECURITY

	30 Jun 17 Cents	30 Jun 16 Cents
(a) Attributable to ordinary securityholders of the Trust	Basic and Diluted	Basic and Diluted
Basic and diluted earnings per security - profit from continuing operations	41.0	30.4
Basic and diluted earnings per security - profit from discontinued operations	-	0.4
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	41.0	30.8
(b) Attributable to ordinary stapled securityholders of GPT Group		
Basic and diluted earnings per security - profit from continuing operations	41.7	32.2
Basic and diluted earnings per security - profit from discontinued operations	-	0.4
Total basic and diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group	41.7	32.6

The earnings and weighted average number of ordinary securities (WANOS) used in the calculations of basic and diluted earnings per ordinary stapled security are as follows:

	\$M	\$M
(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security		
Net profit from continuing operations attributable to the securityholders of the Trust	738.3	546.9
Net profit from discontinued operations attributable to the securityholders of the Trust	0.6	7.3
Basic and diluted earnings of the Trust	738.9	554.2
Basic and diluted earnings of the Company	13.4	32.2
Basic and diluted earnings of The GPT Group	752.3	586.4
(d) WANOS	Millions	Millions
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	1,800.5	1,796.9
Performance security rights at weighted average basis ⁽¹⁾	1.9	3.5
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security	1,802.4	1,800.4

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

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

6. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT securityholders half yearly.

	Cents per stapled security	Total amount \$M
Distributions paid / payable		
2017		
6 months period ended 30 June 2017 ⁽¹⁾	12.3	221.6
Total distributions payable for the year	12.3	221.6
2016		
6 months period ended 30 June 2016	11.5	206.8
Total distributions paid for the year	11.5	206.8

(1) June 2017 half yearly distribution of 12.3 cents per stapled security has been declared on 22 June 2017 and is expected to be paid on 31 August 2017 based on a record date of 30 June 2017.

7. BORROWINGS

	30 Jun 17 \$M	31 Dec 16 \$M
Current borrowings - unsecured	30.0	30.0
Current borrowings - secured	2.4	18.8
Current borrowings	32.4	48.8
Non-current borrowings - unsecured	3,047.7	2,860.5
Non-current borrowings - secured	99.6	87.3
Non-current borrowings	3,147.3	2,947.8
Total borrowings⁽¹⁾ - carrying amount	3,179.7	2,996.6
Total borrowings⁽²⁾ - fair value	3,211.5	3,014.4

(1) Including unamortised establishment costs, fair value and other adjustments.

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

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

The maturity profile of borrowings is provided below:

	Total facility ^{(1) (2)} \$M	Used facility ⁽¹⁾ \$M	Unused facility ⁽²⁾ \$M
Due within one year	34.6	32.4	2.2
Due between one and five years	2,046.3	1,691.9	354.4
Due after five years	1,253.3	1,253.3	-
	3,334.2	2,977.6	356.6
Cash and cash equivalents			41.0
Total financing resources available at the end of the half year			397.6

(1) Excluding unamortised establishment costs, and fair value and other adjustments. This reflects the contractual cashflows payable on maturity of the borrowings taking into account historical exchange rates under cross currency swaps entered into to hedge the foreign currency denominated borrowings.

(2) There is a further \$300 million of forward starting facilities available to GPT.

Debt covenants

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

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

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 30 June 2017 and no breaches were identified.

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

OTHER DISCLOSURE ITEMS

8. CASH FLOWS FROM OPERATING ACTIVITIES

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

	30 Jun 17	30 Jun 16
	\$M	\$M
Net profit for the half year	752.3	586.4
Fair value gain on investment properties	(298.4)	(233.2)
Fair value loss on derivatives	3.0	62.2
Net impact of foreign currency borrowings and associated hedging loss	2.4	4.1
Gain on financial liability at amortised cost	(1.1)	(0.5)
Share of after tax profit of equity accounted investments (net of distributions)	(206.5)	(171.5)
Net gain on disposal of assets	-	(1.4)
Depreciation and amortisation	3.4	3.9
Non-cash employee benefits - security based payments	6.1	5.1
Non-cash revenue adjustments	3.8	10.5
Interest capitalised	(11.8)	(3.4)
Profit on sale of inventory	(0.9)	-
Proceeds from sale of inventory	4.7	-
Payment for inventories	(4.3)	(8.7)
Decrease in operating assets	28.3	12.9
Decrease in operating liabilities	(6.3)	(14.3)
Net foreign exchange gain	(0.6)	(0.1)
Impairment expense / (reversal of prior period impairment)	2.9	(0.2)
Other	1.6	1.3
Net cash inflows from operating activities	278.6	253.1

9. COMMITMENTS

(a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

	30 Jun 17	31 Dec 16
	\$M	\$M
Retail	137.1	144.7
Office	32.3	40.4
Logistics	16.7	4.6
Properties under development	69.6	9.9
Corporate	0.9	0.4
Total capital expenditure commitments	256.6	200.0

(b) Operating lease commitments

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

	30 Jun 17	31 Dec 16
	\$M	\$M
Due within one year	3.0	2.8
Due between one and five years	7.7	8.2
Over five years	0.1	-
Total operating lease commitments	10.8	11.0

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

(c) Commitments relating to equity accounted investments

GPT's share of equity accounted investments' commitments at balance date are set out below:

	30 Jun 17 \$M	31 Dec 16 \$M
Capital expenditure	39.2	22.6
Total joint ventures and associates' commitments	39.2	22.6

10. FAIR VALUE DISCLOSURES – FINANCIAL INSTRUMENTS

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

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy ⁽¹⁾	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 Jun 2017	Unobservable inputs 31 Dec 2016
Derivative financial instruments	Level 2	Discounted cash flow (DCF) (adjusted for counterparty creditworthiness)	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable - all inputs are market observable inputs	
	Level 3		Interest rates CPI Volatility	Not applicable - market observable input 0.92%	0.94%
Available for sale financial assets	Level 2 2016: Level 3	DCF	Dividend expected to be declared Discount rate Foreign exchange rates	Not applicable - market observable input Not applicable Not applicable	Not applicable 20% Not applicable - market observable input

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

Counterparty credit worthiness	Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.
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(b) Movements in level 3 financial instruments

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

	Available for sale financial asset \$M	Derivative liabilities \$M	Total \$M
Opening balance 1 January 2016	8.6	(18.4)	(9.8)
Fair value movements in profit or loss	-	6.1	6.1
Fair value movements in other comprehensive income	0.7	-	0.7
Closing balance 31 December 2016	9.3	(12.3)	(3.0)
Opening balance 1 January 2017	9.3	(12.3)	(3.0)
Fair value movements in profit or loss	-	3.3	3.3
Transfers out of level 3 to level 2	(9.3)	-	(9.3)
Closing balance 30 June 2017	-	(9.0)	(9.0)

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NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

(c) Sensitivities

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

		30 Jun 17	31 Dec 16
	Change of significant input	\$M	\$M
Fair value of level 3 derivatives		(9.0)	(12.3)
	1% increase in interest rates - gain	2.5	3.5
	1% decrease in interest rates - loss	(2.5)	(3.5)
Fair value of level 3 available for sale financial asset		-	9.3
	5% increase in discount rate - loss	-	(0.6)
	5% decrease in discount rate - gain	-	0.6

11. ACCOUNTING POLICIES

(a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis in the belief that GPT will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities at 30 June 2017 of \$255.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders. GPT has access to undrawn financing facilities of \$656.6 million as set out in note 7;
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies with adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded in the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2016 and any public announcements made by GPT during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

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

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

The interim financial report was approved by the Board of Directors on 15 August 2017.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2017 which are to be adopted when applicable.

New and amended accounting standards and interpretations commencing 1 January 2017

There are no significant changes to GPT's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2017.

THE GPT GROUP

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2017

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

The following standards and amendments to standards are relevant to GPT.

Reference	Description	Application of Standard
AASB 9 <i>Financial Instruments</i>	<p>AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces expanded disclosure requirements, a new impairment (expected credit loss) model and changes in presentation. When adopted, this could change the classification and measurement of financial assets and financial liabilities.</p> <p>The new expected credit loss model for calculating impairment on financial assets will have an impact on the provision for doubtful debts. The new hedging rules align hedge accounting more closely with the reporting entity's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss must now be presented in other comprehensive income.</p> <p>Debt modifications where the impact results in a change in the present value of expected cashflows of less than 10%, taking into account other qualitative factors, will be taken immediately through the Consolidated Statement of Comprehensive Income. This may have a material impact for GPT, however the quantum of this impact is still being assessed.</p> <p>GPT intends to apply the standard from 1 January 2018.</p>	1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15 will replace AASB 118 <i>Revenue</i> and AASB 111 <i>Construction Contracts</i>. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.</p> <p>GPT intends to apply the standard from 1 January 2018. It is not expected that the application of this standard will have a material impact on the financial results, however some changes in the presentation of certain revenue items and additional disclosures may be required.</p>	1 January 2018
IFRS 16 <i>Leases</i>	<p>AASB 16 will change the way lessees account for leases by eliminating the current dual accounting model which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there will be a single, on-balance sheet accounting model that is similar to the current finance lease accounting. Where GPT is the lessee, this new treatment will result in recognition of a right of use asset along with the associated lease liability in the balance sheet and both a depreciation and interest charge in the Consolidated Statement of Comprehensive Income. In contrast, lessor accounting will remain similar to current practice.</p> <p>The impact of the standard has been assessed and the impact as a lessor has been identified as not being material, however some changes in the presentation of certain revenue items and additional disclosures may be required.</p>	1 January 2019

12. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2017 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in subsequent financial years.

THE GPT GROUP

DIRECTORS' DECLARATION


Half year ended 30 June 2017

In the Directors of the Responsible Entity's opinion:

- (a) The consolidated financial statements and notes set out on pages 10 to 27 are in accordance with the *Corporations Act 2001*, including:
 - complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of GPT's financial position as at 30 June 2017 and of its performance for the half year ended on that date; and
- (b) The consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in note 11 to the financial statements.
- (c) There are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 30 June 2017 of \$255.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders. GPT has access to undrawn financing facilities of \$656.6 million as set out in note 7 to the financial statements.

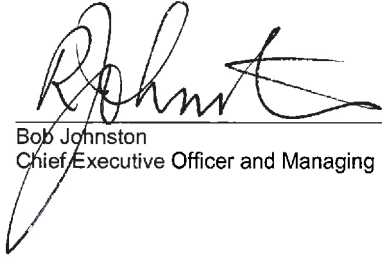
The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by Section 295A of the *Corporations Act 2001*.

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



Rob Ferguson
Chairman

GPT RE Limited



Bob Johnston
Chief Executive Officer and Managing Director

Sydney
15 August 2017



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Property Trust (the Trust), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors of the Responsible Entity's declaration for the Trust and its consolidated entities (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled during that half-year, including GPT Management Holdings Limited and its controlled entities.

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

The directors of GPT RE Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error. In Note 11, the directors also state, in accordance with Accounting Standards AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

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

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Matthew Lunn
Partner

Sydney
15 August 2017