The GPT Group

General Property Trust

ABN: 58 071 755 609

Annual Financial Report
31 December 2010

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 year ended 31 December 2010

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial report of the General Property Trust (the Trust) and its controlled entities (Consolidated entity) for the financial year ended 31 December 2010. The Consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, the GPT Group (GPT or the Group).

During the financial year, GPT RE Limited acted as the Responsible Entity of the Trust. GPT RE Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is MLC Centre, Level 52, 19 Martin Place, Sydney NSW 2000.

1. OPERATIONS AND ACTIVITIES

1.1 Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2009 and are:

- investment in income producing retail, office and industrial assets;
- development of retail, office and industrial properties;
- property funds management; and
- property management.

GPT operates predominantly in Australia but also in the United States of America through an investment in a Seniors Housing Portfolio.

1.2 Review of Operations

The following provides a summary of GPT's performance in the year ended 31 December 2010. Further information is provided in the Annual Review which is available on GPT's website www.gpt.com.au. Hard copies are also available on request.

To provide information that reflects the Directors' assessment of the net profit/(loss) attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain significant items that are relevant to an understanding of GPT's result have been identified. The effect of these items is set out below:

	Consolidated entity	
	2010	**2009**
	$M	**$M**
Core operations	**530.8**	534.2
Non-core operations	**57.7**	49.9
Financing and corporate overheads	**(178.5)**	(208.3)
Realised Operating Income	**410.0**	375.8
Change in fair value of assets (non-cash):		
Valuation increase / (decrease)		
Core Domestic Portfolio and Funds Management (Australia)	**102.8**	(774.5)
Hotel/Tourism Portfolio	**(4.4)**	(85.9)
Funds Management European	**(9.5)**	(79.3)
US Seniors Housing	**245.9**	(37.8)
Joint Venture	**4.8**	(1,092.9)
Profit / (loss) on disposals	**12.1**	(18.5)
Financial Instruments marked to period end market value	**5.2**	695.1
Other items	**(59.6)**	(52.6)
Net profit / (loss) after tax	**707.3**	(1,070.6)

DIRECTORS' REPORT
For the year ended 31 December 2010

1.2 Review of Operations (continued)

Financial results

- Realised operating income increased by 9.1% to $410.0 million (2009: $375.8 million)
- Profit / (loss) after tax increased by 166.1% to a profit of $707.3 million (2009: loss of $1,070.6 million)
- Total assets increased by 6.4% to $9,751.7 million (2009: $9,163.4 million)
- Total borrowings increased by 12.3% to $2,452.5 million (2009: $2,183.7 million)
- Headline gearing (net debt basis) increased to 24.9% (Dec 09: 23.5%). Look through gearing (net debt basis) decreased to 29.9% (Dec 09:
- 31.6%).
- ROI per ordinary stapled security decreased by 13.0% to 20.7 cents* (Dec 09: 23.8 cents*)
- Distribution per ordinary stapled security decreased by 27.6% to 16.3 cents* (Dec 09: 22.5 cents)
- Net tangible assets per stapled security** increased to $3.60 (Dec 09: $3.46)

* excludes distribution on Exchangeable Securities and calculated on the basis of post 5 to 1 consolidation of the stapled securities for both current period and prior period comparatives.

** includes the impact of potential additional securities assuming the conversion of the exchangeable securities at an exchange price of $3.883 on the basis of post 5 to 1 consolidation of the stapled securities (Dec 09: $0.7766).

Financial results – portfolio/operational highlights

The financial performance and total assets by portfolio are summarised below along with commentary on each portfolio's operational performance.

Portfolio/Segment		**Operating Income 2010 $M**	Operating Income 2009 $M	**Assets 2010 $M**	Assets 2009 $M
Core					
Retail	1.2 (a)	**267.3**	268.3	**4,789.1**	4,494.3
Office	1.2 (b)	**114.8**	115.4	**1,863.6**	1,785.8
Industrial	1.2 (c)	**54.4**	49.9	**791.9**	780.6
Funds Management - Australia	1.2 (f)	**94.3**	98.6	**1,291.5**	1,346.0
Non-core					
Discontinued operation - US Seniors Housing	1.2 (e)	**23.7**	18.6	**351.9**	152.4
Discontinued operation - Funds Management - Europe		**4.4**	(21.0)	**23.0**	67.5
Discontinued operation - Joint Venture		**-**	(1.0)	**-**	-
Discontinued operation - Hotel / Tourism	1.2 (d)	**29.6**	53.3	**317.1**	346.2
Financing and corporate overheads					
Corporate		**(178.5)**	(206.3)	**323.6**	190.6
Total		**410.0**	375.8	**9,751.7**	9,163.4

A description of each segment along with further detail on the types of segment income and expense is set out in note 2 of the financial report.

(a) Retail Portfolio
The Retail Portfolio delivered comparable income growth of 4.7% (excluding the Homemaker assets), reflecting solid performance for the year despite relatively weak sales growth particularly in the first half. Retail sales growth for the portfolio was positive at 0.7% (total centre).

The Group opened the expanded Charlestown Square Shopping Centre at the end of 2010 following a $470 million redevelopment. In September 2010, GPT commenced a $30 million redevelopment of Melbourne Central.

The non-core asset sale program continued throughout the year with the sale of Homemaker City Bankstown in May 2010. The remaining five Homemaker assets will be sold over time to ensure value is maximised.

Revaluations across the GPT owned assets and GPT's interest in jointly owned assets resulted in a net revaluation of $84.8 million.

(b) Office Portfolio
The Managed Office Portfolio continued its solid performance during the year, with comparable income growth of 1.6%.

In April 2010, GPT Wholesale Office Fund (GWOF) acquired a 50% interest in the development of a premium grade office building at 161 Castlereagh Street in Sydney. GWOF subsequently disposed of 179 Elizabeth Street in August 2010. Construction of One One One Eagle Street in Brisbane was impacted by the floods and is now scheduled for completion in March 2012.

Revaluations across the GPT owned assets and GPT's interest in jointly owned assets resulted in a net revaluation $23.6 million.

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For the year ended 31 December 2010

1.2 Review of Operations (continued)

(c) Industrial & Business Park Portfolio
The Industrial Portfolio delivered comparable income growth for the year of 2.7%, maintaining its high levels of occupancy and long lease expiry.

Progress continued at connect@erskine park in NSW with the completion in February 2010 of a 12,700 sqm warehouse for Target. In October 2010, GPT commenced development of a $60 million 12,200 sqm A grade campus style office building at 5 Murray Rose Ave, Sydney Olympic Park, due for completion in 2012.

GPT sold a non core asset at 21 Talavera Road for $10.2 million in December 2010.

Revaluations across the Portfolio resulted in a net devaluation of $1.7 million.

(d) Hotel/Tourism Portfolio
In October 2010 GPT completed its exit from the Hotel and Tourism sector with the exchange of contracts to sell Ayers Rock Resort for $300 million in a deferred payment structure.

(e) US Seniors Housing Portfolio
GPT has a 95% interest in a portfolio of 34 assets, managed by Benchmark Assisted Living. At 31 December 2010 occupancy across the portfolio was 92.6% with an average daily rate of US$179 (up from US$170 during 2009).

On 16 February 2011 GPT announced the sale of the portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011. The carrying value of GPT's equity investment, net of sale costs and taxes, is $324m at 31 December 2010.

(f) Funds management
Australian platform
GWOF has ownership interests in 14 assets with a value of $3.1 billion. GWSCF has ownership interests in 9 assets with a value of $2.1 billion. The performance across the Funds' assets continues to be stable, reflecting resilient retail performance and improved office occupancy of 95.7%.

(g) Developments
GPT currently has three developments underway; One One One Eagle Street in Brisbane, a redevelopment of Melbourne Central and 5 Murray Rose Ave, Sydney Olympic Park.

GPT retains a $3.3 billion pipeline of future development opportunities for the medium term, subject to approvals and pre-commitments.

(i) Capital Management

Highlights
At 31 December 2010
- GPT's percentage of net debt to total tangible assets is 24.9% (2009: 23.5%)
- Weighted average length of headline debt has been extended to 5 years (2009: 3.3 years)
- Credit rating upgrades by both Standard & Poor's (A-) and Moody's (A3) were achieved through the course of the year.

Debt facilities
At 31 December 2010, GPT had $377 million of liquidity available in cash and committed but undrawn debt facilities. For further details refer to note 14(d).

Gearing
The current level of gearing in the Group net of cash is 24.9%. The Group's gearing policy, announced on 18 December 2009, aims to manage gearing within a range of 25.0% to 35% (based on debt to total tangible assets). The policy provides the flexibility to increase gearing beyond 30% if required, provided a reduction to 30% or below is achieved within a reasonable timeframe. This policy provides a conservative approach to gearing consistent with GPT's business strategy and risk profile and enhances the Group's ability to gain access to a range of funding sources through market cycles.

Credit rating
GPT's credit rating was upgraded by Standard & Poor's from BBB+ to A- (stable) in May 2010 and by Moody's from Baa1 to A3 (stable) in November 2010. This reflected the progress made throughout the year in extending the Group's average term to maturity of its borrowings, flattening the debt maturity profile and improving the Group's interest coverage through strong operational performance and reducing the cost of debt.

1.3 Distributions
Distributions paid/payable to stapled securityholders for the financial year ended 31 December 2010 totalled $302.5 million (2009: $340.6 million). This represented an annual distribution of 16.3 cents (2009: 22.5 cents post 5 to 1 consolidation of securities). This distribution includes 4.6 cents ($85.4 million) in respect of the quarter ended December 2010, which is expected to be paid on 25 March 2011. Further detail on quarterly distributions is set out in note 3 of the financial report.

Distribution policy
GPT will distribute the greater of 70-80% of realised operating income (excluding development profits) and taxable income. For the 2010 year, GPT will distribute 80% of Realised Operating Income.

DIRECTORS' REPORT
For the year ended 31 December 2010

1.4 Significant Changes in State of Affairs
Significant changes in the state of the affairs of the Group during the financial year were as follows:

- **Consolidation of stapled securities**
  At the AGM held on 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole stapled security. The consolidation took effect and was complete on 19 May 2010. Upon completion, GPT had 1,855,529,431 stapled securities on issue (Dec 09: 9,277,584,743).

- **Changes in the Board of Directors**
  During the year, two additional non-executive directors have been appointed. Ms Eileen Doyle and Mr Gene Tilbrook were appointed on 1 March and 11 May 2010 respectively.

  Mr Rob Ferguson was appointed Chairman on 10 May 2010. Mr Ken Moss and Mr Ian Martin retired on 10 May 2010.

1.5 Likely Developments and Expected Results of Operations
Likely developments and commentary on the expected results of operations are included in Section 1.2 of this Report.

Further information on likely developments and expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to GPT.

1.6 Environmental Regulation
GPT has policies and procedures in place that are designed to ensure that where operations are subject to any particular and significant environmental regulation under a law of Australia (for example property development and property management), those obligations are identified and appropriately addressed. This includes obtaining and complying with conditions of relevant authority consents and approvals and obtaining necessary licences. GPT is not aware of any breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

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

The Energy Efficiency Opportunities Act 2006 requires GPT to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities and to report publicly on the assessments undertaken; including what action GPT intends to take as a result. As required under this act, GPT is registered with the Department of Resources, Energy and Tourism as a participant entity. GPT has collated energy data and identified energy opportunities for the 1 July 2009 to 30 June 2010 period ensuring the Energy Efficiency Opportunities data was made available in a Public Report on the GPT website by the required 31 December 2010.

The National Greenhouse and Energy Reporting Act 2007 requires GPT to report its annual greenhouse gas emissions and energy use. The second measurement period for GPT was 1 July 2009 to 30 June 2010. GPT has implemented systems and processes for the collection and calculation of the data required and submitted its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2010.

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

1.7 Events Subsequent to Reporting Date
On 24 February 2011, a distribution of 4.6 cents per stapled security ($85.4 million) was declared for the quarter ended 31 December 2010 (refer to note 3(a)(ii)).

During January 2011, the state of Queensland experienced major flooding impacting three of the GPT Group's assets, Homemaker Fortitude Valley, Riverside Centre (held through the GPT Wholesale Office Fund) and One One One Eagle St. The total cost and impact of the damage is still being assessed and we do not believe the impact will be material to the GPT Group.

On 16 February 2011 GPT announced the sale of the US Senior Housing portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011. The carrying value of GPT's equity investment, net of sale costs and taxes, is $324m at 31 December 2010.

Other than above, the Directors are not aware of any matter or circumstance occurring since 31 December 2010 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in subsequent financial years.

DIRECTORS' REPORT
For the year ended 31 December 2010

2. DIRECTORS AND SECRETARY

(i) Chairman - Non-Executive Director

Ken Moss	(retired 10 May 2010)
Rob Ferguson	(an existing director, was appointed Chairman on 10 May 2010)

(ii) Non-Executive Directors

Brendan Crotty	
Eileen Doyle	(appointed 1 March 2010)
Eric Goodwin	
Lim Swe Guan	
Anne McDonald	
Ian Martin	(retired 10 May 2010)
Gene Tilbrook	(appointed 11 May 2010)

(iii) Executive Director

Michael Cameron

2.2 Information on Directors

Rob Ferguson – Chairman
Mr Ferguson was Managing Director and Chief Executive of Bankers Trust Australia for 15 years. During his 30 year career with Bankers Trust Mr Ferguson held a number of senior executive positions including Head of Corporate Finance and Investment Management. Mr Ferguson was also an independent non executive director of Westfield for 10 years.

Mr Ferguson is currently the Non Executive Chairman of IMF (Australia) Limited; Non Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited. Prior Board positions include Chairman of Vodafone Australia, Nexgen Limited and Bankers Trust Australia Ltd.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson joined the Board on 25 May 2009 and is a member of the Nomination and Remuneration Committee.

Brendan Crotty
Mr Crotty was appointed to the Board on 22 December 2009. He brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Mr Crotty is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific, a director of the Barangaroo Delivery Authority and one of the NSW Government's representatives on the Central Sydney Planning Committee.

Mr Crotty holds tertiary qualifications in Surveying, Town Planning and Business Administration and is a Fellow of the Royal Institute of Chartered Surveyors, the Australian Institute of Company Directors, and the Australian Property Institute as well being a member of the Planning Institute of Australia.

Mr Crotty is a member of the Nomination and Remuneration Committee and the Sustainability Committee.

Eileen Doyle
Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non-Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Boral Limited, Hunter Valley Research Foundation (Chairman) and CSIRO.

Dr Doyle holds tertiary qualifications in mathematics, applied statistics (PhD) and business administration. She is a Fellow of the Australian Institute of Company Directors.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

DIRECTORS' REPORT

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2. DIRECTORS AND SECRETARY (continued)

2.2 Information on Directors (continued)

Eric Goodwin

Mr Goodwin was appointed to the Board in November 2004. He brings to the board extensive experience in design construction and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio during the 1980s and he was the founding Fund Manager of the Australian Prime Property Fund.

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and AMPCI Macquarie Infrastructure Management No 2 Limited (responsible entity of Diversified Utility and Energy Trust No. 2).

Mr Goodwin joined Lend Lease in 1963 as a cadet engineer and during his 42 year career with Lend Lease held a number of senior executive and subsidiary board positions in the Australian operation, the US and he was the inaugural manager of the Group's Asian operations.

Mr Goodwin is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Lim Swe Guan

After graduating with an honours degree in Estate Management in 1979, Mr Lim was employed as Lands Officer for the Urban Redevelopment Authority of Singapore.

He left URA in 1980 to work as a securities analyst, initially for Kim Eng Securities (1980 -1982) and later for Alfa-Pacific Securities (1982 - 1983).

Mr Lim obtained an MBA from the Colgate Darden Graduate School of Business, The University of Virginia in 1985 and returned to Singapore where he worked as a property consultant with Knight Frank, Cheong Hock Chye & Bailieu. In June 1986, Mr Lim was recruited by Jones Lang Wootton in Sydney, Australia to the position of Senior Research Analyst. He was appointed Manager in October 1987 and Director in 1989. Mr Lim obtained the Chartered Financial Analyst (CFA) certification in 1991. In November 1995, Mr Lim joined SUNCORP Investments in Brisbane, Australia as Portfolio Manager, Property Funds.

Mr Lim returned to Singapore in December 1997 to join the Government of Singapore Investment Corporation, most recently as Managing Director of GIC Real Estate.

Mr Lim sits on the boards of Land & Houses in Thailand, Thakral Holdings Group in Australia, Sunway City Berhad in Malaysia and Global Logistic Properties in Singapore.

Mr Lim is a member of the Audit and Risk Management Committee.

Anne McDonald

Ms McDonald was appointed to the Board on 2 August 2006. Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non-Executive Director of Westpac's Life and General Insurance business and Health Super.

Ms McDonald holds a Bachelor of Economics, is a fellow of the Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for fifteen years specialising as a company auditor and advising multinational and Australian companies on governance, risk management and accounting issues. Previous roles include Board Member of Ernst & Young Australia and a Director of the Private Health Insurance Administration Council and St Vincent's and Mater Health Sydney.

Ms McDonald is Chair of the Audit and Risk Management Committee.

Gene Tilbrook

Mr Tilbrook spent the majority of his executive career at Wesfarmers Limited, most recently as Finance Director and Director of Business Development. During his time at Wesfarmers, Mr Tilbrook was involved in many of the transactions that made Wesfarmers a successful diversified group; as well as corporate strategy, finance, investments and capital management. From 2001 to 2005 he was a director of Bunnings Property Management Limited, the responsible entity for the ASX listed Bunnings Warehouse Property Trust.

Mr Tilbrook's current directorships include Transpacific Industries Group Ltd (Chairman), Fletcher Building Ltd, NBN Co Limited and QR National Limited. Mr. Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and also a member of the boards of the UWA Perth International Arts Festival and Curtin University. Mr Tilbrook has also held directorship roles in the private equity, infrastructure and rail sectors.

Mr Tilbrook holds tertiary qualifications in science, computing science and business administration (MBA) and has completed the Advanced Management Program at the Harvard Business School. He is a Fellow of the Australian Institute of Company Directors.

Mr Tilbrook joined the Board on 11 May 2010 and is Chair of the Nomination and Remuneration Committee.

DIRECTORS' REPORT
For the year ended 31 December 2010

2. DIRECTORS AND SECRETARY (continued)

2.2 Information on Directors (continued)

Michael Cameron
Mr Cameron joined The GPT Group as CEO and Managing Director in May 2009 and has over 30 years' experience in Finance and Business.

His past experience includes 10 years with Lend Lease where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business. On returning to Sydney in 1996 Michael was appointed to the role of Chief Financial Officer, MLC Limited before moving to the role of Chief Financial Officer, then Chief Operating Officer of the NAB Wealth Management Division following the sale of MLC.

Mr Cameron joined the Commonwealth Bank of Australia in 2002 as Deputy Chief Financial Officer and was appointed to the role of Group Chief Financial Officer soon after in early 2003.

In 2006, Mr Cameron was appointed to the position of Group Executive of the Retail Bank Division of the Commonwealth Bank of Australia, leading a team of 20,000 staff servicing eight million customers.

Mr Cameron was Chief Financial Officer at St.George Bank Limited from mid 2007 until the sale to Westpac in December 2008.

Mr Cameron is a fellow of the Australian Institute of Chartered Accountants, a fellow of CPA Australia and a fellow of the Australian Institute of Company Directors.

James Coyne - Company Secretary
James is responsible for the legal, compliance, risk management and company secretarial activities of GPT. He was appointed the General Counsel/Company Secretary of GPT in 2004. Previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and wholesale).

James holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Sydney.

2.3 Attendance of Directors at Meetings

The number of Board meetings, including meetings of Board Committees, held during the financial year and the number of those meetings attended by each Director is set out below:

	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chairman	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	9	9	-	-	6	6	-	-
Michael Cameron	9	9	-	-	-	-	-	-
Brendan Crotty	9	9	-	-	5	5	2	2
Eileen Doyle	7	8	-	-	2	3	2	2
Eric Goodwin	9	9	6	6	-	-	2	2
Lim Swe Guan	9	9	6	6	-	-	-	-
Ian Martin	3	3	-	-	3	3	-	-
Anne McDonald	9	9	6	6	-	-	-	-
Ken Moss	3	3	-	-	3	3	-	-
Gene Tilbrook	6	6	-	-	3	3	-	-

2.4 Directors' Relevant Interests
The relevant interests of each Director in GPT stapled securities as at the date of this Report are shown below:

	Number of GPT Stapled Securities
Rob Ferguson	204,082
Michael Cameron	163,742 Stapled Securities 1,118,891 Performance Rights
Brendan Crotty	30,000
Eileen Doyle	1,600
Eric Goodwin	15,584
Lim Swe Guan	Nil
Anne McDonald	9,450
Gene Tilbrook	20,000

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2. DIRECTORS AND SECRETARY (continued)

2.5 Directors' Directorships of Other Listed Companies
Details of all directorships of other listed entities held by each current Director in the three years immediately before 31 December 2010 and the period for which each directorship was held are set out below:

Rob Ferguson	IMF (Australia) Limited (since 2004) Primary Health Care Limited (since 2009)
Brendan Crotty	Brickworks Limited (since 2008) Trafalgar Corporate Group (from 2007 to 2009)
Eileen Doyle	One Steel Limited (from 2000 until 2010) Boral Limited (since 2010) Ross Human Directions Limited (from 2005 until 2010)
Eric Goodwin	AMPCI Macquarie Infrastructure Management No. 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No. 2 (one of the stapled entities within the DUET Group) (since 2004)
Lim Swe Guan	Thakral Holdings Limited (since 2004)
Anne McDonald	Speciality Fashion Group Limited (since 2007) Spark Infrastructure Group (since 2009)
Gene Tilbrook	Transpacific Industries Limited (since 2009) Fletcher Buildings Limited (since 2009) QR National Limited (since 2010) Westfarmers Limited (from 2002 to 2009)

DIRECTORS' REPORT
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3. 2010 REMUNERATION IN BRIEF

The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2010 Remuneration In Brief, outlines the key remuneration decisions taken by GPT during the year, and discloses the actual value of remuneration paid to GPT's senior executives. The full Remuneration Report for 2010, starting on page 13, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2010 in accordance with statutory obligations and accounting standards.

In 2010 the Board continued to maintain restraint on executive base salaries commensurate with a prudent approach to managing GPT's cost base during what continues to be uncertain economic conditions. The Board also continued an active role overseeing additional changes to the management team to ensure GPT is well positioned to continue to build on the financial performance delivered during the year.

Each of these actions is outlined below and in greater detail in the Remuneration Report.

Key remuneration drivers and actions in 2010

Base (Fixed) Pay

The initial progress in implementing GPT's new corporate strategy in 2009 gained significant momentum in 2010, and the Board is pleased with the financial performance delivered by management. However, the Board is mindful that economic conditions remain challenging. Growth in executive remuneration has moderated. Against this background, the Board has continued to adopt a restrained approach to executive remuneration. Specifically the Board decided in late 2009 to:

- Implement only a modest review of base pay for 2010 of 3%; and
- Maintain the freeze on Non-Executive Director fees for 2010

Short Term Incentives

The Board also reduced the maximum or stretch potential Short Term Incentive (STI) opportunity for all employees from double their target opportunity down to only 25% more than target opportunity. The Board believes this is consistent with GPT's new corporate strategy, the reduced gearing in the business, and a more conservative approach to both risk and cost management.

Within these constraints, and in line with the financial performance delivered by the management team in 2010, actual STI's received represent an increase on recent years.

Long Term Incentives

As foreshadowed in 2009, and with the confirmation of GPT's new corporate strategy and the stabilisation of the business, the Board sought and received approval from GPT security holders at the 2010 Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme with the addition of two further performance measures with the result that the scheme now has three of equal weight:

- Relative TSR;
- Adjusted Earnings per security growth (EPS) in excess of inflation (as measured by the Consumer Price Index); and
- Total Return in excess of Weighted Average Cost of Capital (WACC)

These measures will be continued in the 2011 LTI scheme and detailed in the Notice of Meeting for GPT's forthcoming Annual General Meeting in May 2011, and will be subject to security holder approval.

Separately, the legacy loan-based LTI scheme concluded at the end of 2010, which was the final year of the 2008-2010 long term incentive plan. No LTI awards have ever been realised by employees since the inception of this scheme.

Employee Ownership

In addition to the base (fixed) pay, STI and LTI, the Board believes in creating ways for employees to build an ownership stake in the business, and the benefits that this 'culture of ownership' bring in terms of loyalty, commitment and discretionary effort. In March 2010 the Board introduced a basic General Employee Security Ownership Plan (GESOP) for individuals who do not participate in the LTI.

Under the plan individuals who participated received an additional benefit equivalent to 10% of their STI which was - after the deduction of income tax - invested in GPT securities to be held for a minimum of 1 year. The plan resulted in 277 GPT employees receiving 156,536 GPT securities at a cost to GPT of $435,210.

External environment

In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, and is actively monitoring the tax, regulatory and governance activities impacting remuneration. In 2010, the Board sought external advice on market practice and prevailing regulatory and governance standards from Ernst & Young and Freehills.

DIRECTORS' REPORT
For the year ended 31 December 2010

Board & Management Transition

At the Board level, Rob Ferguson became Chairman at the May 2010 AGM following the retirement of previous Chairman Ken Moss. Eileen Doyle and Gene Tilbrook joined the Board during 2010, continuing the process of Board renewal commenced in 2009. At the management level, there were also changes associated with a reorganisation of the Group along functional lines, while still retaining the sector focus. Details on the new appointments, departures and retirements in 2010 may be found on page 13.

Remuneration outcomes for the CEO and Senior Executives

The disclosed remuneration of the CEO and Leadership Team (page 24) is calculated in accordance with statutory obligations and accounting standards. As a result, it is theoretical and includes accounting values for current and prior years' LTI grants which have not been (and may never be) realised as they are dependent on performance measures being met.

The following table discloses the actual cash and other benefits received by GPT's CEO and Leadership Team during 2010, as distinct from theoretical and accounting values.

	Position	*Base (Fixed) Pay* ($'000)	*STI* ($'000)	*LTI* ($'000)	*Other* [1] ($'000)	*Total* ($'000)
Senior Executive						
Michael Cameron	Managing Director and Chief Executive Officer	1,200.0	1,415.6	0.0	5.4	2,621.0
Tony Cope	Head of Office	575.0	437.0	0.0	2.9	1,014.9
James Coyne	General Counsel/Secretary	470.0	281.6	0.0	3.4	755.0
Mark Fookes	Head of Investment Management	758.3	672.3	0.0	2.7	1,433.3
Victor Georos	Head of Industrial & Business Parks	475.0	437.8	0.0	2.5	915.3
Nicholas Harris	Head of Wholesale	610.0	455.0	0.0	3.1	1,068.1
Jonathan Johnstone	Head of Transactions	575.0	512.1	0.0	46.3	1,133.4
Anthony McNulty	Head of Development	547.3	273.1	0.0	2.1	822.5
Michael O'Brien	Chief Financial Officer	825.0	801.3	0.0	112.7	1,739.0
Michelle Tierney	Head of Retail Property & Asset Management	493.3	274.0	0.0	2.0	769.3
Former Executives						
Donna Byrne[2]	Head of Corporate Affairs & Communications	275.8	135.2	0.0	699.6	1,110.6

[1] Other includes Death & Total/Permanent disablement insurance premiums, superannuation administration fees, FBT on discounted Voyages holidays, tax equalisation on a UK assignment (J. Johnstone only), equity vesting (M. O'Brien) and termination payments (D. Byrne only - these include notice and severance pay as well as the paid out value of accumulated but untaken annual and long service leave accruals, as applicable).
[2] Donna Byrne resigned on 10 September 2010.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.1 Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2010, which forms part of the Directors' Report and has been prepared in accordance with section 300A of the Corporations Act for the Group for the year ended 31 December 2010.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's key management personnel (KMP) who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives), and the five highest paid executives in 2010. The data provided in the Remuneration Report was audited as required under section 308(3C) of the Corporations Act.

GPT's KMP and other Executives are listed in the tables below.

Senior Executive	
Name	*Position*
Michael Cameron	Managing Director and Chief Executive Officer
Tony Cope	Head of Office
James Coyne	General Counsel/Secretary
Mark Fookes	Head of Investment Management
Victor Georos	Head of Industrial & Business Parks
Nicholas Harris	Head of Wholesale
Jonathan Johnstone	Head of Transactions
Anthony McNulty	Head of Development
Michael O'Brien	Chief Financial Officer
Michelle Tierney	Head of Retail Property & Asset Management
Former Executive	
Donna Byrne	Head of Corporate Affairs & Communications (resigned 10 September 2010)

Non-executive Director	
Name	*Position*
Rob Ferguson	Chairman (appointed Chairman 10 May 2010)
Brendan Crotty	Director
Eileen Doyle	Director (appointed 1 March 2010)
Eric Goodwin	Director
Lim Swe Guan	Director
Anne McDonald	Director
Gene Tilbrook	Director (appointed 11 May 2010)
Former Non-Executive Director	
Ken Moss	Chairman (retired 10 May 2010)
Ian Martin	Director (retired 10 May 2009)

At the start of 2010 the Nomination & Remuneration Committee (the Committee) consisted of 4 Non-Executive Directors:

- Ian Martin (Chairman)
- Brendan Crotty
- Rob Ferguson
- Ken Moss

During 2010, the Committee composition changed with the retirement of Ian Martin and Ken Moss at GPT's Annual General Meeting on 10 May 2010. Eileen Doyle joined the committee after her commencement on 1 March 2010 and the role of Chairman of the Committee was filled after the appointment of Gene Tilbrook on 11 May 2010. At the end of 2010 the Committee once again comprised 4 Non-Executive Directors:

- Gene Tilbrook (Chairman)
- Brendan Crotty
- Eileen Doyle
- Rob Ferguson

The Committee provides advice and recommendations to the Board on:

- criteria for selection of Directors;
- nominations for appointment as Directors (either between AGMs or to stand for election);
- criteria for reviewing the performance of Directors individually and the GPT Board collectively;
- remuneration policies for Directors and Committee members;
- remuneration policy for senior executives;
- incentive plans for employees; and
- any other related matters regarding executives or the Board.

Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).

3.2 Key Issues and Changes for 2010

Remuneration Management driving GPT's Performance

2010 saw GPT gain further momentum in the implementation of the new Group strategy, a strengthened balance sheet and improved investor confidence in the business. However, market conditions remained challenging.

Against that background the Board continued to exercise restraint and prudence with regard to executive remuneration. The main areas of activity in 2010 are outlined in the table below:

Issue	Who is affected?	Explanation
Maintain restraint on executive salaries	Leadership Team and other employees	Base remuneration increases for 2010 were capped at 3% across the business, a cost increase of $1.7 million. Michael Cameron's base (fixed) pay for 2010 was maintained at the 2009 level.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees in 2010 for Non Executive Directors.
Reduction in 2010 STI Opportunity	All employees	To match GPT's simpler business model and reduced leverage, the Board & Management decided to reduce the maximum STI levels for all employees, substantially reducing 'upside' STI potential in 2010 and managing costs.
Additional LTI Performance Measures	Leadership Team and other executives (limited to the top 25 in total)	In 2010 the Board sought and received approval from GPT security holders at the May Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme with the addition of two further performance measures.
Wind up of legacy loan based LTI	Legacy LTI scheme participants	The three year period 1/1/08 to 31/12/10 was the final period of operation of the legacy loan based LTI. The minimum performance measures for the LTI were not satisfied in any 3 year period since inception and as a result no LTI awards were made to participants.
Initiative to build culture of ownership	All employees excluding the LTI participants	Under the General Employee Security Ownership Plan (GESOP) an amount equivalent to 10% of an individual's STI was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year. Under this plan 277 GPT employees received 156,536 GPT securities.

CEO Remuneration Structure and Contract Terms

On 1 May 2009, Mr Michael Cameron was appointed as GPT's Managing Director and Chief Executive Officer.

The Board sought advice from Ernst & Young with regard to benchmarking the quantum of Mr Cameron's package to ensure that it was:

- fair in the context of market circumstances
- sufficient to ensure market competitiveness; and
- effectively structured between fixed and at risk remuneration components.

The Board also sought advice from Freehills to ensure Mr Cameron's contract terms were consistent with best practice. The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of the CEO against: • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
Remuneration mix	In 2010, Mr Cameron's remuneration mix was as follows: Base (Fixed) Pay: $1,200,000 (remaining unchanged since his commencement on 1 May 2009) STI: $0 to $1,500,000 based on performance. Half of any STI received is deferred into equity, half of which vests 2 years after receipt, and the other half three years after receipt, subject to ongoing employment. Further details on STI terms are set out on page 18 to 19. LTI: $0 to $1,800,000 based on performance and continued service. Mr Cameron's LTI potential was increased in the remuneration review at the start of 2010 from 100% to 150% of base pay. In the Board's view this adjustment to the LTI potential would result in a more optimal overall mix of rewards and provide greater incentive for sustained performance over the longer term. Further details on LTI terms (including performance measures) are set out on pages 20 to 22.
Contract duration	A rolling 12 month contract
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) remuneration

DIRECTORS' REPORT
For the year ended 31 December 2010

3.2 Key Issues and Changes for 2010 (continued)

On 8 December 2010, as part of the review of remuneration for 2011, the Board made the following adjustments to Mr Cameron's package:

- Discontinuation of deferral of STI to equity – For the 2011 calendar year onwards, any STI that becomes payable to Mr Cameron will be awarded in cash payable in March of the year following the STI performance period. The Board took this decision for several reasons. Firstly, it brought Mr Cameron into alignment with the other executives in the Group, all of whom receive their STI in cash. Secondly, it was the view of the Board that the existing GPT equity positions established for Mr Cameron through his sign on and the deferrals of half of his 2009 and 2010 STI's were of a sufficient quantum to ensure strong alignment with investors. Lastly, the Board sought to simplify reward delivery and rely on the LTI as the primary delivery vehicle for equity based rewards, subject to performance.

- Additional grants of performance rights - The GPT Board recognised that the one for one rights issue (the rights issue) that GPT undertook in the May-June 2009 period following the appointment of Mr Cameron had the effect of reducing the inherent value of the performance rights in the employment package that was negotiated in good faith with him in April 2009 and formalised in his executive employment agreement dated 20 April 2009 (the agreement). The Board engaged Ernst & Young to quantify the impact of the rights issue on Mr Cameron's sign on incentive and 2009 Long Term Incentive performance right grants. As a result, and in order to preserve the value that was negotiated with Mr Cameron at the time of his employment, the committee determined to make additional grants of rights to him as follows:

  (i) Sign on incentive – an additional 16,843 rights, with 8,422 vesting on 30 June 2011 and 8,421 vesting on 30 June 2012; and
  (ii) 2009 Long Term Incentive – an additional 50,529 performance rights

  The additional grants are governed by the same terms and conditions that apply to the existing performance rights previously granted under the applicable plans.

Key terms of employment agreements of other members of the Leadership Team are contained under section 3.3 of the Remuneration Report.

Enhancement of LTI Performance Measures

At the 2009 AGM, security holders approved the introduction of a new LTI scheme (the scheme). The new scheme was a Performance Rights based LTI consistent with current market practice.

At the end of 2008, the Board determined to launch the 2009 LTI plan subject to a single performance measure, Total Shareholder Return (TSR). The Board noted that the use of a single performance measure was a transitory step and that when market conditions stabilised, and GPT's revised strategy was fully implemented, additional performance measures would be introduced.

In August 2009, Michael Cameron announced GPT's new strategy and, in his presentation to the market, set out a comprehensive vision of GPT's business. Mr Cameron articulated a number of measures by which GPT - and real estate assets more broadly - should be measured, including:
- Growth of funds from operations in excess of CPI
- Total return in excess of through the cycle weighted average cost of capital (WACC).

As a result, to ensure that GPT's 2010 LTI was aligned to the new strategy, two new performance measures (ie in addition to the relative TSR measure) were proposed to security holders at the 2010 AGM:

- Earnings per security growth (EPS) in excess of inflation (as measured by the Consumer Price Index); and
- Total Return in excess of WACC.

Pages 20-21 contains details of the scheme.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives

GPT's Remuneration Strategy

The Board is conscious of the need to set a remuneration strategy that not only supports but drives the achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The diagram below shows the key objectives of GPT's remuneration policy for Executives and how these are implemented through our remuneration structures.

Goals of GPT's Core Strategy			
• Leading relative Total Shareholder Return (TSR)	• Average EPS Growth equal to the CPI plus 1% over 3 years	• In the long term, deliver Total Returns > 9% per annum	• Create and sustain environments that enrich people's lives

Total Remuneration Components		
Base (Fixed) Pay	**Short Term Incentive**	**Long Term Incentive**
• Base level of reward • Set around Australian market median using external benchmark data • Varies based on employee's experience, skills and performance • External & internal relativities considered	• Set around market median for Target performance with potential to approach top quartile for Stretch outcomes • Determined by performance against a mix of Financial & Non-Financial measures • Financials include Group (Realised Operating Income) and (if applicable) Portfolio (Net Return to Owner) • Non-Financial objectives focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives • Delivered in cash annually	• Set at market median for Target performance with potential to achieve top quartile for Stretch outcomes • Determined by GPT performance against Financial performance measures • Tested over a 3 year performance period – no re-test • No value derived unless GPT meets or exceeds performance measures • Delivered in equity to align shareholder and executive interests

Attract, retain, motivate and reward high calibre executives to deliver superior performance by:	Align executive rewards to GPT's performance and security holder interests by:
• Providing competitive rewards • Opportunity to achieve further incentives based on performance	• Assessing incentives against multiple financial and non-financial business measures that are aligned with GPT strategy, with an equity component • Putting significant components of Total Remuneration at risk

Total Remuneration Mix

As depicted above, GPT's Executive remuneration is structured as a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base pay is designed to provide a predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance measures are met or exceeded.

The Total Remuneration mix of components for those Executives with ongoing employment at the end of 2010 are set out in the following table.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Total Remuneration Mix

As depicted above, GPT's Executive remuneration is structured as a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base pay is designed to provide a predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance measures are met or exceeded.

The Total Remuneration mix of components for those Executives with ongoing employment at the end of 2010 are set out in the following table.

Senior Executive	Position	Fixed Remuneration	Variable or "At Risk" Remuneration [1]	
		Base Pay	STI	LTI
Michael Cameron	Managing Director and Chief Executive Officer	36%	36%	28%
Tony Cope	Head of Office	44%	33%	23%
James Coyne	General Counsel/Secretary	50%	25%	25%
Mark Fookes	Head of Investment Management	44%	35%	21%
Victor Georos	Head of Industrial & Business Parks	44%	33%	23%
Nicholas Harris	Head of Wholesale	44%	34%	22%
Jonathan Johnstone	Head of Transactions	44%	33%	23%
Anthony McNulty	Head of Development	51%	30%	19%
Michael O'Brien	Chief Financial Officer	43%	35%	22%
Michelle Tierney	Head of Property & Asset Management	51%	30%	19%

[1] The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.

Base (Fixed) Pay

Base remuneration is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, responsibility and general performance. This process involves market-based reviews conducted by independent experts benchmarking GPT executives against comparable peers in companies in the A-REIT and - where relevant - broader ASX 200 sectors. GPT generally aims to pay around market median base salary.

What is included in Base (Fixed) Pay?	Base pay includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base Pay reviewed?	Base pay is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are appropriate and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of the CEO and Leadership Team salaries annually by Ernst & Young, much of it focussed on publicly available data from annual reports. More broadly, the business relies on benchmarking relevant to the property sector including the Avdiev Property Industry Remuneration Report. For more specialist functional roles management will source multiple benchmarks from reputable recruitment agencies and other informed sources.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Short Term Incentives (STI) (variable component)

GPT employees have an opportunity to receive an STI based on calendar year performance. STI levels are set as part of the process of benchmarking the Total Remuneration opportunity for each role. GPT generally aims to set STI opportunity at market median for Target performance with potential to approach top quartile for Stretch outcomes.

<table>
<tr><td>What is the STI plan?</td><td>The STI is an 'at-risk' incentive awarded annually in the form of cash (or a mixture of cash & GPT securities in the case of the CEO in 2010) subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).</td></tr>
<tr><td>Who participates in the STI plan?</td><td>All permanent GPT employees with greater than 3 months service at the end of the applicable calendar year are eligible – subject to performance – to receive an STI.</td></tr>
<tr><td>Why does the Board consider the STI an appropriate incentive?</td><td>Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.</td></tr>
<tr><td>Are both target and stretch performance measures set?</td><td>Yes. Stretch performance measures can reward exceptional performance beyond the acceptable Target outcomes, and can motivate individuals to strive for the mutual benefit of themselves and the business.</td></tr>
<tr><td>What is the value of the STI opportunity?</td><td>The STI opportunity is expressed as a percentage of Base (fixed) pay, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges:
<table>
<tr><th>Level</th><th>Target Incentive Range</th><th>Stretch Incentive Range</th></tr>
<tr><td>CEO</td><td>100%</td><td>125%</td></tr>
<tr><td>Executives</td><td>50-80%</td><td>62.5-100%</td></tr>
<tr><td>General employees</td><td>12-30%</td><td>15-37.5%</td></tr>
</table>
If a minimum or Threshold level of objective achievement is not delivered the STI could be of zero value.</td></tr>
<tr><td>What are the performance measures?</td><td>While all employees have a common Group financial performance condition, whether there are other additional performance measures depends on the individual role, as does the (indicative) mix between Financial and Non Financial measures:
<table>
<tr><th>Level</th><th>Financial Measures</th><th>Non-Financial Measures</th></tr>
<tr><td>CEO</td><td>70%</td><td>30%</td></tr>
<tr><td>Executives</td><td>60%</td><td>40%</td></tr>
<tr><td>General employees</td><td>20%</td><td>80%</td></tr>
</table>
Financial measures are applied at the Group, Portfolio, and even Asset level. Non-Financial measures focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives</td></tr>
<tr><td>How is performance measured?</td><td>Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal Performance Agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.</td></tr>
<tr><td>Who assesses performance against targets?</td><td>The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Leadership Team.</td></tr>
</table>

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Short-term incentive outcomes

In 2010 GPT exceeded our forecast Realised Operating Income targets. This performance was the result of disciplined execution of the Reinvigorating GPT strategy announced to the market in August 2009 which has moved rapidly through the clean up and stabilisation phases.

Ensuring that GPT employees are retained and incentivised to perform is critical to driving further performance in the business as GPT moves through the optimisation phase of the strategy towards the objective of being Australia's 'best performing' property group. In recognition of the performance of the Leadership Team in 2010 STI awards have improved on previous years. This is evident in the following table, which depicts not only the actual STI awarded in 2010 but what this amount represents as a proportion of the individual's maximum STI potential:

Senior Executive	*Position*	*Actual STI Awarded* ($'000)	*Actual STI Awarded as a % of Maximum STI*	*% of Maximum STI Award Forfeited*
Michael Cameron	Managing Director and Chief Executive Officer	1,415.6	94.4%	5.6%
Tony Cope	Head of Office	437.0	81%	19%
James Coyne	General Counsel/Secretary	281.6	95.9%	4.1%
Mark Fookes	Head of Investment Management	672.3	92.5%	7.5%
Victor Georos	Head of Industrial & Business Parks	437.8	98.3%	1.7%
Nicholas Harris	Head of Wholesale	455.0	79.6%	20.4%
Jonathan Johnstone	Head of Transactions	512.1	95%	5%
Anthony McNulty	Head of Development	273.1	85.5%	14.5%
Michael O'Brien	Chief Financial Officer	801.3	97.1%	2.9%
Michelle Tierney	Head of Retail Property & Asset Management	274.0	95%	5%

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component)

GPT Executives who have the most ability to influence the long term commercial performance of the Group are invited by the Board to participate in an equity-based LTI scheme under which awards may vest if specified performance measures are achieved over a 3 year performance period. Combined with the Base pay and STI potential, the LTI provides a further opportunity to achieve Total Remuneration around market median for Target performance, with potential to approach top quartile for Stretch performance outcomes.

LTI Scheme
At the May 2009 Annual General Meeting GPT security holders approved the introduction of a new Performance Rights LTI Plan (the LTI scheme) which was subsequently implemented. The plan was then continued in 2010 with a further grant of Performance Rights to participants.

What is the purpose of the LTI plan?	The purpose of the LTI plan is to align Senior Executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, his direct reports, and a small number of other senior executives with the greatest ability to impact on the long term performance of GPT. In 2010, 24 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2010 LTI is based on a percentage of the participants' Base pay with the maximum (Stretch) opportunity in 2010 as follows: • for the CEO it was equivalent to 1.5 times base pay (= $1,800,000). • for Leadership Team members it was 1 times base pay • for all other participants it was equivalent to 75% of base pay
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. The number of Rights granted was determined by dividing GPT's last quarter 2009 volume weighted average security price (VWAP) of 61.01cps into the grant value. The number of performance rights was subsequently adjusted (reduced) in line with the 5 for 1 consolidation of GPT stapled securities. Rights vest subject to satisfaction of performance and service conditions.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive dividends, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise.
What are the performance hurdles?	See the table below.
Are Rights subject to retesting if they do not vest on initial testing?	No. there is no retesting of Rights that do not vest after being first tested for satisfaction against the performance measures at the end of the 3 year period.

DIRECTORS' REPORT

For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component) (continued)

The performance measures are summarised in the tables below, with the LTI Award Accrued converted into a dollar amount per employee in the Senior Executive Remuneration disclosures on page 24.

LTI	LTI Performance Measurement Period	Performance Condition	Performance Condition Hurdle	Weighting
2009	2009-2011	Relative TSR versus ASX 200 Property Index (excluding GPT)	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	100%
2010	2010-2012	Relative TSR versus the top 80% of ASX 200 Property Index	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	One third each
		Earnings per security growth (EPS) vs the CPI [1]	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	

[1] The EPS growth calculation for 2010 relies on a rebased 2009 EPS figure of 21.3cps versus the 2010 result of 20.7cps. The rebasing of 2009 was required to adjust the 2009 EPS result of 23.8cps (4.77 cps on a pre 5:1 consolidation basis) to take into account the dilutive effect of the capital raising undertaken in June 2009. The approach is to assume the raising happened on 1 January 2009, that is, the interest saving from reducing debt starts on 1 January 2009 rather than 17 June 2009, with the adjusted earnings for the 2009 year divided by the greater number of average shares.

Senior Executive	Position	LTI Scheme	Performance Rights Granted	Grant Date	Fair Value per Performance Right	Vesting Date [1]	Maximum Value Recognised in Future Years [2]
Executives							
Michael Cameron	Managing Director and Chief Executive Officer	2009	396,617	30-Jun-09	$0.85	31-Dec-11	$108,720
		2010	590,068	19-May-10	$2.06	31-Dec-12	$927,214
Tony Cope	Head of Office	2009	207,653	30-Jun-09	$1.00	31-Dec-11	$81,266
		2010	188,494	19-May-10	$2.06	31-Dec-12	$296,194
James Coyne	General Counsel/Secretary	2009	180,735	30-Jun-09	$1.00	31-Dec-11	$70,732
		2010	154,074	19-May-10	$2.06	31-Dec-12	$242,107
Mark Fookes	Head of Investment Management	2009	269,179	30-Jun-09	$1.00	31-Dec-11	$105,345
		2010	245,862	19-May-10	$2.06	31-Dec-12	$386,340
Victor Georos	Head of Industrial & Business Parks	2009	173,044	30-Jun-09	$1.00	31-Dec-11	$67,722
		2010	155,713	19-May-10	$2.06	31-Dec-12	$244,683
Nicholas Harris	Head of Wholesale	2009	230,725	30-Jun-09	$1.00	31-Dec-11	$90,296
		2010	199,968	19-May-10	$2.06	31-Dec-12	$314,223
Jonathan Johnstone	Head of Transactions	2009	192,271	30-Jun-09	$1.00	31-Dec-11	$75,246
		2010	188,494	19-May-10	$2.06	31-Dec-12	$296,194
Anthony McNulty	Head of Development	2009	152,856	30-Jun-09	$1.00	31-Dec-11	$59,821
		2010	134,241	19-May-10	$2.06	31-Dec-12	$210,942
Michael O'Brien	Chief Financial Officer	2009	307,634	30-Jun-09	$1.00	31-Dec-11	$120,394
		2010	270,448	19-May-10	$2.06	31-Dec-12	$424,974
Michelle Tierney	Head of Retail Property & Asset Management	2009	137,714	30-Jun-09	$1.00	31-Dec-11	$53,895
		2010	120,473	19-May-10	$2.06	31-Dec-12	$189,308
Former Executives [3]							
Donna Byrne	Head of Corporate Affairs & Communications	2009	142,281	30-Jun-09	$1.00	N/A	$0
		2010	127,848	19-May-10	$2.06	N/A	$0

[1] Vesting date notes the date that marks the end of the 3-year LTI period. At this point the Performance Condition will be assessed against the performance hurdle to see if any Performance Rights vest.
[2] This represents the fair value of rights as at grant date that are yet to be expensed.
[3] The Performance Rights of former executives lapse at the end of their employment.

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For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Long Term Incentives (LTI) (variable component) (continued)
Pre 2009 Legacy LTI Schemes
GPT's 2008 Remuneration Report described significant changes that were made to the 2006, 2007 and 2008 LTI schemes (collectively, the legacy LTI schemes). Broadly, grants under the LTI legacy scheme consisted of limited recourse loans provided to certain executives to acquire GPT securities.
The 2008 LTI scheme concluded at the end of 2010 and no performance measures were satisfied, hence no LTI awards were made under the scheme. The 2008 LTI scheme is the last of the legacy LTI schemes and will be wound up in 2011 with the sale of participant security holdings under the scheme and the return of these funds to GPT in satisfaction of the limited recourse loans used to purchase them.
The performance measures and participant positions at the end of calendar year 2010 are summarised in the tables below:

LTI	LTI Performance Measurement Period	Performance Condition	Performance Condition Hurdle	Weight
2008	2008-2010	Growth in Earnings per GPT stapled security (EPS) measured as the percentage increase in the base earnings per GPT stapled security. EPS is the base earnings per security adjusted for significant items and other items determined by the Board and as disclosed in GPT's Income Statement for the financial years ended 31 December 2008, 2009 and 2010.	If EPS growth is below 4% on average over the three year period, no part of LTI available for this performance measure will be awarded. If EPS growth is above 4%, pro-rated awards will occur up to a stretch outcome of 6%.	50%
		Return on contributed equity measures the total return on equity employed and takes into account both capital appreciation of the assets of GPT and cash distributions of income.	If RoE is below 8.5% on average over the three year period, no part of the LTI available for this performance measure will be awarded. If RoE is above 8.5%, pro-rated awards will occur up to a stretch outcome of 12.5%.	30%
		Performance relative to Listed Property Trust Index (LPT Index). A LPT Index award may be granted if GPT outperforms against the S&P ASX 200 Listed Property Trust Index. Due to the size of GPT within this Index, GPT and its performance is excluded for the purpose of calculating the LPT Index and its performance.	Below Index performance, no part of the total LTI available for this performance measure will be awarded. Above Index performance, pro-rated awards will occur up to the stretch outcome of 2% out performance. The Board may substitute another Index if there is a material change in the composition of the LPT Index during the measurement period.	20%

Senior Executives	Year of LTI Loan [1]	Loans granted under LTI scheme	GPT stapled security purchase price	Number of securities acquired under LTI scheme	2010 Opening Loan Balance [2]	Interest Costs [3]	GPT stapled security price at	Total net value of employee equity[4] at	2008 LTI Scheme award [5]	2010 Closing Loan Balance
					1-Jan-10	31 Dec 2010	31 Dec 2010	31 Dec 2010	31 Dec 2010	31 Dec 2010
T. Cope	2007	$165,568	$5.11	6,477	$1,025,453	$7,519	$2.94	($893,079)	$0	$1,025,453
Head of Office	2006	$809,998	$4.20	38,548						
J. Coyne	2007	$209,302	$5.11	8,188	$817,910	$5,889	$2.94	($714,241)	$0	$817,910
General Counsel/ Co. Secretary	2006	$568,888	$4.20	27,074						
M. Fookes	2007	$484,347	$5.11	18,947	$1,595,071	$11,377	$2.94	($1,394,786)	$0	$1,595,071
Head of Investment Management	2006	$1,033,331	$4.20	49,177						
V. Georos	2007	$166,519	$5.11	6,514	$973,885	$7,128	$2.94	($848,398)	$0	$973,885
Head of Industrial & Business Parks	2006	$759,997	$4.20	36,169						
N. Harris	2007	$256,742	$5.11	10,043	$1,211,868	$8,044	$2.94	($1,070,252)	$0	$1,211,868
Head of Wholesale	2006	$888,887	$4.66	38,125						
J. Johnstone	2007	$218,453	$5.11	8,546	$1,023,764	$7,432	$2.94	($892,925)	$0	$1,023,764
Head of Transactions	2006	$755,555	$4.20	35,957						
A. McNulty	2007	$283,215	$5.11	11,079	$1,021,699	$7,325	$2.94	($892,739)	$0	$1,021,699
Head of Development	2006	$688,886	$4.20	32,785						
M. O'Brien	2007	$1,301,977	$5.11	50,932	$2,664,129	$18,308	$2.94	($2,341,826)	$0	$2,664,129
CFO	2006	$1,233,333	$4.20	58,695						
M. Tierney	2007	$554,937	$5.11	14,806	$909,948	$6,098	$2.94	($802,594)	$0	$909,948
Head of Retail Property & Asset Management	2006	$311,111	$4.20	21,709						
Total		$10,691,045		473,771	$11,243,727	$79,120		(9,850,840)	$0	$11,243,727

[1] Year of LTI loan means the year in which a loan was made to the individual to acquire GPT stapled securities under the LTI scheme. No additional loans were made to any of the key management personnel from calendar year 2008 onwards.
[2] 2010 Opening Loan Balance reflects the balance of the loan less net distributions for the period 2006-2009 plus capitalised interest costs for the period 2006-2008.
[3] Interest costs for 2010 continued to be set at a level equivalent to the net distributions received arising from the change in scheme design in 2009 which recognised that with employee equity positions substantially 'underwater' and with the loans converted to limited recourse there was no sense charging a commercial rate of interest which would further exacerbate the negative equity position.
[4] Refer to the 2008 Remuneration Report for a detailed explanation regarding the circumstances relating to the negative equity position.
[5] As a result of GPT's performance in the 2008 LTI (covering the three year period 2008-2010) no LTI award was applicable.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Service Agreements

All employees have service agreements in place that set out the basic terms and conditions of employment. In 2009 the Board took steps to increase the notice periods for all Senior Executives to a minimum of 3 months. No notice provisions apply where termination occurs as a result of misconduct or serious or persistent breach of the agreement.

Remuneration arrangements for early termination of an Executive's contract for reasons outside the control of the individual or where the Executive is made redundant may give rise to a severance payment at law. In the absence of any express entitlement, these payments would vary between individuals.

The Board has approved a policy with respect to severance entitlements specifically capping the maximum severance payment that would be made to twelve months base remuneration. In addition the executive may be entitled to any STI and LTI at the end of the relevant period subject to the achievement of key performance indicators that had been set.

The terms of Mr Cameron's contract were outlined on pages 14 and 15. The material terms of the service agreements for the Leadership Team (other than the CEO) who were employed by the Group at 31 December 2010 are set out below:

Term	Conditions
Duration	Open ended.
Termination by Executive	3 months notice. GPT may elect to make a payment in lieu of notice.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months notice. Severance payments may be made subject to GPT policy. Treatment of unvested STI and LTI will be at Board and management discretion under the terms of the relevant plans.
Post employment restraints	Non-solicitation of GPT employees for 12 months post employment.

GPT Performance Outcomes

The table below shows GPT's performance against a number of key metrics over the last 5 years.

		2006	2007	2008	2009	2010
Realised operating income	$m	558.6	605.1	468.8	375.8	410.0
Total securityholder return (TSR)	%	45.2%	-23.4%	-74.9%	-14.4%	2.9%
Underlying earnings per security (EPS) [1]	cents	27.5	29.4	18.5	4.8	20.7
EPS growth	%	12.7%	7.0%	-37.1%	-74.2%	-13.0%
Distributions per security (DPS) [1]	cents	27.5	28.9	17.7	4.5	16.3
NTA (per security) [1]	$	$3.60	$3.86	$1.43	$0.69	$3.60
Security price at end of calendar year	$	$5.60	$4.04	$0.92	$0.61	$2.94

[1] Unadjusted per security figures

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

Senior Executive Remuneration Disclosures
The following table provides a breakdown of GPT's Leadership Team remuneration in accordance with statutory requirements and accounting standards. The Board considers that the table on page 12 is more meaningful because it shows cash remuneration actually received by GPT's executives.

	Fixed Pay			Variable or "At Risk	Variable or "At Risk Pay" -			
	Base	Superannuation	Non-Monetary [1]	STI Bonus	LTI Award Accrual [2]	Grant or vesting of Performance Rights [3, 4]	Cash Payment on Termination	Total
Executives								
M. Cameron [5]								
Managing Director and Chief Executive Officer								
31 December 2010	**$1,245,889**	**$14,830**	**$5,445**	**$1,415,592**	**$397,045**	**$74,701**	**-**	**$3,153,502**
31 December 2009	$837,589	$9,521	$5,445	$933,333	$73,274	$50,346	-	$1,909,508
T. Cope								
Head of Office								
31 December 2010	**$554,975**	**$14,830**	**$2,945**	**$437,040**	**$173,370**	**-**	**-**	**$1,183,160**
31 December 2009	$510,811	$14,103	$2,805	$294,657	$40,967	-	-	$863,343
J. Coyne								
General Counsel/Co. Secretary								
31 December 2010	**$422,283**	**$14,830**	**$3,427**	**$281,627**	**$146,017**	**-**	**-**	**$868,184**
31 December 2009	$461,519	$14,103	$6,329	$89,347	$35,656	-	-	$606,954
M. Fookes								
Head of Investment Management								
31 December 2010	**$786,601**	**$14,830**	**$2,710**	**$672,287**	**$225,481**	**-**	**-**	**$1,701,909**
31 December 2009	$665,314	$14,103	$4,421	$310,000	$53,105	-	-	$1,046,943
V. Georos								
Head of Industrial & & Business Parks								
31 December 2010	**$471,978**	**$14,830**	**$2,545**	**$437,831**	**$143,808**	**-**	**-**	**$1,070,992**
31 December 2009	$434,557	$14,103	$2,445	$173,016	$34,139	-	-	$658,260
N. Harris								
Head of Wholesale								
31 December 2010	**$617,570**	**$14,830**	**$3,085**	**$454,968**	**$188,006**	**-**	**-**	**$1,278,459**
31 December 2009	$593,323	$14,103	$3,045	$405,180	$45,519	-	-	$1,061,170
J. Johnstone								
Head of Transactions								
31 December 2010	**$602,161**	**$14,830**	**$46,315**	**$512,109**	**$167,350**	**-**	**-**	**$1,342,765**
31 December 2009	$852,900	$14,103	$2,645	$625,000	$5,932	-	-	$1,500,580
A. McNulty [6]								
Head of Development								
31 December 2010	**$520,697**	**$14,830**	**$2,147**	**$273,147**	**$125,415**	**-**	**-**	**$936,236**
31 December 2009								
M. O'Brien								
Chief Financial Officer								
31 December 2010	**$850,290**	**$14,830**	**$3,945**	**$801,264**	**$252,544**	**$91,670**	**-**	**$2,014,543**
31 December 2009	$813,689	$14,103	$3,845	$465,000	$36,692	$64,450	-	$1,397,779
M. Tierney [6]								
Head of Retail Property & Asset Management								
31 December 2010	**$519,749**	**$14,830**	**$1,993**	**$273,969**	**$112,762**	**-**	**-**	**$923,303**
31 December 2009								
Former Executives								
D. Byrne [7]								
Head of Corporate Affairs & Communications								
31 December 2010	**$261,768**	**$14,031**	**$2,205**	**$135,164**	**-**	**-**	**$697,374**	**$1,110,542**
31 December 2009	$355,684	$14,103	$2,125	$72,150	-	-	-	$444,062
R. Croft [8]								
CEO GPT Halverton								
31 December 2010								
31 December 2009	$169,442	$8,472	$606	-	-	-	$171,112	$349,632
K. Pryke [9]								
Chief Financial Officer								
31 December 2010								
31 December 2009	$533,630	$10,488	$5,866	$125,342	-	-	$770,000	$1,445,326
H. Stephens [10]								
Head of Corporate Transactions								
31 December 2010								
31 December 2009	$483,388	$14,103	$7,629	$500,000	-	-	$539,231	$1,544,351
N. Tobin [11]								
General Manager - JV								
31 December 2010								
31 December 2009	$492,588	$9,283	$3,445	$116,507	-	-	$720,000	$1,341,823
Total								
31 December 2010	**$6,853,961**	**$162,331**	**$76,762**	**$5,694,998**	**$1,931,798**	**$166,371**	**$697,374**	**$15,583,595**
31 December 2009	$7,204,434	$164,691	$50,651	$4,109,532	$325,284	$114,796	$2,200,343	$14,169,731

DIRECTORS' REPORT
For the year ended 31 December 2010

3.3 Remuneration – CEO and Senior Executives (continued)

[1] The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums, the taxable value of the benefit of discounted staff rates at Voyages Hotels & Resorts, tax equalisation on a UK assignment (J. Johnstone only) and termination payments (D. Byrne only - these include notice and severance pay as well as the paid out value of accumulated but untaken annual and long service leave accruals, as applicable).
[2] The purpose of the LTI Award Accrual column is to record the status of accruals for LTI awards under the 2008, 2009 and/or 2010 LTI plans based on GPT performance against the respective award measures.
[3] One off grants of Performance Rights were made in 2009 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	$300,000	115,363	Service; 50% of performance rights will convert to GPT securities for nil consideration on 30 June 2011, with the remaining 50% converting to GPT securities on 30 June 2012
Michael O'Brien	Recognition of 7 month's service as Acting CEO	$200,000	76,909	Service; 50% of performance rights will convert to GPT securities for nil consideration on 1 July 2010, with the remaining 50% converting to GPT securities on 1 July 2011

[4] Additional grants of Performance Rights were made in 2010 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Michael Cameron	To address the impact of the May 2009 one for one rights issue on Mr Cameron's sign on grant of rights (see detailed explanation above on page 15)	$34,697	16,843	Service; 50% of performance rights will convert to GPT securities for nil consideration on 30 June 2011, with the remaining 50% converting to GPT securities on 30 June 2012

[5] M. Cameron joined GPT on 1 May 2009.
[6] A. McNulty and M. Tierney were not KMP in 2009.
[7] D. Byrne's employment ended on 10 September 2010.
[8] R. Croft's employment ended on 14 April 2009.
[9] K. Pryke's employment ended on 1 September 2009.
[10] H. Stephen's employment ended on 31 December 2009.
[11] N. Tobin's employment ended on 31 August 2009.

DIRECTORS' REPORT
For the year ended 31 December 2010

3.4 Remuneration – Non-Executive Directors

Remuneration Policy

The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Nomination and Remuneration Committee. The principal features of this policy are as follows:

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
  - Main Board fees
  - Committee fees
  - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is remunerated via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any short or long term incentive arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report.

Remuneration arrangements

As noted earlier in the Remuneration Report, the Board determined that there would be no increase in Non-Executive Director fees for 2010, continuing the freeze on Non-Executive Director fees that commenced in 2008.

The Chairman is paid a main board fee which is 2.5 times the standard Board member fee to reflect the additional workload and responsibilities associated with the role. The Chairman does not receive fees for any Committees on which he serves.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of $1,500,000 per annum which was approved by GPT securityholders at the Annual General Meeting on 9 May 2007. As an executive director, Michael Cameron did not receive fees from this pool but was remunerated as one of GPT's Senior Executives.

Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2010 are as follows:

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee
Chairman [1]	**2010**	$346,500	$34,650	$11,000	$23,100
	2009	$346,500	$34,650	-	$23,100
Members	**2010**	$138,600	$17,325	$8,000	$11,550
	2009	$138,600	$17,325	-	$11,550

[1] 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee.

In addition to the above fees, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the 2010 and 2009 calendar years is as follows:

DIRECTORS' REPORT
For the year ended 31 December 2010

3.4 Remuneration – Non-Executive Directors (continued)

	Fixed Pay			Total
	Salary & Fees	Superannuation [1]	Non-Monetary [2]	
Directors				
R. Ferguson [3]				
Chairman				
31 December 2010	**$276,771**	**$14,494**	-	**$291,264**
31 December 2009	$90,475	$8,143	-	$98,618
B. Crotty [4]				
31 December 2010	**$158,770**	**$14,081**	-	**$172,851**
31 December 2009	$3,038	$273	-	$3,311
E. Doyle [5]				
31 December 2010	**$130,625**	**$11,756**	-	**$142,381**
31 December 2009				
E. Goodwin				
31 December 2010	**$154,150**	**$14,179**	-	**$168,329**
31 December 2009	$167,475	$14,103	-	$181,578
S.G. Lim [6]				
31 December 2010	**$156,925**	-	-	**$156,925**
31 December 2009	$117,497	-	-	$117,497
A. McDonald				
31 December 2010	**$173,250**	**$14,830**	**$1,271**	**$189,351**
31 December 2009	$173,250	$14,103	$1,393	$188,746
G. Tilbrook [7]				
31 December 2010	**$100,396**	**$9,036**	**$1,246**	**$110,678**
31 December 2009				
Former Directors				
P. Joseph [8]				
31 December 2010	-	-	-	-
31 December 2009	$138,156	$5,480	-	$143,636
M. Latham [9]				
31 December 2010	-	-	-	-
31 December 2009	$69,078	$5,480	$650	$75,208
I. Martin [10]				
31 December 2010	**$57,632**	**$5,154**	-	**$62,786**
31 December 2009	$161,700	$14,103	-	$175,803
K. Moss [11]				
31 December 2010	**$123,496**	**$5,154**	-	**$128,650**
31 December 2009	$270,834	$14,103	-	$284,937
Total				
31 December 2010	**$1,332,015**	**$88,684**	**$2,517**	**$1,423,215**
31 December 2009	$1,191,503	$75,788	$2,043	$1,269,334

No termination benefits were paid during the financial year.

1 Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.
2 The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums (A. McDonald and G. Tilbrook) or Parking (M. Latham).
3 R. Ferguson joined the Board as deputy Chairman on 25 May 2009 and was appointed Chairman effective 10 May 2010.
4 B. Crotty was appointed to the Board on 22 December 2009.
5 E. Doyle was appointed to the Board on 1 March 2010.
6 L.S. Guan was appointed to the Board on 21 April 2009.
7 G. Tilbrook was appointed to the Board on 11 May 2010.
8 P. Joseph retired from the role of Chairman of the Board on 25 May 2009.
9 M. Latham retired as a Director on 25 May 2009.
10 I. Martin retired as a Director on 10 May 2010.
11 K. Moss retired from the role of Chairman of the Board on 10 May 2010.

DIRECTORS' REPORT

For the year ended 31 December 2010

4. OTHER DISCLOSURES

4.1 Indemnification and Insurance of Directors and Officers

GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Secretary of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

4.2 Proceedings on behalf of the Trust

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. This is said to be on behalf of certain persons who purchased GPT securities from 27 February 2008 and held securities on 7 July 2008. The allegations surround the adequacy and timing of disclosures to the market in this period. No proceedings have yet been issued. GPT has been invited to enter into discussions, on a without prejudice basis, with Slater and Gordon. Failing an agreed resolution of the matter, Slater and Gordon have confirmed they intend to commence proceedings.

GPT rejects the allegations and intends to defend the claim if proceedings are commenced. GPT does not expect that any payment it could be required to make would have a material adverse effect on the Group's operational or strategic objectives, or its financial strength.

4.3 Non-Audit Services

During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amount paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 26 to the financial report.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit and Risk Management Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit & Risk Management Committee reviewed the non-audit services and other assurance services at the time of appointment to ensure that they did not impact upon the integrity and objectivity of the auditor
- the Board's own review conducted in conjunction with the Audit and Risk Management Committee, having regard to the Board's policy with respect to the engagement of GPT's auditor
- the fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

4.4 Rounding of Amounts

The GPT Group is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the Directors' Report have been rounded to the nearest tenth of a million dollars in accordance with the Class Order, unless stated otherwise.

4.5 Auditor

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

4.6 Auditors' independence declaration

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

Signed in accordance with a resolution of the Directors.

Rob Ferguson
Chairman

Michael Cameron
Managing Director and Chief Executive Officer

Sydney
24 February 2011

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Auditor's Independence Declaration

As lead auditor for the audit of the GPT Group for the year ended 31 December 2010, 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 audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

DH Armstrong
Partner
PricewaterhouseCoopers

Sydney
24 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Revenue			
Rent from property investments		**520.8**	503.1
Property and fund management fees		**36.9**	36.8
Development project revenue		**5.9**	6.4
		563.6	546.3
Other income			
Fair value adjustments to investment properties		**62.3**	(532.5)
Share of after tax profit / (loss) of equity accounted investments		**185.3**	(93.0)
Interest revenue - cash and short term money market securities		**1.8**	15.7
Net foreign exchange gain		**14.8**	238.6
Net gain on fair value of derivatives	4(c)	**-**	463.3
		264.2	92.1
Total revenue and other income		**827.8**	638.4
Expenses			
Property expenses and outgoings		**148.6**	139.0
Management and other administration costs		**74.9**	70.8
Depreciation and amortisation expense	4(a)	**7.3**	9.2
Finance costs	4(b)	**151.6**	190.8
Impairment expense - loan and receivables		**0.9**	11.0
Impairment expense - other		**3.6**	11.8
Net loss on fair value of derivatives	4(c)	**6.4**	-
Net loss on disposal of assets		**1.4**	64.0
Total expenses		**394.7**	496.6
Profit before income tax expense		**433.1**	141.8
Income tax credit / (expense)	5(a)	**(2.6)**	(5.9)
Profit after income tax expense		**430.5**	135.9
Profit / (loss) from discontinued operations	2(a), 6	**276.8**	(1,206.5)
Net profit / (loss) for the year		**707.3**	(1,070.6)
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		**(90.0)**	(337.5)
Total comprehensive income / (loss) for the year		**617.3**	(1,408.1)
Net profit / (loss) attributable to:			
- Securityholders of the Trust		**769.7**	(937.0)
- Securityholders of other entities stapled to the Trust		**(62.4)**	(132.1)
- External non-controlling interest		**-**	(1.5)
Total comprehensive income / (loss) attributable to:			
- Securityholders of the Trust		**662.4**	(1,305.6)
- Securityholders of other entities stapled to the Trust		**(45.1)**	(101.0)
- External non-controlling interest		**-**	(1.5)
Basic and diluted earnings per ordinary securityholders of the Trust			
Earnings per unit (cents per unit) for profit / (loss) from continuing operations	28(a)	**26.2**	2.2
Earnings per unit (cents per unit) for profit / (loss) from discontinued operations	28(a)	**13.9**	(67.6)
Earnings per unit (cents per unit)	28(a)	**40.1**	(65.4)

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
ASSETS			
Current Assets			
Cash and cash equivalents	23(b)	**41.1**	40.3
Loans and receivables	7	**62.0**	60.1
Inventories		**-**	-
Derivative assets	8	**0.2**	-
Tax receivables		**-**	3.2
Prepayments		**6.1**	9.5
		109.4	113.1
Non-current assets classified as held for sale	6	**741.1**	635.7
Total Current Assets		**850.5**	748.8
Non-Current Assets			
Investment properties	9	**6,562.5**	6,023.6
Investments in associates and joint ventures	10	**2,125.0**	2,236.7
Property, plant & equipment	11	**5.7**	5.1
Loans and receivables	7	**13.2**	87.7
Other assets		**0.2**	0.2
Intangible assets	12	**51.8**	32.4
Derivative assets	8	**115.0**	4.4
Deferred tax assets	5(b)	**27.8**	24.5
Total Non-Current Assets		**8,901.2**	8,414.6
Total Assets		**9,751.7**	9,163.4
LIABILITIES			
Current Liabilities			
Payables	13	**196.1**	181.3
Borrowings	14	**34.3**	1,699.9
Derivative liabilities	8	**0.4**	1.5
Current tax liabilities		**2.1**	-
Provisions	15	**9.7**	6.7
		242.6	1,889.4
Non-current liabilities classified as held for sale	6	**8.2**	18.4
Total Current Liabilities		**250.8**	1,907.8
Non-Current Liabilities			
Borrowings	14	**2,418.2**	483.8
Derivative liabilities	8	**96.0**	98.5
Provisions	15	**4.2**	3.9
Deferred tax liabilities	5(c)	**28.0**	1.0
Total Non-Current Liabilities		**2,546.4**	587.2
Total Liabilities		**2,797.2**	2,495.0
Net Assets		**6,954.5**	6,668.4
EQUITY			
Equity attributable to secutityholders of the Trust (parent entity)			
Contributed equity	16	**8,155.3**	8,155.3
Reserves	17	**(69.7)**	36.9
Retained profits/(accumulated losses)	18	**(578.2)**	(1,013.0)
Total equity of GPT Trust securityholders		**7,507.4**	7,179.2
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	16	**324.7**	324.7
Reserves	17	**35.0**	14.7
Retained profits/(accumulated losses)	18	**(912.6)**	(850.2)
Total equity of other stapled securityholders		**(552.9)**	(510.8)
Equity attributable to non-controlling interests - external			
Contributed equity	16	**-**	-
Reserves	17	**-**	-
Retained profits	18	**-**	-
Total equity of external non-controlling interests		**-**	-
Total Equity		**6,954.5**	6,668.4

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
For the year ended 31 December 2010

		Consolidated Entity												
		Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				Attributable to the Securityholders of external non-controlling interests				
	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Total equity $M
Balance at 1 January 2009		6,525.6	405.3	290.6	7,221.5	324.7	(17.3)	(718.1)	(410.7)	-	-	1.5	1.5	6,812.3
Movement in foreign currency translation reserve	17	-	(368.6)	-	(368.6)	-	31.1	-	31.1	-	-	-	-	(337.5)
Net income / (loss) recognised directly in equity		-	(368.6)	-	(368.6)	-	31.1	-	31.1	-	-	-	-	(337.5)
Profit / (loss) for the financial year	18	-	-	(937.0)	(937.0)	-	-	(132.1)	(132.1)	-	-	(1.5)	(1.5)	(1,070.6)
Total comprehensive income / (loss) for the financial year		-	(368.6)	(937.0)	(1,305.6)	-	31.1	(132.1)	(101.0)	-	-	(1.5)	(1.5)	(1,408.1)
Transactions with Securityholders in their capacity as Securityholders:														
Issue of share capital	16	1,629.7	-	-	1,629.7	-	-	-	-	-	-	-	-	1,629.7
Movement in treasury stock reserve	17	-	0.2	-	0.2	-	-	-	-	-	-	-	-	0.2
Movement in employee incentive security scheme reserve	17	-	-	-	-	-	0.9	-	0.9	-	-	-	-	0.9
Distribution paid or payable	3	-	-	(366.6)	(366.6)	-	-	-	-	-	-	-	-	(366.6)
Balance at 31 December 2009		8,155.3	36.9	(1,013.0)	7,179.2	324.7	14.7	(850.2)	(510.8)	-	-	-	-	6,668.4
Balance at 1 January 2010		**8,155.3**	**36.9**	**(1,013.0)**	**7,179.2**	**324.7**	**14.7**	**(850.2)**	**(510.8)**	-	-	-	-	**6,668.4**
Movement in foreign currency translation reserve	17	-	**(107.3)**	-	**(107.3)**	-	**17.3**	-	**17.3**	-	-	-	-	**(90.0)**
Net income / (loss) recognised directly in equity		-	**(107.3)**	-	**(107.3)**	-	**17.3**	-	**17.3**	-	-	-	-	**(90.0)**
Profit / (loss) for the financial year	18	-	-	**769.7**	**769.7**	-	-	**(62.4)**	**(62.4)**	-	-	-	-	**707.3**
Total comprehensive income / (loss) for the financial year		-	**(107.3)**	**769.7**	**662.4**	-	**17.3**	**(62.4)**	**(45.1)**	-	-	-	-	**617.3**
Transactions with Securityholders in their capacity as Securityholders:														-
Issue of share capital	16	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in treasury stock reserve	17	-	**0.7**	-	**0.7**	-	-	-	-	-	-	-	-	**0.7**
Movement in employee incentive security scheme reserve	17	-	-	-	-	-	**3.0**	-	**3.0**	-	-	-	-	**3.0**
Distribution paid or payable	3	-	-	**(334.9)**	**(334.9)**	-	-	-	-	-	-	-	-	**(334.9)**
Balance at 31 December 2010		**8,155.3**	**(69.7)**	**(578.2)**	**7,507.4**	**324.7**	**35.0**	**(912.6)**	**(552.9)**	-	-	-	-	**6,954.5**

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

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2010

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**736.1**	850.0
Cash payments in the course of operations (inclusive of GST)		**(332.9)**	(406.2)
Distributions received from associates and joint ventures		**147.5**	146.7
Dividend income		**0.3**	-
Interest received		**10.1**	40.1
Income taxes received / (paid)		**2.4**	(23.7)
		563.5	606.9
Finance costs		**(176.7)**	(231.7)
Net cash inflows from operating activities	23(a)	**386.8**	375.2
Cash flows from investing activities			
Payments for investment properties		**(83.7)**	(281.1)
Proceeds from disposal of investment properties		**37.2**	367.1
Payments for properties under development		**(254.1)**	(277.0)
Payments for property, plant and equipment		**(2.3)**	(18.8)
Proceeds from sale of property, plant & equipment		**13.9**	60.0
Payments for intangibles		**(26.8)**	(0.1)
Proceeds from sale of intangibles		**-**	7.5
Net investment in joint ventures and associates		**(141.4)**	(21.6)
Proceeds from disposal of controlled entities and associates		**216.4**	115.6
Proceeds from disposal of other assets		**20.4**	-
Loan to joint ventures and associates		**-**	(5.2)
Loan repayment from associate		**10.7**	4.2
Payments for cost to sell on assets held for sale		**(9.5)**	(4.3)
Net cash outflows from investing activities		**(219.2)**	(53.7)
Cash flows from financing activities			
Proceeds / (repayment) of net bank facilities		**502.0**	(2,058.3)
Repayments of net short and medium term notes		**(222.5)**	(173.8)
Repayment of employee incentive scheme loans, net of distributions		**2.4**	-
Payments on termination and restructure of derivatives		**(120.8)**	(263.3)
Proceeds from the issue of securities		**-**	1,629.7
Distributions paid to securityholders		**(334.9)**	(366.7)
Net cash outflow from financing activities		**(173.8)**	(1,232.4)
Net decrease in cash and cash equivalents		**(6.2)**	(910.9)
Cash and cash equivalents at the beginning of the year		**51.0**	961.9
		44.8	51.0
Less: Cash balance classified as assets held for sale		**(3.7)**	(10.7)
Cash and cash equivalents at the end of the year	23(b)	**41.1**	40.3

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report are for the consolidated entity, GPT Group (GPT), consisting of General property Trust, GPT Management Holdings Limited and their subsidiaries.

(a) Basis of preparation
This general purpose financial report has been prepared in accordance with the Trust's Constitution, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS
The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

New accounting standards and interpretations

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)
In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures, which amongst other things, simplifies the definition of a related party. This standard is mandatory for GPT from 1 January 2011 at which time GPT will be required to include additional disclosure by disclosing all transactions between its subsidiaries and associates.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)
On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial report. GPT is a disclosing entity and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial report of GPT.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 July 2010/1 January 2011)
In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. GPT will apply the amendments from 1 January 2011 and does not expect that any adjustments will be necessary as the result of applying the revised rules.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 January 2010)
In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards Standards. GPT will apply the revised standards from 1 January 2011 and does not expect that any adjustments will be necessary as the result of applying the revised rules.

Historical cost convention
These financial report have been prepared under the historical cost convention, as modified by the revaluation for financial assets and liabilities (including derivatives) at fair value through profit and loss, certain classes of property, plant and equipment and investment property.

The financial report was approved by the Board of Directors on 24 February 2011.

(b) Accounting for the GPT Group
In accordance with Australian Accounting Standards, the stapled entity reflects the Consolidated entity. Equity attributable to other stapled entities is a form of minority interest in accordance with Australian Accounting Standards and in the Consolidated entity column, represents the contributed equity of GPT Management Holdings Limited (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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(c) Parent entity financial information

On 28 June 2010 the Corporations Amendment (Corporate Reporting Reform) Act 2010 (the Act) received Royal Assent. As a result of the amendments, annual reports for financial years ending on or after 30 June 2010 no longer need to include separate columns and associated note disclosures for the parent entity. Instead, the Corporations Regulations now prescribe limited disclosures that will need to be made in the notes to the financial report, which includes disclosure of key financial information for the parent entity and details of any guarantees, contingent liabilities and commitments.

The financial information for the parent entity of GPT, General Property Trust, is disclosed in note 19 and has been prepared on the same basis as the consolidated financial report, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial report of General Property Trust. Distributions received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(d) Principles of consolidation

(i) Controlled entities
The consolidated financial report comprise the assets and liabilities of all controlled entities and the results of all controlled entities for the financial year. The Trust and its controlled entities are collectively referred to in this financial report as GPT or the Consolidated entity.

Controlled entities are all entities (including special purpose entities) over which GPT has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether GPT controls another entity.

Controlled entities are fully consolidated from the date control commenced and de-consolidated from the date that control ceased.

The acquisition method of accounting is used to account for the acquisition of controlled entities by GPT. All inter-entity transactions, balances and unrealised gains on transactions between GPT entities have been eliminated in full. Unrealised losses are eliminated.

Non-controlling interests (previously referred to as Minority interest) not held by GPT are allocated their share of net profit after income tax expense in the Statement of Comprehensive Income and are presented within equity in the Statement of Financial Position, separately from the Trust's equity.

(ii) Associates
Associates are entities over which GPT has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, GPT's share of the associates' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from associates are recognised in the consolidated financial report as a reduction of the carrying amount of the investment. GPT's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 10).

Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

All balances and effects of transactions between each associate and GPT have been eliminated to the extent of GPT's interest in the associate.

(iii) Joint Ventures
Joint venture assets
GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT's proportionate share of revenues, expenses, assets and liabilities in property interests held as tenants in common are included in their respective items of the Consolidated Statement of Financial Position and Statement of Comprehensive Income.

Joint venture entities
Investments in joint venture entities are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, GPT's share of the joint ventures' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from joint ventures are recognised in the consolidated financial report as a reduction of the carrying amount of the investment.

All balances and effects of transactions between joint ventures and GPT have been eliminated to the extent of GPT's interest in the joint venture. Where controlled entities, associates or joint ventures adopt accounting policies which differ from the Parent entity, adjustments have been made so as to ensure consistency within the GPT Group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial report of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial report is presented in Australian Dollars, which is the Trust's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(iii) Foreign operations

Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken against a foreign currency translation reserve on consolidation.

Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint venture entities, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Statement of Comprehensive Income.

(f) Income Tax

(i) Trusts

Under current tax legislation, Trusts are not liable for income tax, provided their securityholders are presently entitled to the taxable income of the Trust including realised capital gains each financial year.

(ii) Company and other taxable entities

Income tax expense/benefit for the financial year is the tax payable/receivable on the current year's taxable income based on the national income tax rate for each jurisdiction. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(iii) Tax consolidation – Australia

GPT Management Holdings Limited (the head entity) and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 January 2006. Each member in the tax consolidated group continues to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default of the head entity, GPT Management Holdings Limited.

The Company has also entered into a tax funding agreement under which the wholly owned entities fully compensate GPT Management Holdings Limited for any current tax payable assumed and are compensated by GPT Management Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to GPT Management Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the financial report.

Assets and liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable or payable and these amounts are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments and the funding amounts are recognised as intercompany receivables or payables. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(g) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis in the Statement of Cash flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Segment reporting
An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other segments. Each segment is reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, investment properties, inventory, property, plant and equipment and intangible assets, net of related provisions. Assets used jointly by two or more different segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade creditors and accruals. Segment assets and liabilities do not include income taxes.

Operating segments are identified based on the information provided to the chief operating decision makers – being the Chief Executive Officer (CEO) and also with consideration to other factors including the existence of a Portfolio Head/Manager and the level of segment information presented to the Board of Directors.

Operating segments that meet the quantitative criteria prescribed by AASB 8 are reported separately. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(i) Revenue recognition
Rental revenue from operating leases is recognised on a straight line basis over the lease term. An asset is recognised to represent the portion of operating lease revenue in a reporting period relating to fixed increases in operating lease rentals in future periods. These assets are recognised as a component of investment properties. When GPT provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight line basis, as a reduction of property rent revenue. Contingent rental income is recognised as revenue in the period in which it is earned.

Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale.

Revenue from dividends and distributions are recognised when they are declared. Interest income is recognised on an accruals basis using the effective interest method.

Gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statement of Comprehensive Income in the year of disposal. Where revenue is obtained from the sale of properties or assets, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on exchange of unconditional contracts.

If not received at reporting date, revenue is included in the Statement of Financial Position as a receivable and carried at amortised costs.

(j) Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of and ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, financing costs incurred for the construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete and prepare the asset for its intended use or sale. As all funds are borrowed by GPT, the capitalisation rate used to determine the amount of finance costs capitalised is the weighted average interest applicable to GPT's outstanding borrowings during the year.

(k) Expenses
Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of GPT and are recognised on an accruals basis.

(l) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, at bank and short term money market deposits with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(m) Receivables
Trade and sundry debtors are recognised at amortised cost, which in the case of GPT, is the original invoice amount less a provision for doubtful debts. Trade debtors are due within thirty days. Collectability of trade debtors is reviewed regularly and bad debts are written off when identified. A specific provision for doubtful debts is made when there is objective evidence that GPT will not be able to collect the amounts due according to the original terms of the receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other loans and receivables
Loans and receivables are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans and receivables are recognised in the Statement of Comprehensive Income over the expected life of the loans and receivables. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(n) Inventory
Inventory is stated at the lower of cost and net realisable value. Hotel merchandise costs are assigned on the basis of weighted average costs and net realisable value is the estimated selling price in the ordinary course of business. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the inventory.

(o) Non-current assets classified as held for sale and discontinued operations
Non current assets are classified as held for sale and, except for investment properties, measured at the lower of their carrying amount or fair value less costs to sell. They will also be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for use, it must be available for immediate use in its present condition and its sale must be highly probable. Investment properties included as non-current assets classified as held for sale are measured at fair value as set out in note 1(p).

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a part of GPT's business that:

- it has disposed or has classified as held for sale and that represents a major line of its business or geographical area of operations, or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Statement of Financial Position.

(p) Investment property
(i) Investment properties
Property, including land and buildings, held for long-term rental yields which are not occupied by a GPT entity is classified as investment property. Land held under an operating lease is classified and accounted for as investment property when the definition of investment property is met. As from 1 January 2009, investment property also includes property that is being developed for future use as investment property.

Investment property is initially recorded at cost. Cost comprises the cost of acquisition, additions, refurbishments, redevelopments, finance costs and fees incurred. Land and buildings (including integral plant and equipment) that comprise investment property are not depreciated. The carrying amount of investment property also includes components relating to lease incentives and assets relating to fixed increases in operating lease rentals in future periods.

Subsequent to initial acquisition, investment property is stated at fair value with changes in fair value recorded in the Statement of Comprehensive Income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses an appropriate valuation method which may include discounted cash flow projections and the capitalisation method. Discount rates and capitalisation rates are determined based upon the Trust's industry knowledge and expertise and where possible, direct comparison to third party rates for similar assets in a comparable location. The fair value reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditure) that could be expected in respect of the property.

Fair value measurement on property under development is only applied if the fair value is considered to be reliably measured. In order to evaluate whether the fair value of an investment property under development can be determined reliably, management considers the following factors, among others:

- the stage of completion
- whether the project/property is standard (typical for the market) or non-standard
- the level of reliability of cash inflows after completion
- the development risk specific to the property
- past experience with similar developments
- status of development/construction permits
- the provisions of the construction contract.

The Responsible Entity of the Trust reviews the fair value of each investment property every six months, or earlier where the Responsible Entity believes there may be a material change in the carrying value of the property and where the carrying value differs materially from the Responsible Entity's assessment of fair value, an adjustment to the carrying value is recorded as appropriate. Independent valuations on all investment properties are carried out at least every three years on a rolling basis to ensure that the carrying amount of each investment property does not differ materially from its fair value.

Subsequent expenditure is charged to the investment property only when it is probable that future economic benefits of the expenditure will flow to GPT and the cost can be measured reliably.

Investment property for sale is classified as non-current assets held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

Some property investments are held in joint ownership arrangements (joint venture operations). The proportionate interests in the assets, liabilities, revenues and expenses of a joint venture operation have been incorporated in the financial report under the appropriate headings (refer to note 1(d)(iii)).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(p) Investment property (continued)

(ii) Owner Occupied Property

Owner occupied property is property that is held for use by GPT entities for the supply of GPT services. Certain hotel properties are classified and accounted for as investment property in the Trust's financial report and classified as owner-occupied property and accounted for as property, plant and equipment in the consolidated financial report as GPT owns and operates the hotels (refer to note 1(q)).

(q) Property, plant and equipment

In the Consolidated entity, certain owner occupied hotel properties (refer note 1(p)(ii)) are classified as property, plant and equipment and stated at fair value less accumulated depreciation and accumulated impairment for the buildings. The basis of fair value is the same as outlined in the investment property note 1(p). Any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increments in the carrying amounts arising from revaluation on hotels are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognised in the Statement of Comprehensive Income, the increase is first recognised in the Statement of Comprehensive Income. Decreases that reverse previous increases of the same asset are first charged against the asset revaluation reserve to the extent of the remaining reserve attributable to the asset; and all other decrements are recognised in the Statement of Comprehensive Income.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to its acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to GPT and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation and amortisation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their expected useful lives, as follows:

• Buildings	up to 40 years
• Motor Vehicles	4 – 7 years
• Office fixtures, fittings and operating equipment	5 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, any amount in the asset revaluation reserve in respect of those assets is transferred to retained earnings.

(r) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Net rental payments, excluding contingent payments, are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the period of the lease.

(s) Lease incentives

Incentives such as cash, rent free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental revenue. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(t) Intangible assets

IT development and software

Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the periods generally ranging from 3 to 10 years.

Intangible assets are tested for impairment annually (refer to note 1(v)).

(u) Other investments

Unlisted investments are stated at the fair value of GPT's interest in the underlying assets which approximate fair value.

(v) Impairment

Goodwill, which has an indefinite useful life, is not subject to amortisation and is tested annually for impairment. All other assets, including financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. Summary of significant accounting policies (continued)

(w) Financial assets and liabilities
Classification of financial assets and liabilities depends on the purpose for which the assets and liabilities were acquired.

GPT's classification is set out below:

Financial asset/liability	Classification	Valuation basis	
Cash	Fair value through profit and loss	Fair value	Refer to note 1(l)
Receivables	Loans and receivables	Amortised cost	Refer to note 1(m)
Derivative assets	Fair value through profit and loss	Fair value	Refer to note 1(x)
Payables	Financial liability at amortised cost	Amortised cost	Refer to note 1(y)
Borrowings	Financial liability at amortised cost	Amortised cost	Refer to note 1(aa)
Derivative liabilities	Fair value through profit and loss	Fair value	Refer to note 1(x)

Derecognition of financial instruments
Financial assets are recognised on the date the Consolidated entity commits to purchase or sell the asset and derecognised when GPT no longer controls the contractual rights that comprise the financial instrument which is normally the case when the instrument is sold or all risks and rewards of ownership have transferred to an independent third party.

(x) Derivatives
GPT uses derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign currency rates and the volatility of financial outcomes that arise as part of normal business operations. GPT's treasury and risk management policy sets out the policies, limits, monitoring and reporting requirements on the use of financial instruments, including derivatives, to hedge the exposures and these are discussed in detail at note 26.

Derivatives (including those embedded in other contractual arrangements) are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value.

GPT is exposed to changes in interest rates and foreign exchange rates and uses interest rate swaps, forward interest rate swaps, options, and forward foreign exchange contracts to hedge these risks. Such derivative financial instruments are carried in the Statement of Financial Position at fair value and classified according to their contractual maturity. Changes in the fair value of any derivative instruments are recognised immediately in the Statement of Comprehensive Income. All derivatives are disclosed as assets when fair value is positive and disclosed as liabilities when fair value is negative.

Gains and losses on maturity or close-out of derivatives are recognised in the Statement of Comprehensive Income.

(y) Payables
Trade payables are unsecured liabilities for goods and services provided to GPT prior to the end of the financial year but which remain unpaid at reporting date. They are recognised at amortised cost, which in the case of GPT, is the fair value of consideration to be paid in the future for the goods and services received.

Loans payable
Loans payable to related parties are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. Interest payable is recognised on an accruals basis. All loans payable with maturities greater than 12 months after reporting date are classified as non-current liabilities.

(z) Provisions
Provisions are recognised when GPT has a present legal, equitable or constructive obligation as a result of past transactions or events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Refer to note 1(ad) for provisions for distributions

(aa) Borrowings
Borrowings are recognised at amortised cost using the effective interest rate method or at their fair value at the time of acquisition in the case of assumed liabilities in a business combination. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. All loans and receivables with maturities greater than twelve months after reporting date are classified as non-current liabilities. Refer to note 1(j) on finance costs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

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

(ab) Employee benefits

(i) Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries (including non monetary benefits) and annual leave are recognised in the provisions for employee benefits and measured at the amounts to be expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when leave is taken and measured at the rates paid or payable.

The employee benefit liability expected to be settled within 12 months from balance date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from balance date and are measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(ii) Retirement benefit obligations

All employees of GPT are entitled to benefits on retirement, disability or death from the GPT Group Superannuation Plan. The GPT Group Superannuation Plan has a defined contribution section within its plan. The defined contribution section receives fixed contributions and GPT's legal and constructive obligation is limited to these contributions. The employees of GPT are all members of the defined contribution section of the GPT Group Superannuation Plan.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Profit sharing and bonus plans

GPT recognises a liability and expense for profit sharing and bonuses based on a formula that takes into consideration the profit attributable to GPT's securityholders after certain adjustments. A provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Share based payments

Information relating to the Employee Incentive Scheme (EIS) is set out in note 21.

Employee Incentive Scheme

Security based compensation benefits are provided to employees via the schemes comprising the Employee Incentive Scheme.

(1) Legacy LTI Scheme

A full recourse loan based scheme which has been converted to limited recourse effective 31 December 2008 (the date of conversion). While the loan remained in place, the participant was committed only to the value of the underlying securities. The interest charge on the loans to participants was set at a level to approximate the net distributions receivables. The outstanding loan balance is included in the treasury stock reserve.

(2) GPT Group Stapled Security Rights Plan

Performance rights (rights) are issued to employees under the Stapled Security Rights Plan ("the Plan"). Under the Plan, each participating employee will be granted a certain number of rights which will vest into GPT stapled securities at no cost, if all vesting conditions are satisfied.
The fair value of the rights is recognised as an employee benefit expense with a corresponding increase in the employee incentive scheme reserve in equity. Fair value is measured at grant date, recognised over the period during which the employees become unconditionally entitled to the rights and is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to become vested. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value is independently determined using Monte Carlo and Binomial tree pricing models. These models take into account the expected life of the rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the rights.

(ac) Contributed equity

Ordinary units and shares are classified as equity and recognised at the fair value of the consideration received by GPT. Any transaction costs arising on the issue of ordinary securities are recognised directly in equity as a reduction, net of tax, of the proceeds received.

(ad) Distributions and dividends

Distributions and dividends are paid to GPT stapled securityholders each quarter. A provision for distribution or dividend is made for the amount of any distribution or dividend declared on or before the end of the financial year but not distributed at reporting date.

(ae) Earnings per stapled security (EPS)

Basic earnings per stapled security is calculated as net profit attributable to securityholders of GPT divided by the weighted average number of ordinary securities outstanding during the financial year, adjusted for bonus elements in ordinary securities issued during the financial year. Diluted earnings per security is calculated as net profit attributable to securityholders of GPT divided by the weighted average number of ordinary securities and dilutive potential ordinary securities, adjusted for any bonus issue. Where there is no difference between basic earnings per stapled security and diluted earnings per stapled security, the term basic and diluted earnings per stapled security is used.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

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

(af) Critical accounting estimates and judgements

The preparation of the financial reports requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial reports. Management bases its judgments 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 reports are:

(i) Valuation of property investments

Critical judgements are made by GPT in respect of the fair values of investments in associates and joint venture, investment properties including investment properties under development and hotel properties that are classified as assets held for sale at 31 December 2010. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations, recent offers 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 financial instruments

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) however the fair values of derivatives reported at 31 December 2010 may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

(iii) Valuation of indemnities and guarantees included in contracts of sale

Fair value of indemnities and guarantees provided by entities in the GPT Group are estimated based on future events which are reasonably likely, but which may not occur. The critical assumptions underlying management's estimates of the disclosure and/or recognition of the indemnities and guarantees relate to the likelihood of the whether the guarantee or indemnity will be drawn on. The amount of the liability recognised in the Statement of Financial Position may differ if the assumptions or the market conditions used differ over the time period when the indemnity or guarantee are applicable.

(iv) Impairment of loans and receivables

Assets 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.

(v) 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. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation and Binomial tree pricing models. The related assumptions are detailed in note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact, the share based payment expense and equity.

(ag) Rounding of amounts

The GPT Group is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the financial report have been rounded to the nearest tenth of a million dollars in accordance with the Class Order, unless stated otherwise.

(ah) Other Comprehensive Income

Other comprehensive income in the Statement of Comprehensive Income reflects the remeasurements of certain assets or balances as a result of movements in price or valuation. In the case of GPT, these items will mainly include foreign exchange translation adjustments on foreign subsidiaries. Where the underlying item giving rise to the foreign currency translation adjustments is sold or realised, the foreign currency translation adjustments recognised in other comprehensive income are then recognised again in earnings (or comprehensive income) in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting

(a) Financial Performance by Segment
The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the year ended 31 December 2010 is below.

31 December 2010

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	Total Core operations	Discontinued operation - US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Revenue											
Rent from investment properties	372.3	101.2	66.2	-	-	539.7	-	-	-	-	539.7
Revenue from hotel operations	-	-	-	-	-	-	-	-	-	109.1	109.1
Property and fund management fees	14.1	0.1	-	22.7	-	36.9	-	-	-	-	36.9
Development project revenue	3.1	2.8	-	-	-	5.9	-	-	-	-	5.9
Total segment revenue	389.5	104.1	66.2	22.7	-	582.5	-	-	-	109.1	691.6
Other income											
Share of after tax profits of equity accounted investments	8.9	43.9	-	86.8	-	139.6	21.8	-	4.5	-	165.9
Distributions from controlled entities, associates and joint	-	-	-	-	-	-	-	-	-	-	-
Dividend from investment	-	-	-	-	-	-	-	-	-	0.3	0.3
Interest revenue - associates and other investments	-	-	-	-	-	-	6.4	-	1.0	-	7.4
	8.9	43.9	-	86.8	-	139.6	28.2	-	5.5	0.3	173.6
Total segment revenue and other income	398.4	148.0	66.2	109.5	-	722.1	28.2	-	5.5	109.4	865.2
Less:											
Property expenses and outgoings	(112.4)	(25.5)	(10.7)	-	-	(148.6)	-	-	-	-	(148.6)
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(85.3)	(85.3)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs, and income tax expense	286.0	122.5	55.5	109.5	-	573.5	28.2	-	5.5	24.1	631.3
Management and other administration costs	(18.3)	(8.7)	(1.2)	(11.5)	(32.0)	(71.7)	(3.2)	-	(1.1)	-	(76.0)
Depreciation and amortisation expense	-	-	-	-	(2.4)	(2.4)	-	-	-	-	(2.4)
Income tax (expense) / benefits	(0.4)	1.0	0.1	(3.7)	5.7	2.7	(1.3)	-	-	5.2	6.6
Finance costs	-	-	-	-	(149.8)	(149.8)	-	-	-	0.3	(149.5)
Segment result for the year *	267.3	114.8	54.4	94.3	(178.5)	352.3	23.7	-	4.4	29.6	410.0
Fair value adjustments to investment properties	75.8	(11.8)	(1.7)	-	-	62.3	-	-	-	-	62.3
Fair value and other adjustments to equity accounted investments	(0.1)	19.1	-	26.7	-	45.7	245.9	-	(14.2)	-	277.4
Revaluation of Hotel Properties	-	-	-	-	-	-	-	-	-	5.4	5.4
Depreciation and amortisation expense - management rights and hotels & tourism	(4.2)	-	-	-	(0.7)	(4.9)	-	-	-	(5.9)	(10.8)
Reversal of prior year impairment	-	-	-	-	-	-	-	4.8	4.7	-	9.5
Impairment expense - loan and receivables	-	-	-	-	(0.9)	(0.9)	-	-	-	-	(0.9)
Impairment expense - other	-	-	-	(1.0)	(2.6)	(3.6)	-	-	-	(3.9)	(7.5)
Fair value movement of derivatives	-	-	-	-	(6.4)	(6.4)	-	-	-	-	(6.4)
Net foreign exchange gain / (loss)	-	-	-	-	14.8	14.8	-	-	(3.2)	-	11.6
Net gain / (loss) on disposal of assets	0.2	-	(0.6)	0.3	(1.3)	(1.4)	-	33.1	4.6	(1.9)	34.4
Cost to sell for assets and liabilities held for sale	-	-	-	-	-	-	(20.1)	-	-	(2.2)	(22.3)
Non-cash IFRS revenue adjustments	(13.1)	(3.4)	(2.4)	-	-	(18.9)	-	-	-	-	(18.9)
Tax impact on reconciling items from Segment result to Net profit for the year	0.6	-	-	-	(5.9)	(5.3)	(27.5)	(0.8)	-	0.4	(33.2)
Others	-	-	-	-	(3.2)	(3.2)	-	-	(0.1)	-	(3.3)
Net profit / (loss) for the year	326.5	118.7	49.7	120.3	(184.7)	430.5	222.0	37.1	(3.8)	21.5	707.3

* The segment result is based on Realised Operating Income (ROI).

ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standards. The adjustments that reconcile the Segment Result to the net loss for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(a) Financial Performance by Segment (continued)
The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the year ended 31 December 2009 is below.

31 December 2009

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	Total Core operations	Discontinued operation - US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels / Tourism	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Revenue											
Rent from investment properties	361.5	100.5	60.2	-	-	522.2	-	-	24.8	16.1	563.1
Revenue from hotel operations	-	-	-	-	-	-	-	-	-	181.4	181.4
Property and fund management fees	13.6	-	-	23.2	-	36.8	-	-	26.1	-	62.9
Development project revenue	3.8	2.6	-	-	-	6.4	-	-	-	-	6.4
Development profits	-	-	-	-	2.5	2.5	-	-	-	-	2.5
Total segment revenue	378.9	103.1	60.2	23.2	2.5	567.9	-	-	50.9	197.5	816.3
Other income											
Share of after tax profits of investments in associates and joint ventures	8.4	43.4	-	89.3	-	141.1	15.5	-	4.4	1.3	162.3
Interest revenue - associates and other investments	-	-	-	-	-	-	7.6	-	2.9	-	10.5
Total other income	8.4	43.4	-	89.3	-	141.1	23.1	-	7.3	1.3	172.8
Total segment revenue and other income	387.3	146.5	60.2	112.5	2.5	709.0	23.1	-	58.2	198.8	989.1
Less:											
Property expenses and outgoings	(103.2)	(26.2)	(9.6)	-	-	(139.0)	-	-	(6.0)	(0.3)	(145.3)
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(153.0)	(153.0)
Cost of sales attributable to warehoused property investments	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
	284.1	120.3	50.6	112.5	2.5	570.0	23.1	-	52.2	45.5	690.8
Segment result before Management and other administration costs, depreciation & amortisation expense, finance costs, net realised losses on derivatives and income tax expense	284.1	120.3	50.6	112.5	2.5	570.0	23.1	-	52.2	45.5	690.8
Management and other administration costs	(14.9)	(5.3)	(0.7)	(9.3)	(34.6)	(64.8)	(2.5)	(1.0)	(61.5)	(0.9)	(130.7)
Depreciation and amortisation expense	-	-	-	-	(2.1)	(2.1)	-	-	(1.0)	-	(3.1)
Finance costs	-	-	-	-	(175.1)	(175.1)	-	-	(9.6)	0.3	(184.4)
Income tax (expense) / benefits	(0.9)	0.4	-	(4.6)	3.0	(2.1)	(2.0)	-	(1.1)	8.4	3.2
Segment result for the year *	268.3	115.4	49.9	98.6	(206.3)	325.9	18.6	(1.0)	(21.0)	53.3	375.8
Fair value adjustments to investment properties	(338.2)	(125.1)	(69.2)	-	-	(532.5)	-	-	-	(19.3)	(551.8)
Fair value and other adjustments to investments in associates and joint ventures	(23.0)	(58.2)	-	(141.9)	(11.0)	(234.1)	(37.8)	-	(20.2)	(0.6)	(292.7)
Revaluation of Hotel Properties	-	-	-	-	-	-	-	-	-	(49.0)	(49.0)
Depreciation and amortisation expense - management rights and hotels & tourism	(7.1)	-	-	-	-	(7.1)	-	-	(0.2)	(11.7)	(19.0)
Impairment expense - warehoused property investments	-	-	-	-	-	-	-	-	(40.6)	-	(40.6)
Impairment expense - loan and receivables	-	-	-	-	(11.0)	(11.0)	-	(1,092.9)	(18.3)	(0.1)	(1,122.3)
Impairment expense - other	(11.8)	-	-	-	-	(11.8)	-	-	-	(5.2)	(17.0)
Fair value movement of derivatives	-	-	-	-	463.3	463.3	-	-	(6.8)	-	456.5
Net foreign exchange gain / (loss)	-	-	-	-	238.6	238.6	-	-	-	-	238.6
Impairment expense - interest	-	-	-	-	-	-	-	(40.2)	-	-	(40.2)
Interest revenue - joint venture investment arrangements	-	-	-	-	-	-	-	40.2	-	-	40.2
Net gain / (loss) on disposal of assets	(2.0)	-	(1.3)	(58.4)	(2.3)	(64.0)	-	137.5	(36.8)	(42.5)	(5.8)
Cost to sell for Non-current assets and liabilities held for sale	-	-	-	-	-	-	-	(0.7)	-	(12.0)	(12.7)
Development profit - adjustment	-	-	-	-	(2.5)	(2.5)	-	-	-	-	(2.5)
Non-cash IFRS revenue adjustments	(12.7)	(5.6)	(0.8)	-		(19.1)	-	-	-	-	(19.1)
Share based payment expense	-	-	-	-	(3.9)	(3.9)	-	-	-	-	(3.9)
Redundancy costs	-				(2.1)	(2.1)		(2.1)		-	(4.2)
Tax impact on reconciling items from Segment result to Net loss for the year	0.1	-	-	-	(3.9)	(3.8)	-	0.4	2.7	0.5	(0.2)
Other	-	-	-	-	-	-	0.6	(1.2)	(0.1)		(0.7)
Net profit/(loss) for the year	(126.4)	(73.5)	(21.4)	(101.7)	458.9	135.9	(18.6)	(960.0)	(141.3)	(66.6)	(1,070.6)

* The segment result is based on Realised Operating Income (ROI).

ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standards. The adjustments that reconcile the Segment Result to the net loss for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income – Continuing Operations

31 December 2010

	Note	Core operations	All other segments	Total continuing operations	ROI adjustments	Total Statement of Comprehensive income
		$M	$M	$M	$M	$M
Revenue						
Rent from investment properties		539.7	-	539.7	-	539.7
Property and fund management fees		36.9	-	36.9	-	36.9
Development project revenue		5.9	-	5.9	-	5.9
Total segment revenue		582.5	-	582.5	-	582.5
Less: Non-cash IFRS adjustments	2(c)(i)			-	(18.9)	(18.9)
		582.5	-	582.5	(18.9)	563.6
Other income						
Share of after tax profits of investments in associates and joint ventures		139.6	-	139.6	-	139.6
Less: Fair value adjustments to investments in associates and joint ventures	2(c)(ii)	-	-	-	45.7	45.7
Interest revenue - associates and other investments		-	-	-	-	-
Add: Interest revenue - cash and short term money market securities		-	-	-	1.8	1.8
Less: Fair value adjustments to investment properties	2(c)(iii)	-	-	-	62.3	62.3
Add: Net foreign exchange gain		-	-	-	14.8	14.8
Total other income		139.6	-	139.6	124.6	264.2
Total segment revenue and other income		722.1	-	722.1	105.7	827.8
Less:						
Property expenses and outgoings		(148.6)	-	(148.6)	-	(148.6)
Segment result before Management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense		573.5	-	573.5	105.7	679.2
Management and other administration costs		(39.7)	(32.0)	(71.7)		(71.7)
Add: Other Non-ROI expenses		-	-	-	(3.2)	(3.2)
Depreciation and amortisation expense		-	(2.4)	(2.4)	-	(2.4)
Add: Amortisation expense - intangibles	2(c)(vii)	-	-	-	(4.9)	(4.9)
Finance costs		-	(149.8)	(149.8)	-	(149.8)
Add: Interest revenue - cash and short term money market securities		-	-	-	(1.8)	(1.8)
Net loss on derivatives	2(c)(iv)	-	-	-	(6.4)	(6.4)
Income tax (expense) / benefits		(3.0)	5.7	2.7	-	2.7
Add: Tax impact on reconciling items from Segment result to Net loss for year		-	-	-	(5.3)	(5.3)
Segment result for the year		530.8	(178.5)	352.3	-	-
Net loss on disposal of assets		-	-	-	(1.4)	(1.4)
Impairment expense - loan and receivables		-	-	-	(0.9)	(0.9)
Impairment expense - other		-	-	-	(3.6)	(3.6)
Net profit / (loss) for the year		530.8	(178.5)	352.3	78.2	430.5

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income – Continuing Operations (continued)

31 December 2009

	Note	Core operations $M	All other segment $M	Total continuing operations $M	ROI adjustments $M	Total Statement of Comprehensive income $M
Revenue						
Rent from investment properties		522.2	-	522.2	-	522.2
Revenue from hotel operations		-	-	-	-	-
Property and fund management fees		36.8	-	36.8	-	36.8
Development project revenue		6.4	-	6.4	-	6.4
Development profits		-	2.5	2.5	-	2.5
Total segment revenue		565.4	2.5	567.9	-	567.9
Less: Non-cash IFRS adjustments	2 (c)(i)	-	-	-	(21.6)	(21.6)
		565.4	2.5	567.9	(21.6)	546.3
Other income						
Share of after tax profits of investments in associates and joint ventures		141.1	-	141.1		141.1
Less: Fair value adjustments to investments in associates and joint ventures	2 (c)(ii)	-	-	-	(234.1)	(234.1)
Interest revenue - associates and other investments		-	-	-	-	-
Add: Interest revenue - cash and short term money market securities	2 (c)(vii)	-	-	-	15.7	15.7
Less: Fair value adjustments to investment properties	2 (c)(iii)	-	-	-	(532.5)	(532.5)
Add: Net foreign exchange gain		-	-	-	238.6	238.6
Add: Net gain on fair value of derivatives	2 (c)(iv)	-	-	-	463.3	463.3
Total other income		141.1	-	141.1	(49.0)	92.1
Total segment revenue and other income		706.5	2.5	709.0	(70.6)	638.4
Less:						
Property expenses and outgoings		(139.0)	-	(139.0)		(139.0)
		567.5	2.5	570.0	(70.6)	499.4
Segment result before Management and other administration costs, depreciation & amortisation expense, finance costs, net realised losses on derivatives and income tax expense		567.5	2.5	570.0	(70.6)	499.4
Management and other administration costs		(30.2)	(34.6)	(64.8)	-	(64.8)
Add: Shared based payment expense	2 (c)(vi)	-	-	-	(3.9)	(3.9)
Add: Redundancy costs	2 (c)(v)	-	-	-	(2.1)	(2.1)
Depreciation and amortisation expense		-	(2.1)	(2.1)	-	(2.1)
Add: Amortisation expense - intangibles	2 (c)(vii)	-	-	-	(7.1)	(7.1)
Finance costs		-	(175.1)	(175.1)	-	(175.1)
Less: Interest revenue included in segments	2 (c)(viii)	-	-	-	(15.7)	(15.7)
Net loss on disposal of assets		-	-	-	-	-
Add: Net gain / (loss) on disposal of assets		-	-	-	(64.0)	(64.0)
Income tax (expense) / benefits		(5.1)	3.0	(2.1)	-	(2.1)
Add: Tax impact on reconciling items from Segment result to Net loss for year		-	-	-	(3.8)	(3.8)
Segment result for the year		532.2	(206.3)	325.9	-	-
Impairment expense - loan and receivables		-	-	-	(11.0)	(11.0)
Impairment expense - other		-	-	-	(11.8)	(11.8)
Net profit / (loss) for the year		532.2	(206.3)	325.9	(190.0)	135.9

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

2. Segment Reporting (continued)

(c) Description of adjustments from Segment Result ("ROI") to Net profit for the year

The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at the net profit/(loss) shown in the financial reports are set out below:

(i) **Non-cash IFRS adjustments** comprise primarily amounts for straightlining rental revenue and amortising lease incentives. These are required for Australian Accounting Standards purposes but are non-cash amounts and therefore have been excluded from ROI to better reflect revenue on a cash basis in ROI.

(ii) **Fair value and other adjustments to investments in associates and joint ventures** comprise the movements in the value of the underlying assets of GPT's investments in joint ventures and associates as required by Australian Accounting Standards but do not reflect the cash distributions received from these investments. As such, GPT has excluded these amounts from ROI to better reflect a cash basis in ROI.

(iii) **Fair value adjustments to investment properties** comprise movements in fair value of investment properties required by Australian Accounting Standards for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.

(iv) **Fair value movement of derivatives** comprise mark-to-market movements required by Australian Accounting Standards for valuation purposes and are non-cash. Refer to note 8 and 26 for further details. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.

(v) **Redundancy costs** comprise the redundancy payments for senior executives. For the 2009 financial year, these costs relate to Kieran Pryke and Neil Tobin, two senior executives who departed GPT in that year. As these costs are one-off and non-recurring in nature, GPT has excluded this amount from ROI.

(vi) **Share based payment expense** comprises of a notional cost arising from the GPT Employee Incentive Scheme. In October 2009, the General Scheme was terminated. As this is a notional cost required by Australian Accounting Standards. GPT has excluded this amount from ROI.

(vii) **Amortisation expense** is required for Australian Accounting Standards and is a non-cash transaction. GPT has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(viii) **Finance costs** are presented net of interest revenue from cash at bank and short term money markets in the Segment Result. This adjustment is required to reconcile to the Statement of Comprehensive Income.

The accounting policies used by the Group in reporting segments internally are the same as those in note 1 to the financial reports and in the prior years.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Group's revenues.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(d) Reconciliation of Segment Assets and Liabilities to the Statement of Financial Position
The amounts provided to the CEO in respect of total assets and total liabilities are:

- measured in a manner consistent with that of the financial reports; and
- allocated based on the operations of the segment and physical location of the assets.

Given some of the assets and liabilities relate mainly to Corporate activities and have not been allocated to a reportable segment, a reconciliation of the reportable segments' assets and liabilities to total assets and liabilities for the years ended 31 December 2009 and 31 December 2010 is set out below:

		Core operations						Non-Core operations				
		Retail	Office	Industrial	Funds Management Australia	All other segments	Total Core operations	US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	Total
	Note	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
31 December 2010												
Current Assets												
Non-current assets held for sale	6(c)	49.1	-	-	-	-	49.1	351.9	-	23.0	317.1	741.1
Other current assets		-	-	-	-	109.4	109.4	-	-	-	-	109.4
Total Current Assets		49.1	-	-	-	109.4	158.5	351.9	-	23.0	317.1	850.5
Non-Current Assets												
Investment properties		4,582.3	1,188.3	791.9	-	-	6,562.5	-	-	-	-	6,562.5
Equity accounted investments		145.6	675.3	-	1,291.5	12.6	2,125.0	-	-	-	-	2,125.0
Property, plant and equipment		-	-	-	-	5.7	5.7	-	-	-	-	5.7
Loans and receivables		-	-	-	-	13.2	13.2	-	-	-	-	13.2
Intangible assets		12.1	-	-	-	39.7	51.8	-	-	-	-	51.8
Other non-current assets		-	-	-	-	143.0	143.0	-	-	-	-	143.0
Total Non-Current Assets		4,740.0	1,863.6	791.9	1,291.5	214.2	8,901.2	-	-	-	-	8,901.2
Total Assets		4,789.1	1,863.6	791.9	1,291.5	323.6	9,059.7	351.9	-	23.0	317.1	9,751.7
Non-current liabilities classified as held for sale	6(c)	-	-	-	-	-	-	-	-	-	8.2	8.2
Other current and non-current liabilities		-	-	-	-	2,761.5	2,761.5	27.5	-	-	-	2,789.0
Total Liabilities		-	-	-	-	2,761.5	2,761.5	27.5	-	-	8.2	2,797.2
Net Assets		4,789.1	1,863.6	791.9	1,291.5	(2,437.9)	6,298.2	324.4	-	23.0	308.9	6,954.5
31 December 2009												
Current Assets												
Assets classified as held for sale	6(c)	222.0	-	-	-	-	222.0	-	-	67.5	346.2	635.7
Other current assets		-	-	-	-	113.1	113.1	-	-	-	-	113.1
Total Current Assets		222.0	-	-	-	113.1	335.1	-	-	67.5	346.2	748.8
Non-Current Assets												
Investment properties		4,111.2	1,131.8	780.6	-	-	6,023.6	-	-	-	-	6,023.6
Investments in associates and joint ventures		144.9	654.0	-	1,346.0	12.6	2,157.5	79.2	-	-	-	2,236.7
Property, plant and equipment		-	-	-	-	5.1	5.1	-	-	-	-	5.1
Loans and receivables		-	-	-	-	14.5	14.5	73.2	-	-	-	87.7
Intangible assets		16.2	-	-	-	16.2	32.4	-	-	-	-	32.4
Other non-current assets		-	-	-	-	29.1	29.1	-	-	-	-	29.1
Total Non-Current Assets		4,272.3	1,785.8	780.6	1,346.0	77.5	8,262.2	152.4	-	-	-	8,414.6
Total Assets		4,494.3	1,785.8	780.6	1,346.0	190.6	8,597.3	152.4	-	67.5	346.2	9,163.4
Liabilities directly associated with assets classified as held for sale	6(c)	-	-	-	-	-	-	-	-	-	18.4	18.4
Other current and non-current liabilities		-	-	-	-	2,476.6	2,476.6	-	-	-	-	2,476.6
Total Liabilities		-	-	-	-	2,476.6	2,476.6	-	-	-	18.4	2,495.0
Net Assets		4,494.3	1,785.8	780.6	1,346.0	(2,286.0)	6,120.7	152.4	-	67.5	327.8	6,668.4

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(e) Identification of Reportable Segments
The Group's operating segments as described in note 1(h) and which are based on internal reports reviewed by the Chief Executive Officer are:

Segment	Types of products and services which generate segment revenues
Retail	Regional, sub-regional and community shopping centres, Homemaker City (bulky goods) centres, retail re-developments and new retail developments as well as development and property management of retail assets.
Office	Office space with associated retail space and office developments.
Industrial	Traditional industrial and business park assets with capacity for organic growth through the development of vacant land as well as industrial re-developments.
Funds Management – Australia	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
All Other Segments	Costs associated with the funds management of General Property Trust, foreign exchange gains and losses, finance costs and company operating costs.
Discontinued operation - US Seniors Housing	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.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture in Europe, the United States of America, New Zealand and Australia. GPT has divested of the majority of its interest in the Joint Venture with all remaining interests written down to zero.
Discontinued operation - Hotel / Tourism	Investments in nature-based resorts and hotel assets. GPT has divested all of its resorts with the exception of Ayers Rock Resort. Contracts to sell the asset were exchanged on 15 October 2010 with the transaction expected to settle in March 2011.
Discontinued operation - Funds Management – Europe	Equity investments in two small closed-end funds (a legacy of GPT's ownership of GPT Halverton) managed by Internos Real Investors.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(f) Share of after tax profits/(losses) from joint ventures and associates – Consolidated entity

GPT invests in joint ventures and associates in all reportable segments except Industrial. The share of after tax profits/(losses) from those joint ventures and associates and the extent to which they have contributed to the overall net profit/(loss) of the Group in the financial year, split between continuing operations and discontinuing operations, is set out below:

(1) Share of after tax profits/(losses) from joint ventures and associates – by reportable segment

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	Total Core operations	US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
31 December 2010											
Revenue and other income	12.1	74.4	-	164.0	12.6	263.1	455.2	14.1	11.9	5.5	749.8
Expenses	(3.3)	(11.4)	-	(50.5)	(18.1)	(83.3)	(192.0)	(14.1)	(21.5)	(5.2)	(316.1)
Profit/(loss) before income tax expense	8.8	63.0	-	113.5	(5.5)	179.8	263.2	-	(9.6)	0.3	433.7
Income tax expense / (credit)	-	-	-	-	(0.9)	(0.9)	-	-	-	0.3	(0.6)
	8.8	63.0	-	113.5	(4.6)	180.7	263.2	-	(9.6)	-	434.3
Share of accumulated losses not recognised	-	-	-	-	4.6	4.6	4.4	-	-	-	9.0
Share of net profits/(losses) of joint venture and associate interests	8.8	63.0	-	113.5	-	185.3	267.6	-	(9.6)	-	443.3
31 December 2009											
Revenue and other income	11.3	54.3	-	112.0	(17.6)	160.0	177.0	47.1	14.7	6.3	405.1
Expenses	(25.9)	(69.1)	-	(164.6)	-	(259.6)	(199.3)	(187.0)	(30.1)	(5.9)	(681.9)
Profit/(loss) before income tax expense	(14.6)	(14.8)	-	(52.6)	(17.6)	(99.6)	(22.3)	(139.9)	(15.4)	0.4	(276.8)
Income tax expense / (credit)	-	-	-	-	-	-	-	(0.3)	0.4	(0.3)	(0.2)
	(14.6)	(14.8)	-	(52.6)	(17.6)	(99.6)	(22.3)	(139.6)	(15.8)	0.7	(276.6)
Share of accumulated losses not recognised	-	-	-	-	6.6	6.6	-	139.6	-	-	146.2
Share of after tax losses of equity accounted investments	(14.6)	(14.8)	-	(52.6)	(11.0)	(93.0)	(22.3)	-	(15.8)	0.7	(130.4)

(2) Share of after tax profits/(losses) from joint ventures and associates – by geographic location

The analysis below sets out GPT's share of after tax losses from its associates and joint ventures by the geographic location they operate in:

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	$M	$M	$M	$M	$M	$M	$M	$M
Share of net profits/(losses) of joint venture and associate interests								
Revenue and other income	268.6	180.4	11.9	14.4	469.3	210.3	749.8	405.1
Expenses	(88.5)	(297.1)	(21.5)	(30.1)	(206.1)	(354.7)	(316.1)	(681.9)
Profit before income tax expense	180.1	(116.7)	(9.6)	(15.7)	263.2	(144.4)	433.7	(276.8)
Income tax expense / (credit)	(0.6)	(0.7)	-	0.4	-	0.1	(0.6)	(0.2)
	180.7	(116.0)	(9.6)	(16.1)	263.2	(144.5)	434.3	(276.6)
Share of accumulated losses not not recognised	4.6	24.0	-	-	4.4	122.2	9.0	146.2
Share of net profits / (losses) of joint ventures and associate interests	185.3	(92.0)	(9.6)	(16.1)	267.6	(22.3)	443.3	(130.4)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(g) Share of joint venture and associates' assets and liabilities – Consolidated entity

GPT invests in joint ventures and associates in all reportable segments except Industrial. The underlying assets and liabilities of the joint ventures and associates shown in the Consolidated Statement of Financial Position, split between continuing operations and discontinuing operations, is set out below:

(1) Share of joint venture and associates' assets and liabilities – by reportable segment

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	Total Core operations	US Seniors Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels & Tourism	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
31 December 2010											
Cash and cash equivalents	1.4	0.1	-	43.8	5.3	50.6	19.7	-	2.2	1.6	74.1
Other assets	0.4	2.7	-	6.8	12.5	22.4	24.3	-	1.8	3.7	52.2
Property investments and loans	146.0	681.5	-	1,472.9	39.5	2,339.9	836.9	-	97.8	-	3,274.6
Total assets	147.8	684.3	-	1,523.5	57.3	2,412.9	880.9	-	101.8	5.3	3,400.9
Other liabilities	2.2	9.0	-	41.2	25.6	78.0	41.0	4.9	12.2	0.5	136.6
Borrowings											
- The GPT Group	-	-	-	-	30.3	30.3	60.0	32.3	-	-	122.6
- External - current						-					-
- External - non-current	-	-	-	190.8	-	190.8	472.3	-	76.1	-	739.2
Total liabilities	2.2	9.0	-	232.0	55.9	299.1	573.3	37.2	88.3	0.5	998.4
Net assets	145.6	675.3	-	1,291.5	1.4	2,113.8	307.6	(37.2)	13.5	4.8	2,402.5
Negative net assets not recognised					11.2	11.2	4.4	37.2			52.8
Net assets after write back	145.6	675.3	-	1,291.5	12.6	2,125.0	312.0	-	13.5	4.8	2,455.3
31 December 2009											
Cash and cash equivalents	1.4	1.5	-	8.7	2.4	14.0	19.7	6.0	2.7	0.3	42.7
Other assets	0.2	2.6	-	5.1	19.4	27.3	26.9	11.4	2.6	2.0	70.2
Property investments and loans	146.3	660.0	-	1,663.9	30.2	2,500.4	693.7	188.2	135.2	3.8	3,521.3
Total assets	147.9	664.1	-	1,677.7	52.0	2,541.7	740.3	205.6	140.5	6.1	3,634.2
Other liabilities	3.0	10.1	-	51.9	1.9	66.9	50.5	31.3	14.8	1.2	164.7
Borrowings						-					-
- The GPT Group	-	-	-	-	44.1	44.1	69.6	201.5	-	-	315.2
- External - current	-	-	-	-	-	-	1.0	-	-	-	1.0
- External - non-current	-	-	-	279.8	-	279.8	540.0	215.5	95.1	-	1,130.4
Total liabilities	3.0	10.1	-	331.7	46.0	390.8	661.1	448.3	109.9	1.2	1,611.3
Net assets	144.9	654.0	-	1,346.0	6.0	2,150.9	79.2	(242.7)	30.6	4.9	2,022.9
Negative net assets not recognised	-	-	-	-	6.6	6.6	-	242.7	-		249.3
Net assets after write back	144.9	654.0	-	1,346.0	12.6	2,157.5	79.2	-	30.6	4.9	2,272.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. Segment Reporting (continued)

(g) Share of joint venture and associates' assets and liabilities – Consolidated entity (continued)

(2) Share of joint ventures and associates' assets and liabilities – by geographic location
The analysis below sets out, by geographic location, the underlying assets and liabilities of the associates and joint ventures shown in the Consolidated Statement of Financial Position. Key asset and liability categories have been individually presented for further detail.

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	$M	$M	$M	$M	$M	$M	$M	$M
Share of joint venture and associates' assets and liabilities								
Cash and cash equivalents	52.2	14.4	2.2	2.7	19.7	25.6	74.1	42.7
Other assets	26.0	31.8	1.8	2.6	24.4	35.8	52.2	70.2
Property investments and loans	2,339.9	2,518.1	97.8	135.3	836.9	867.9	3,274.6	3,521.3
Total assets	2,418.1	2,564.3	101.8	140.6	881.0	929.3	3,400.9	3,634.2
Other liabilities	78.4	75.7	12.2	14.9	46.0	74.1	136.6	164.7
Borrowings								
- The GPT Group	30.3	78.7	-	-	92.3	236.5	122.6	315.2
- External - current		-		-		1.0	-	1.0
- External - non-current	190.8	279.8	76.1	95.1	472.3	755.5	739.2	1,130.4
Total liabilities	299.5	434.2	88.3	110.0	610.6	1,067.1	998.4	1,611.3
Net assets	2,118.6	2,130.1	13.5	30.6	270.4	(137.8)	2,402.5	2,022.9
Negative net assets not recognised	11.2	32.3		-	41.6	217.0	52.8	249.3
Net assets after write back	2,129.8	2,162.4	13.5	30.6	312.0	79.2	2,455.3	2,272.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

3. Distributions paid and payable

		Consolidated Entity	
		31 Dec 10	31 Dec 09
		$M	$M
(a) Stapled Securityholders			
(i) Distributions paid			
Quarter ended December 2009:	1.0 cents per stapled security paid 26 March 2010 (2.1 cents per stapled security paid 27 March 2009)	92.8	93.8
Quarter ended March 2010:	0.7 cents per stapled security paid 28 May 2010 (1.6 cents per stapled security paid 29 May 2009)	64.9	71.5
Quarter ended June 2010:	4.1 cents per stapled security paid on 24 September 2010 - on the basis of post 5 to 1 consolidation of stapled securities [2] (0.9 cents per stapled security paid 24 September 2009)	76.1	83.5
Quarter ended September 2010:	4.1 cents per stapled security paid on 26 November 2010 - on the basis of post 5 to 1 consolidation of stapled securities [2] (1.0 cents per stapled security paid 27 November 2009)	76.1	92.8
Total distributions paid		309.9	341.6
(ii) Distributions proposed and not recognised as a liability [1]			
Quarter ended December 2010:	4.6 cents per stapled security - on the basis of post 5 to 1 consolidation of stapled securities [2] (1.0 cents per stapled security paid 26 March 2010)	85.4	92.8
(b) Exchangeable Securityholders [3]			
(i) Distributions paid			
Period from 27 November 2009 to 27 November 2010	10% per exchangeable security	25.0	25.0
(ii) Distributions payable			
Period from 27 November 2010 to 31 December 2010	10% per exchangeable security	2.5	2.5

(1) The December quarter distribution of 4.6 cent per stapled security is expected to be paid on 25 March 2011. No provision for this distribution has been recognised in the balance sheet at 31 December 2010 as the distribution had not been declared by the end of the financial year.
(2) On 10 May 2010, the securityholders of GPT Group approved the consolidation of every 5 stapled securities into 1 stapled security. Refer to note 16 (b) for further details.
(3) Refer to note 16 (c) for further information on the Exchangeable Securities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

4. Expenses

	Note	Consolidated Entity 31 Dec 10 $M	31 Dec 09 $M
(a) Depreciation and amortisation			
Depreciation of hotel properties		5.4	9.9
Depreciation of plant and equipment		2.9	4.1
Amortisation of intangibles	12(a)	4.9	8.1
Less: Depreciation and amortisation - Discontinued operations		(5.9)	(12.9)
Total depreciation and amortisation		7.3	9.2
(b) Finance costs			
External entities		180.9	221.0
Interest capitalised*		(29.3)	(20.6)
Less: Finance costs - Discontinued operations		-	(9.6)
Total finance costs		151.6	190.8
(c) Net loss / (gain) on fair value of derivatives			
Interest rate derivatives		(3.0)	(365.0)
Foreign currency derivatives		9.4	(91.5)
Less: Net loss on fair value of derivatives - Discontinued operations		-	(6.8)
Total net loss / (gain) on fair value of derivatives		6.4	(463.3)

* A capitalisation rate of 7.5% (2009: 7.5%) has been applied when capitalising interest on qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

5. Tax

	Consolidated Entity	
	31 Dec 10	31 Dec 09
	$M	$M
(a) Income tax expense		
Current income tax expense / (benefit)	**2.0**	(1.0)
Deferred income tax expense / (benefit)	**24.6**	(2.0)
Income tax expense / (benefit) in the Statement of Comprehensive Income	**26.6**	(3.0)
Income tax expense / (benefit) attributable to:		
Profit from continuing operations	**2.6**	5.9
Profit / (loss) from discontinued operations	**24.0**	(8.9)
Aggregate income tax expense / (benefit)	**26.6**	(3.0)
Net profit / (loss) before income tax expense	**733.9**	(1,073.6)
Less: (profit) / loss attributed to entities not subject to tax	**(800.4)**	935.9
Net loss before income tax expense	**(66.5)**	(137.7)
Prima facie income tax credit at 30% tax rate (31 December 2009: 30%)	**(20.0)**	(41.3)
Tax effect of amounts not deductible (taxable) in calculating income tax credit:		
Overhead costs	**10.0**	21.9
Impairment expenses	**-**	32.7
Gain on loan forgiveness	**-**	(39.6)
Controlled foreign company attribution tax	**-**	0.9
Withholding tax	**1.3**	1.1
Share of after tax (profits)/losses of investments in associates and joint ventures	**3.7**	10.8
Foreign subsidiary losses not deductible for tax	**3.3**	2.7
Tax expenses arising on disposal of foreign assets	**28.3**	7.8
Income tax expense / (benefit)	**26.6**	(3.0)

Deferred tax assets and liabilities are attributable to the following:

(b) Deferred tax assets		
Employee benefits	**10.9**	10.7
Overhead costs	**10.6**	7.9
Provisions and accruals	**1.0**	1.3
Tax losses recognised	**4.0**	3.1
Other	**1.3**	1.5
Net deferred tax asset	**27.8**	24.5
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	**24.5**	18.5
(Charged) / credited to the income statement	**2.4**	2.9
Tax losses recognised	**0.9**	3.1
Closing balance at end of the financial year	**27.8**	24.5
(c) Deferred Tax Liability		
Depreciation and amortisation	**0.5**	0.8
Tax expenses arising on disposal of foreign assets	**27.5**	-
Other	**-**	0.2
Net deferred tax liability	**28.0**	1.0
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	**1.0**	-
Charged to the income statement	**27.0**	1.0
Closing balance at end of the financial year	**28.0**	1.0

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

6. Non-current assets held for sale, discontinued operations and other disposals

(a) Details of discontinued operations
At 31 December 2010, there are four discontinued operations: Hotel / Tourism Portfolio, Joint Venture, Funds Management – Europe and US Seniors Housing portfolios.

As part of GPT's refined strategic direction to focus on Australian assets, management has continued with its plans and further disposals have occurred in the 2010. These disposals and the remaining investments for each discontinued operation at 31 December 2010, along with their impact on the Statement of Comprehensive Income and Statement of Financial Position, are discussed in detail below.

(i) Hotel / Tourism
Whilst sale contracts were exchanged for the El Questro Station and Brampton Island Resort last year, settlement occurred this year on 1 March 2010 and 16 June 2010 respectively. As a consequence, the Ayers Rock Resort remains the only hotel asset and is classified as held for sale in the Statement of Financial Position as at 31 December 2010. The sale contract for Ayers Rock Resort has been exchanged on 15 October 2010 and is expected to be settled in March 2011. The carrying value of the Resort at 31 December 2010 is $300 million ($293.3 million including cost to sell).

(ii) Joint Venture
(1) BGA Real Estate Finance Trust

BGA Real Estate Finance Trust provided mezzanine loan financing over an Australian and New Zealand property portfolio and formed part of the Joint Venture.

On 15 June 2010,
- GPT International Pty Limited (GPTI) sold 100% of its ordinary units for a cash consideration of $10; and
- GPT Funds Management No.2 Pty Limited (GPTFM2) (as trustee of GPT Investment Trust No.1) sold 100% of its ordinary and preferred units for a cash consideration of $10.

The sales resulted in a nominal net gain, as both the BGA joint venture investment and loans to BGA had a carrying value of nil prior to the sales.

(2) Babcock & Brown GPT REIT Inc
The following development has occurred since 31 December 2009 on the US retail property assets held in the Joint Venture via the Babcock & Brown GPT REIT Inc:

Marelda Assets
In February 2010, discussions commenced with lenders of each of the eight properties held in the Marelda Retail Holdings LLC structure (referred to as Marelda Assets). At the date of this report, lender consents have been granted and as a result the ownership of the Marelda Assets has been transferred to the buyer. Subsequently, the Babcock & Brown GPT REIT Inc has been sold prior to 31 December 2010.

(iii) Funds Management - Europe
(1) Dutch Active Fund Propco BV (DAF)
The following developments have occurred since 31 December 2009 in relation to the legal sale of GPT Europe 2 Sarl's 38.04% shareholding in DAF:

- regulatory consent of the sale transaction has been provided by the Dutch Tax Authority with effect from 8 August 2009, resulting in REIT status for DAF; and
- regulatory consent of the sale transaction by HM Revenue and Customs (Charity Commission), was received on 6 July 2010, with the consent confirming that the purchasers' investment in DAF is a qualifying investment under Schedule 20 ICTA 1988 and income arising from the transaction will be exempt for UK income tax purposes.

The consents above result in an unconditional legal sale of the DAF investment effective from 6 July 2010. However, until the 38.04% shareholding in DAF is on-sold to a third party by the new owners or GPT, the risks and benefit of owning this investment still remain with GPT and does not qualify as a sale under Australian Accounting Standards. As a result, at 31 December 2010, GPT Europe 2 Sarl, continues to recognise the 38.04% investment in DAF for $13.5 million.

(2) Babcock & Brown Residential Operating Partnership LP Loan
During the year, GPT entered into a sale agreement to sell its Series D Preferred units (classified as Loans and receivables - asset) in Babcock & Brown Residential Operating Partnership LP (the Partnership) for cash consideration of USD$20m. The sale was completed on 1 November 2010.

(iv) US Seniors Housing
On 16 February 2011 GPT announced the sale of the portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011. The carrying value of GPT's investment (pre selling costs and taxes) is $351.9m at 31 December 2010.

(b) Assets classified as Held for Sale
In addition to the assets classified as held for sale in the Hotel / Tourism, Joint Venture and Funds Management – Europe and US Seniors Housing Portfolios, the Newcastle CBD, a Retail Investment Property is also included as an asset classified as held for sale in the Statement of Financial Position as at 31 December 2010.

On 23 August 2010, GPT announced it was exiting all Newcastle land holdings. In November, GPT commenced marketing the sale of the properties through CBRE. It is expected that these assets will be sold within the next 12 months.

6. Non-current assets held for sale, discontinued operations and other disposals (continued)

(c) Details of Assets and Liabilities Classified as Held for Sale

The table below sets out the assets and liabilities that continue to be owned by the Group at 31 December 2010 (discussed in note 7(a) and (b) above). These assets and liabilities are presented as an aggregate amount on the lines 'assets and liabilities held for sale' in the Statement of Financial Position.

		Consolidated entity						
		Discontinued Operations			Assets held for sale			
		Hotels / Tourism	Funds Management Europe	US Senior Housing	Retail	Industrial	Total	Total
		31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 09
	Note	$M	$M	$M	$M	$M	$M	$M
Assets classified as held for sale								
Cash at bank and at call		3.7	-	-		-	3.7	10.7
Loans and receivables	(iii)	11.5	9.5	60.0		-	81.0	50.7
Inventories		3.8	-	-		-	3.8	4.4
Investment properties							-	
- Homemaker City, Aspley, QLD	(i)	-	-	-		-	-	47.0
- Homemaker City, Bankstown, NSW		-	-	-		-	-	24.0
- Homemaker City, Fortitude Valley, QLD	(i)	-	-	-		-	-	102.0
- Homemaker City, Jindalee, QLD	(i)	-	-	-		-	-	49.0
- Newcastle CBD, NSW	(ii)				49.1		49.1	
Investments in associates and joint ventures	(iv)	4.8	13.5	291.9		-	310.2	35.5
Property, plant and equipment	(v)	293.3	-	-		-	293.3	311.2
Other assets		-	-	-		-	-	1.2
Total assets classified as held for sale	2(d)	317.1	23.0	351.9	49.1	-	741.1	635.7
Liabilities classified as held for sale								
Trade payables and accruals		6.1	-	-		-	6.1	16.0
Provision for employee benefits		2.1	-	-		-	2.1	2.4
Total liabilities directly associated with assets classified as held for sale	2(d)	8.2	-	-	-	-	8.2	18.4

(i) Reclassified as 'assets held for sale' from Investment Property in December 2009. During 2010, these properties have been removed from the market due to lack of market interest, and therefore do not qualify for recognition as non-current assets held for sale. As a result, these properties have been reclassified back to Investment Property as at 31 December 2010. This has not resulted in any impacts in the Consolidated Statement of Comprehensive Income.

(ii) On 23 August 2010, GPT announced it was exiting all Newcastle land holdings. In November, GPT commenced marketing the sale of the properties through CBRE. As a consequence, the Newcastle CBD property has been reclassified from 'Investment Property' to 'Non-current assets held for sale' as at 31 December 2010.

(iii) Loans and receivables comprise:
- loan receivable of $9.1m from German Retail Fundco SARL was reclassified as an 'asset held for sale' from Loans & Receivables in December 2009; and
- loan receivables of $60m from US Seniors Housing Portfolio which is classified as a Discontinued Operation as at 31 December 2010.

(iv) Investments in associates and joint ventures comprise:
- the 38.04% investment in DAF held at $13.5m, which was reclassified as an 'asset held for sale' from investments in associates and joint ventures in December 2009. Refer to note 6(a)(iii)(1) for further details;
- the 40% investments in 161 Sussex St Pty Limited held at $4.3m and 46% investment in Kings Canyon (Watarrka) Resort Trust held at $0.5m were reclassified as 'assets held for sale' from investments in associates and joint ventures in December 2009;
- the 50% investment in B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC which were reclassified as 'asset held for sale' from investments in associates and joint ventures in December 2009. These investments continue to be held at nil at 31 December 2010; and
- investment in the US Seniors portfolio, including 95% investment in Benchmark GPT LLC, 95% investment in B-VII Operations Holding Co LLC and 20% investment in Benchmark Assisted Living LLC with a total value of $351.9m.

(v) Ayers Rock Resort, NT, which was reclassified as an 'asset held for sale' from property, plant & equipment in December 2009. Refer to 6(a)(i) for further details.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

6. Non-current assets held for sale, discontinued operations and other disposals (continued)

(d) Details of Financial Performance and Cashflow Information relating to Discontinued Operations
The table below sets out the financial performance and cashflow information up to 31 December 2010 for the three discontinued operations that continue to be owned by the Group at reporting date. For assets which have been divested during the period, the relevant financial performance and cashflow information up to the date of disposal have been included. These results are shown at note 2(a) within the Discontinued Operations segments.

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Revenue		**152.6**	258.9
Share of after tax profit / (loss) of investments in associates and joint ventures		**258.0**	(37.4)
Expenses		**(109.8)**	(1,437.0)
Profit / (loss) before income tax		**300.8**	(1,215.5)
Income tax expense / (credit)		**24.0**	(9.0)
Profit / (loss) after income tax of discontinued operations	2(a)	**276.8**	(1,206.5)
Net cash inflow from operating activities		**17.0**	18.3
Net cash outflow from investing activities		**(3.9)**	(22.3)
Net cash outflow from financing activities		**-**	(1.0)
Net increase / (decrease) in cash generated by discontinued operations		**13.1**	(5.0)

(e) Details of Disposals
As part of GPT's strategy to exit non-core assets, and in addition to the disposals in the discontinued operation portfolios, GPT also disposed of the following assets/investments during the year:

	Date of disposal (settlement)	Principal Activity	Ownership interest disposed	Total Consideration $M
Retail Portfolio				
Homemaker City, Bankstown, NSW	25 May 10	Investment property	100%	25.2
Industrial Portfolio				
Unit G17 of 24 - 46 Westgate Drive, Citiwest, Altona North, VIC	12 July 10	Investment property	100%	3.1
21 Talavera Road, North Ryde, NSW	17 December 10	Investment property	100%	10.2
Funds Management - Australia Portfolio				
GPT Wholesale Office Fund	14 December 10	Associate	0.30%	7.9
GPT Wholesale Shopping Centre Fund	14 December 10	Associate	11.50%	208.5

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6. Non-current assets held for sale, discontinued operations and other disposals (continued)

(f) Details of Disposals including disposals in Discontinued Operations
The net profit / (loss) on sale of disposals in discontinued operations and in the general course of business during the year were:

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$M	$M
Details of disposals during the year:		
Cash consideration - net of transaction costs	284.6	573.9
Total consideration	284.6	573.9
Carrying amount of net assets sold	(289.8)	(740.3)
Foreign exchange gain realised on disposal	39.6	160.6
Profit / (loss) on sale before income tax	34.4	(5.8)
Income tax expense	-	-
Profit / (loss) on sale after income tax	34.4	(5.8)
The carrying amounts of assets and liabilities as at the date of disposal were:		
Cash at bank and at call	-	28.8
Loans and receivables	21.8	8.8
Inventories	-	380.3
Investment properties	37.4	412.1
Equity accounted investments	216.4	200.1
Property, plant and equipment	16.8	63.4
Intangibles	-	7.4
Other assets	-	0.6
Total assets	292.4	1,101.5
Trade payables and accruals	-	30.1
Derivative liabilities	-	20.9
External debt	-	310.2
Other liabilities	2.6	-
Total liabilities	2.6	361.2
Net assets	289.8	740.3

NOTES TO THE FINANCIAL STATEMENTS

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7. Loans and receivables

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Current assets			
Trade receivables		**7.1**	7.2
less: impairment of trade receivables		**(0.3)**	(0.6)
		6.8	6.6
Distributions receivable from associates		**23.3**	22.8
Distributions receivable from joint ventures		**7.2**	8.7
Interest receivable from related parties		**0.2**	0.8
Other debtors		**10.4**	13.3
Related party receivables		**14.1**	7.9
Total current loans and receivables		**62.0**	60.1

Non-Current assets

GPT's investment in joint ventures and associates comprise equity investments (refer note 10) and also the following loans set out below.

	Note	31 Dec 10 $M	31 Dec 09 $M
Australian dollar denominated loans with associates and joint ventures			
Lend Lease GPT (Rouse Hill) Pty Limited		**13.2**	14.5
		13.2	14.5
US dollar denominated loans with associates and joint ventures			
Benchmark GPT LLC	(i)	-	70.9
B-VII Operations Holding Co LLC	(i)	-	1.6
Benchmark Assisted Living LLC	(i)	-	0.7
		-	73.2
Total non-current loans and receivables		**13.2**	87.7

(i) Loans advanced to the Benchmark entities have been classified as "Non-current assets classified as held for sale". Please refer to note 6 (c). The interest on these loans is paid monthly at 9% for Benchmark GPT LLC and B-VII Operations Holding Co LLC and paid quarterly at 8% for Benchmark Assisted Living LLC.

NOTES TO THE FINANCIAL STATEMENTS
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8. Derivative financial instruments

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$M	$M
Current assets		
Interest rate swaps	**0.2**	-
Total current derivative assets	**0.2**	-
Non-current assets		
Interest rate swaps	**114.0**	4.4
Interest rate options	**1.0**	-
Total non-current derivative assets	**115.0**	4.4
Current liabilities		
Interest rate swaps	**-**	0.4
Interest rate options	**0.4**	1.1
Total current derivative liabilities	**0.4**	1.5
Non-current liabilities		
Interest rate swaps	**50.7**	62.7
Interest rate options	**30.6**	35.8
Foreign currency interest rate swaps	**14.7**	-
Total non-current derivative liabilities	**96.0**	98.5

GPT does not speculatively trade in derivative financial instruments and the terms and conditions of the derivative financial instruments are similar to the terms and conditions of the underlying items being economically hedged.

Refer to note 26 for further details on GPT's financial risk management of derivative financial instruments.

At 31 December 2010, GPT has hedges (fixed debt and swaps) in place to cover 81.2% of its total debt and the hedges have an average fixed rate of 5.13% (2009: 60.1% hedged, hedges had an average fixed rate of 5.74%).

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9. Investment properties

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Retail	9(b)	**4,582.3**	4,111.2
Office	9(c)	**1,088.3**	1,062.3
Industrial	9(d)	**693.0**	658.0
Properties under development	9(e)	**198.9**	192.1
Total investment properties		**6,562.5**	6,023.6

(a) Reconciliation
A reconciliation of the carrying amount of investment properties at the beginning and end of the financial year is as follows:

	$M	$M
Carrying amount at start of the year	**6,023.6**	6,696.1
Additions - operating capex	**16.5**	29.4
Additions - interest capitalised	**29.3**	20.4
Additions - development capex	**261.9**	224.1
Asset Acquisitions	**12.9**	242.4
Transfers from / (to) non-current assets classified as held for sale	**172.9**	(222.0)
Lease incentives	**40.3**	6.3
Amortisation of lease incentives	**(22.9)**	(21.2)
Disposals	**(37.6)**	(401.1)
Net profit / (loss) on fair value adjustments	**62.1**	(551.8)
Leasing costs	**3.5**	1.0
Carrying amount at end of the year	**6,562.5**	6,023.6

(b) Retail

	Ownership Interest [1] %	Acquisition Date	Fair Value 31 Dec 10 $M	Fair Value 31 Dec 09 $M	Latest Independent Valuation Date	Valuer
Casuarina Square, NT	100.0	Oct 1973	448.1	433.4	Jun 2010	Knight Frank Valuations
Charlestown Square, NSW	100.0	Dec 1977	817.5	642.2	Dec 2010	Jones Lang LaSalle
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	9.9	12.0	Dec 2010	Jones Lang LaSalle
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	190.0	201.0	Oct 2009	CB Richard Ellis Pty Limited
Erina Fair, NSW [2]	33.3	Jun 1992	251.8	250.3	Oct 2009	CB Richard Ellis Pty Limited
Highpoint Shopping Centre, VIC [3]	16.7	Aug 2009	208.3	200.0	Sep 2010	Jones Lang LaSalle
Homemaker City, Maribyrnong, VIC [3]	16.7	Aug 2009	9.2	8.8	Dec 2010	Jones Lang LaSalle
Westfield Penrith, NSW	50.0	Jun 1971	516.5	493.6	Dec 2010	CB Richard Ellis Pty Limited
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	312.0	310.2	Sep 2009	CB Richard Ellis Pty Limited
Plaza Parade, QLD	50.0	Jun 1999	10.0	10.0	Sep 2009	CB Richard Ellis Pty Limited
Westfield Woden, ACT	* 50.0	Feb 1986	320.0	286.0	Dec 2010	Knight Frank Valuations
Homemaker City, Aspley, QLD [5]	100.0	Nov 2001	46.5	-	Dec 2009	CB Richard Ellis Pty Limited
Homemaker City, Fortitude Valley, QLD [5]	100.0	Dec 2001	100.5	-	Mar 2010	Knight Frank Valuations
Homemaker City, Jindalee, QLD [5]	100.0	Nov 2001	48.4	-	Dec 2009	Knight Frank Valuations
Rouse Hill Town Centre	100.0	Dec 2005	481.1	475.0	Dec 2009	CB Richard Ellis Pty Limited
Newcastle CBD, NSW	100.0	Jun 2007	-	47.0	Dec 2008	Knight Frank Valuations
Melbourne Central, VIC - retail portion [6]	100.0	May 1999 / May 2001	812.5	741.7	Jun 2009	Colliers International
Total Consolidated entity			**4,582.3**	**4,111.2**		

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For the year ended 31 December 2010

9. Investment properties (continued)

Details of GPT's Investment Properties (continued)

	Ownership Interest [1] %	Acquisition Date	Fair Value 31 Dec 10 $M	Fair Value 31 Dec 09 $M	Latest Independent Valuation Date	Valuer
(c) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	272.8	269.1	Mar 2009	CB Richard Ellis Pty Limited
MLC Centre, Sydney, NSW	50.0	Apr 1987	385.0	379.5	Mar 2009	Knight Frank Valuations
Melbourne Central, VIC - office portion [6]	100.0	May 1999 / May 2001	304.9	299.7	Jun 2009	Colliers International
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	125.6	114.0	Dec 2009	CB Richard Ellis Pty Limited
Total Consolidated entity			**1,088.3**	**1,062.3**		
(d) Industrial						
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	44.1	44.0	Jun 2008	Colliers Pty Limited
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.1	68.5	Mar 2009	Jones Lang LaSalle
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	19.7	18.8	Jun 2010	CB Richard Ellis Pty Limited
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	20.3	20.0	Jun 2010	CB Richard Ellis Pty Limited
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	21.3	20.2	Dec 2009	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	June 2004	34.1	32.4	Dec 2009	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW [7]	* 100.0	Jun 2010	12.0	-	Dec 2010	Jones Lang LaSalle
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	9.3	8.3	Jun 2010	CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	18.7	18.6	Jun 2008	Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.0	10.0	Jun 2010	CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	17.5	17.0	Dec 2009	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	66.5	64.0	Sep 2009	CB Richard Ellis Pty Limited
15 Berry Street, Granville, NSW	100.0	Nov 2000	12.6	12.0	Sep 2009	CB Richard Ellis Pty Limited
19 Berry Street, Granville, NSW	100.0	Dec 2000	25.7	24.5	Sep 2009	CB Richard Ellis Pty Limited
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	38.6	36.0	Jun 2009	Knight Frank Valuations
Erskine Park, NSW (Stage 2) [8]	100.0	Jun 2008	19.0	-	Sep 2010	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	140.0	139.7	Oct 2009	Jones Lang LaSalle
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.0	13.0	Dec 2008	Jones Lang LaSalle
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	13.4	15.2	Dec 2008	Jones Lang LaSalle
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	30.1	30.0	Dec 2008	Jones Lang LaSalle
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.1	18.0	Jun 2009	Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	14.0	13.5	Dec 2008	Jones Lang LaSalle
Lots 42 & 44 Ocean Steamers Drive, Port Adelaide, SA	50.0	Jul 2006	6.0	7.0	Jun 2009	Colliers International
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	22.9	27.3	Dec 2010	Knight Frank Valuations
Total Consolidated entity			**693.0**	**658.0**		

NOTES TO THE FINANCIAL STATEMENTS
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9. Investment properties (continued)

(e) Properties under development

	Ownership Interest (1) %	Acquisition Date	Fair Value 31 Dec 10 $M	Fair Value 31 Dec 09 $M	Latest Independent Valuation Date	Valuer
Office						
One One One Eagle Street, Brisbane (9)	33.3	Apr 1984	100.0	69.5	Dec 2010	Jones Lang LaSalle
Industrial						
17 Berry St, Granville	100.0	Sep 2009	5.0	5.8	Sep 2010	Knight Frank Valuations
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	7.1	-	Dec 2009	Jones Lang LaSalle
Erskine Park, NSW (8)	100.0	Jun 2008	64.0	81.5	Jun 2009	Knight Frank Valuations
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	5.2	7.1	Dec 2010	Knight Frank Valuations
21 Talavera Rd, Macquarie Park, NSW (10)	100.0	Jun 2006	-	12.2	Jun 2009	Jones Lang LaSalle
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	17.6	16.0	Oct 2009	Jones Lang LaSalle
Total Consolidated entity			**198.9**	**192.1**		

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

(2) 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 10(a)(i)).

(3) GPT purchased 16.67% of Highpoint Shopping Centre and the adjacent Homemaker City Maribyrnong for $205.8 million (excluding transaction costs) on 31 August 2009. The latest independent valuations were commissioned by GPT Wholesale Shopping Centre Fund for its 50% interest and adopted by GPT.

(4) Homemaker City Bankstown, was sold for a consideration of $25.2m (refer to note 6(e)).

(5) The remaining Homemaker City Centres have been removed from the market during 2010, and therefore do not qualify for recognition as non-current assets held for sale.

(6) For Melbourne Central, 50% of the car park included in Office has been transferred to Retail from 1 January 2010. Consequently, prior period comparatives have been restated: 72.7% Retail and 27.3% Office (December 2009: 71.2% Retail and 28.8% Office).

(7) GPT purchased 100% of 6 Herb Elliott, Sydney Olympic Park on 25 June 2010 for $12 million (excluding transaction costs).

(8) Erskine Park, NSW (Stage 2) has been transferred from Properties under development to the Industrial portfolio during the year.

(9) Currently under development. An external valuation on 100% ownership was obtained at 31 Dec 2010 which resulted in an "as if complete" value of $660m with a capitalisation rate of 6.75% and an "as is" value of $320m. In addition, the Directors have further impaired the value on an "as is" basis for additional leasing, marketing and holding costs.

(10) 21 Talavera Rd North Ryde was sold for a consideration of $10.2m (refer to note 6(e)).

Investment properties held in associates and joint ventures are set out in note 10.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

9. Investment properties (continued)

(g) Key operating metrics

The key operating metrics (on the basis of weighted averages) used in the valuations of investment properties as at 31 December are below:

	Consolidated entity	
Retail portfolio -	**31 Dec 10**	31 Dec 09
Weighted average Cap Rate (%) (1)	6.2%	6.3%
Total Portfolio Retail Occupancy Rate (%) (1)	99.9%	99.6%
Total Portfolio Specialty MAT ($psm) (2)	8,801	9,114
Total Portfolio Specialty Occupancy Cost (%) (2)	17.7%	16.8%
Office portfolio -		
Weighted average Cap Rate (%) (3)	7.1%	7.3%
Total Portfolio Occupancy Rate (%) (3)	97.8%	95.9%
Weighted Average Lease Term by Area (Years) (3)	5.2	5.2
Industrial portfolio -		
Weighted average Cap Rate (%)	8.5%	8.4%
Total Portfolio Occupancy Rate (%)	98.4%	96.5%
Weighted Average Lease Term by Income (Years)	6.5	7.2

(1) Includes GPT's interest in GPT Wholesale Shopping Centre Fund and *excludes Homemaker Portfolio*
(2) Includes GPT Wholesale Shopping Centre Fund centres and *excludes Homemaker Portfolio*
(3) Includes GPT's interest in GPT Wholesale Office Fund. Occupancy includes committed space.

(h) Operating lease receivables

The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$M	$M
Due within one year	**497.2**	501.1
Due between one and five years	**1,488.2**	1,423.6
Due after five years	**1,060.3**	859.8
	3,045.7	2,784.5

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10. Investments in associates and joint ventures

		Consolidated entity	
	Note	31 Dec 10 $M	31 Dec 09 $M
Investments in joint ventures	(a)(i)	**820.9**	877.8
Investments in associates	(a)(ii)	**1,304.1**	1,358.9
Total investments in associates and joint ventures		**2,125.0**	2,236.7

(a) **Details of GPT's Joint Ventures and Associates**

Name	Principal Activity	Ownership Interest 31 Dec 10 %	Ownership Interest 31 Dec 09 %	31 Dec 10 $M	31 Dec 09 $M
(i) Joint Ventures					
Entities incorporated in Australia					
1 Farrer Place Trust (1)	Investment property	50.00	50.00	**320.6**	309.4
2 Park Street Trust (1)	Investment property	50.00	50.00	**354.6**	344.5
DPT Operator Pty Limited (1)	Managing property	50.00	50.00	**0.1**	0.1
Erina Property Trust (1)	Investment property	50.00	50.00	**124.5**	123.8
Horton Trust (1)	Investment property	50.00	50.00	**21.1**	21.1
Lend Lease GPT (Rouse Hill) Pty Limited (1) (4)	Property development	50.00	50.00	-	-
Entities incorporated in the United States					
Benchmark GPT LLC (2)	Property investment	95.00	95.00	-	76.3
B-VII Operations Holding Co LLC (2)	Property investment	95.00	95.00	-	2.6
Total investment in joint ventures				**820.9**	877.8
(ii) Associates					
Entities incorporated in Australia					
GPT Wholesale Office Fund (1) (3)	Property investment	33.27	34.13	**897.6**	753.3
GPT Wholesale Shopping Centre Fund (1)	Property investment	21.86	33.46	**393.9**	592.7
Lend Lease (Twin Waters) Pty Limited (1)	Property development	49.00	49.00	**12.6**	12.6
Entities incorporated in the United States					
Benchmark Assisted Living LLC (2)	Property management	20.00	20.00	-	0.3
Total investments in associates				**1,304.1**	1,358.9

1. The entity has a 30 June balance date.

2. GPT has a 95% economic interest in Benchmark GPT LLC and B-VII Operations Holding Co LLC, entities which jointly own the seniors housing assets, and a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC. GPT has equal representation and voting rights on the Board of Benchmark GPT LLC and B-VII Operations Holding Co LLC with all major decisions regarding the joint venture requiring unanimous approval from both parties, resulting in joint control with BE Capital LLC. Accordingly, Benchmark GPT LLC and B-VII Operations Holding Co LLC has been accounted for as a joint venture. Funding of the joint venture is by way of both ordinary equity and loans (refer to note 7). These assets have been classified as "Non-current assets held for sale" (refer to note 6 (c)).

3. During the year, GPT participated in the 2010 equity raising of GPT Wholesale Office Fund which resulted in GPT acquiring a further 140,276,633 units in GWOF for a total value of approximately $135.3 million. GPT has also completed a $216 million selldown of its investments in both GWOF ($7.9 million) and GWSCF ($208.5 million). Both of these transactions resulted in a decrease in GPT's investments in GWOF (to 33.3%) and in GWSCF (to 21.9%).

4. GPT has a 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at the New Rouse Hill, in partnership with Landcom and the NSW Department of Planning.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

10. Investments in associates and joint ventures (continued)

(b) 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 associates and joint ventures in part (a) are set out below.

	Investment property/ portfolio, loans and other assets	Consolidated entity 31 Dec 10 $M	Consolidated entity 31 Dec 09 $M
Australia			
Erina Property Trust	Erina Fair, NSW	**124.9**	125.1
Horton Trust	Horton Parade and Maroochydore Superstore Plaza, QLD	**21.1**	21.2
DPT Operator Pty Limited	Property Management	-	-
GPT Wholesale Shopping Centre Fund	Various retail assets	**447.8**	672.4
Total Retail		**593.8**	818.7
2 Park Street Trust	Citigroup Centre, NSW	**360.0**	350.0
1 Farrer Place Trust	1 Farrer Place, NSW	**321.5**	310.0
GPT Wholesale Office Fund	Various office buildings	**1,025.1**	991.5
Total Office		**1,706.6**	1,651.5
Lend Lease GPT (Rouse Hill) Pty Ltd	Residental land - Rouse Hill, NSW	**26.9**	19.6
Lend Lease GPT (Twin Waters) Pty Ltd)	Land, Twin Waters, QLD	-	-
BGA Real Estate Finance Trust	Mezzanine loan (international)*	-	-
Total Corporate & Joint Venture		**26.9**	19.6
Total Australia		**2,327.3**	2,489.8
United States			
Benchmark GPT LLC and B-VII Operations Holding Co LLC	Seniors Housing	-	693.7
Total United States		-	693.7
Total property investments, investment properties and mezzanine loans		**2,327.3**	3,183.5

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

For summary information on share of joint venture / associates' assets, liabilities, revenue and profit after tax, refer to note 2(g) and (i).

(c) Share of joint ventures and associates' commitments
GPT'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 31 December 2010 and operating lease commitments are set out below:

	Australia		Europe		United States		Total	
	31 Dec 10 $M	31 Dec 09 $M	31 Dec 10 $M	31 Dec 09 $M	31 Dec 10 $M	31 Dec 09 $M	31 Dec 10 $M	31 Dec 09 $M
Capital expenditure	91.7	80.2	-	6.4	1.6	1.8	93.30	88.4
Operating lease	-	-	-	-	0.3	0.1	0.30	0.1
Other	-	-	-	-	0.6	1.6	0.60	1.6
Total joint venture and associates' commitments	91.7	80.2	-	6.4	2.5	3.5	94.20	90.1

NOTES TO THE FINANCIAL STATEMENTS
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10. Investments in associates and joint ventures (continued)

(d) Reconciliation of the carrying amount of equity accounted investments
Reconciliations of the carrying amount of joint ventures and associates at the beginning and end of the current financial year by geographic segment are set out below:

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	$M	$M	$M	$M	$M	$M	$M	$M
Consolidated entity								
(i) Joint ventures								
Carrying amount at start of the year	**798.9**	886.0	-	-	**78.9**	108.9	**877.8**	994.9
Additions	**3.1**	6.5	-	-	-	15.1	**3.1**	21.6
Acquisitions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Share of joint ventures' net operating profit / (loss)	**71.8**	(41.6)	-	-	-	(22.4)	**71.8**	(64.0)
Share of decrement in joint ventures' reserves	-	-	-	-	-	-	-	-
Distributions received / receivable from joint ventures	**(52.9)**	(52.0)	-	-	-	(2.9)	**(52.9)**	(54.9)
Foreign exchange rate differences on translation	-	-	-	-	-	(19.8)	-	(19.8)
Investments classified as held for sale	-	-	-	-	**(78.9)**	-	**(78.9)**	-
Carrying amount at end of the year	**820.9**	798.9	-	-	-	**78.9**	**820.9**	877.8

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
(ii) Associates								
Carrying amount at start of the year	**1,358.6**	1,708.7	-	58.9	**0.3**	0.4	**1,358.9**	1,768.0
Additions	-	-	-	-	-	-	-	-
Acquisitions	**135.9**	-	-	-	-	-	**135.9**	-
Disposals	**(216.1)**	(200.2)	-	-	-	-	**(216.1)**	(200.2)
Share of associates' net operating profit / (loss)	**113.5**	(51.4)	-	-	-	0.1	**113.5**	(51.3)
Share of decrement in associates' reserves	-	-	-	-	-	-	-	-
Distributions received / receivable from associates	**(86.8)**	(89.3)	-	-	-	-	**(86.8)**	(89.3)
Impairment on investment in associates	**(1.0)**		-		-		**(1.0)**	
Foreign exchange rate differences on translation	-	-	-	-	-	(0.2)	-	(0.2)
Investments classified as held for sale	-	(9.2)	-	(58.9)	**(0.3)**	-	**(0.3)**	(68.1)
Carrying amount at end of the year	**1,304.1**	1,358.6	-	-	-	0.3	**1,304.1**	1,358.9

NOTES TO THE FINANCIAL STATEMENTS
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11. Property, plant and equipment

	Consolidated entity 31 Dec 10 $M	Consolidated entity 31 Dec 09 $M
Office fixtures, fittings & operating equipment		
At cost	**10.6**	7.6
less: accumulated depreciation and impairment	**(4.9)**	(2.5)
Total office fixtures, fittings & operating equipment	**5.7**	5.1
Total property, plant and equipment	**5.7**	5.1

(a) Reconciliations
Reconciliations of the carrying amount for each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Note	Hotel Properties $M	Office fixtures, fittings and operating equipment $M	Total $M
Consolidated entity				
Year ended 31 December 2009				
Carrying amount at beginning of the financial year		432.2	19.8	452.0
Additions (including capitalisations)		3.7	15.1	18.8
Disposals		(62.6)	(3.5)	(66.1)
Depreciation charge	4(a)	(9.9)	(4.1)	(14.0)
Transfer to Non-current assets classified as held for sale		(306.0)	(5.2)	(311.2)
Cost to sell		(8.4)	-	(8.4)
Transfer to Intangibles		-	(16.2)	(16.2)
Revaluations/(devaluations)		(49.0)	-	(49.0)
Foreign exchange rate differences on translation		-	(0.8)	(0.8)
Carrying amount at end of the financial year		-	5.1	5.1
Year ended 31 December 2010				
Carrying amount at beginning of the financial year		-	**5.1**	**5.1**
Additions (including capitalisations)		-	**3.0**	**3.0**
Disposals		-	-	-
Depreciation charge		-	**(2.4)**	**(2.4)**
Carrying amount at end of the financial year		-	**5.7**	**5.7**

Hotel properties of $293.3 million have been included as non-current assets classified as held for sale in 2010 (refer to note 6 (c)).

NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Management rights			
At cost		**76.7**	76.7
less: accumulated amortisation and impairment		**(64.6)**	(60.5)
Total management rights	(c)	**12.1**	16.2
IT development and software			
At cost	(d)	**44.0**	17.1
less: accumulated amortisation and impairment		**(4.3)**	(0.9)
Total computer software		**39.7**	16.2
Total intangible assets		**51.8**	32.4

(a) Reconciliations
Reconciliations of the carrying amount of each class of intangible at the beginning and end of the current financial year are set out below:

Consolidated entity	Note	Operating Rights $M	Management Rights $M	IT Development & Software $M	Total $M
Year ended 31 December 2009					
Carrying amount at beginning of the financial year		13.4	35.2	-	48.6
Additions (including capitalisations)		0.1	-	-	0.1
Transfer from Property, plant & equipment		-	-	16.2	16.2
Disposals		(7.4)	-	-	(7.4)
Impairment expense		(5.2)	(11.8)	-	(17.0)
Amortisation expense	4(a)	(0.9)	(7.2)	-	(8.1)
Carrying amount at end of the financial year		-	16.2	16.2	32.4
Year ended 31 December 2010					
Carrying amount at beginning of the financial year		-	16.2	16.2	32.4
Additions (including capitalisations)		-	-	27.9	27.9
Disposals		-	-	(1.0)	(1.0)
Impairment expense		-	-	(2.6)	(2.6)
Amortisation expense	4(a)	-	(4.1)	(0.8)	(4.9)
Carrying amount at end of the financial year		-	12.1	39.7	51.8

(b) Operating lease rights
The Lizard Island Resort operating lease rights were sold for a consideration of $7.5 million in 2009.

(c) Management rights
The management rights include asset, property and development management rights of retail shopping centres. The useful life of the rights range between 7.5 to 10 years and are amortised over the life of the rights.

(d) IT development and software
Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the periods generally ranging from 3 to 10 years.

NOTES TO THE FINANCIAL STATEMENTS
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13. Payables

	Note	Consolidated entity 31 Dec 10 $M	Consolidated entity 31 Dec 09 $M
Trade payables and accruals		157.1	137.6
Tax payable		0.2	1.6
Other payables		-	1.5
Distribution payable		2.5	2.5
Related party payables		15.7	21.5
Interest payable		19.8	15.6
Deposits payable		0.8	1.0
Total payables		196.1	181.3

14. Borrowings

	Note	Consolidated entity 31 Dec 10 $M	Consolidated entity 31 Dec 09 $M
Current - unsecured			
Bank borrowings			
Multi option syndicated facility - Australian Dollar	(a)(i)	-	1,330.0
Multi option syndicated facility - US Dollar	(a)(i)	-	144.9
Medium term notes	(b)(i)	-	225.0
Total current borrowings - unsecured		-	1,699.9
Current - secured			
Bank facility - One One One Eagle Street	(a)(v)	34.3	-
Total current borrowings - secured		34.3	-
Total current borrowings		34.3	1,699.9
Non-Current - unsecured			
Bank borrowings			
Multi option syndicated facility - Australian Dollar	(a)(i)	1,253.0	90.0
Multi option syndicated facility - US Dollar	(a)(i)	107.8	
Bank facilities - Australian Dollar	(a)(ii)	476.1	
Multi option facility - Australian Dollar	(a)(iii)	175.0	
Medium term notes	(b)(i)	211.0	212.0
CPI Coupon Indexed Bond	(c)	85.0	85.0
		2,307.9	387.0
Total non-current borrowings - unsecured			
Non-Current - secured			
Bank facilities - Somerton	(a)(iv)	76.0	77.0
Bank facility - One One One Eagle Street	(a)(v)	34.3	19.8
Total non-current borrowings - secured		110.3	96.8
Total non-current borrowings		2,418.2	483.8
Total borrowings *		2,452.5	2,183.7

The maturity profile of the above current and non-current borrowings is:

	31 Dec 10 $M	31 Dec 09 $M
Due within one year	34.3	1,699.9
Due between one and five years	2,123.9	398.8
Due after five years	294.3	85.0
	2,452.5	2,183.7

* Net of unamortised establishment costs

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

14. Borrowings (continued)

(a) Bank facilities

Unsecured

(i) Euro multi option syndicated facility
A EUR €2,010 million (AUD $2,629.17 million) multi option syndicated facility became available to the Consolidated entity on 26 October 2007. The facility had two maturity tranches as follows:
- Tranche A and B: EUR €1,005 million matured 26 October 2010, and
- Tranche C: EUR €1,005 million maturing 26 October 2012.

At 26 October 2010 Tranches A and B were repaid and are no longer available.

At 31 December 2010, Tranche C is drawn to AUD $1,253.0 million and USD $110.0 million (AUD $107.8 million).

(ii) Bank Loans

Two AUD bilateral facilities totalling AUD $440 million became available to the Group on 31 March 2010. These facilities mature on 31 March 2015 and are drawn to AUD $194 million at 31 December 2010.

An AUD $140 million bilateral facility commenced on the 26 October 2010 (previously a EUR €100 million denominated limit which was restated into AUD in October 2010) to partly refinance Tranche A & B of the Euro multi option syndicated facility. This facility has a maturity date of 31 March 2013 and is fully drawn as at 31 December 2010.

An AUD $200 million bank loan is currently available to the Group and matures on 26 October 2015. The facility was secured in October 2008 by a mortgage over Australia Square and Quad 3 and Quad 4 in Sydney Olympic Park. The mortgages were released on 27 May 2010 and the facility is now unsecured. At 31 December 2010, this facility is drawn to AUD $147 million.

During the year, the Group entered into the following facilities:

- A $300 million AUD bilateral facility. This facility has a maturity date of 1 October 2015. This facility remains undrawn as at 31 December 2010.
- A $300 million AUD forward start bilateral facility with a maturity date of 11 November 2017. Tranche A of this facility is available from 30 November 2011 to refinance $150 million in One One One Eagle Street and Tranche B from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility.
- A EUR €55 million (AUD $71.9 million) forward start bilateral facility. This facility has a maturity date of 26 October 2017 and is available from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility. This facility will restate into an AUD denominated limit on the forward start date.
- A $200 million forward start bilateral facility which gives GPT the option to exercise in two years time to commence the facility from the 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility. If GPT exercises the option to commence the loan, the maturity date is October 2016.
- A $325 million bilateral facility with a maturity date of 26 October 2018. Tranche A of this facility is available from 22 August 2011 to refinance the $175 million multi option facility and Tranche B from 26 October 2012 to partly refinance Tranche C of the Euro multi option syndicated facility.

(iii) Multi option facility
On 11 May 2010, the Group cancelled AUD$100 million of its AUD$275 million multi option facility. The remaining AUD $175 million facility matures on 22 August 2011. This facility was secured on 30 September 2008 by a mortgage over Casuarina Square and 818 Bourke Street. The 818 Bourke Street mortgage was released on 9 February 2010 and the mortgage over Casuarina Square was released on 24 June 2010. At 31 December 2010, this facility is fully drawn. A new bilateral facility has been established in 2010 to refinance this facility on maturity (refer to (ii) above) with the same lender, and accordingly has been reclassified as non-current.

On 11 May 2010, the Group also cancelled an additional multi-option facility of AUD $200 million which, if drawn, would have been secured by mortgages over the MLC Centre, Sydney.

Secured

(iv) Bank facilities
A floating rate bill facility was established for the GPT/Austrak Joint Venture to fund the capital expenditure requirements of the Austrak Business Park, Somerton, Victoria. On 31 May 2010, the facility was reduced from AUD $155 million to AUD $152.4 million (GPT 50% share: AUD $76.2 million) and its maturity extended by 3 years to 31 March 2013. The facility is a non-recourse loan to GPT, secured by a mortgage over Austrak Business Park, Somerton, Victoria. As at 31 December 2010, the facility is drawn to AUD $151.97 million (GPT 50% share: $75.9 million) (Dec 09: AUD $154.0 million (GPT 50% share: $77.0 million)).

(v) One One One Eagle Street
An AUD $150.5 million facility is available to the Group for the purpose of funding GPT's one third share of the construction of One One One Eagle Street, Brisbane, QLD. The facility is secured by a mortgage over the One One One Eagle Street Property. At 31 December 2010, the facility is drawn to AUD $68.55 million (Dec 09: $19.8 million) and matures on 30 November 2011. This facility was provided for by two lenders, one of which has provided GPT with a $150 million forward start unsecured bilateral facility which refinances this facility from the maturity date (refer to (ii) above). Despite this facility having been refinanced from maturity, given the new forward start facility is only provided by one of the lenders, half of the drawn amount as at 31 December 2010 is reflected as current interest bearing liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

14. Borrowings (continued)

(b) Medium Term Notes (MTNs) program

At 31 December 2010, fixed rate MTNs have a principal value of AUD $200 million (Dec 09: AUD $300.0 million) and floating rate MTNs have a principal value of AUD $12 million (Dec 09: $137.0 million) maturing in August 2013. GPT hold $1 million of MTNs, netted against the MTNs liabilities. The net principal value at 31 December 2010 is AUD $211 million (Dec 09: $433.5 million).

(c) CPI coupon indexed bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 8.29% per annum (2009: 8.22%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 31 December 2010, the principal value is AUD $85 million (Dec 09: $85 million). The CPI coupon indexed bonds mature on 10 December 2029. In December 2010, GPT entered into an interest rate derivative to swap from paying fixed rate plus CPI to paying fixed 5%. The CPI bonds still remain outstanding with the effect being the removal of GPT being exposed to CPI growth and a reduced fixed interest rate.

(d) Financing Facilities

A summary of GPT's finance facilities is below:

	Note	31 Dec 10 Total facility $M	 Used facility $M	 Unused facility $M
Euro multi option syndicated facility - multi currency *	(a)(i)	1,314.6	1,360.8	(46.2)
Bank borrowings				
Bank loan	(a)(ii)	780.0	481.0	299.0
Multi option facilities	(a)(iii)	175.0	175.0	-
Bank facilities - Somerton	(a)(iv)	76.2	76.0	0.2
Bank facilities - One One One Eagle Street	(a)(v)	150.5	68.6	81.9
Medium Term Notes	(b)(i)	212.0	211.0	1.0
CPI coupon indexed bonds	(c)	85.0	85.0	-
		2,793.3	2,457.4	335.9
Cash and cash equivalents				41.1
Total financing resources available at end of year				377.0

*Actual facility headroom under the Euro facility is EUR €10.9m (AUD $14.3m) based on conversion using historical exchange rates on the date of the respective drawdown. The $46.2m shortfall in the table above reflects the restated headroom using the 31 December 2010 balance date exchange rate.

(e) Maturity profile of financing facilities

	Consolidated entity 31 Dec 10 $M	 31 Dec 09 $M
Due within one year	75.5	1,829.9
Due between one and five years	2,382.8	2,719.9
Due after five years	335.0	85.0
Total financing facilities	2,793.3	4,634.8

(f) Gearing Ratios

(i) Headline Gearing

At 31 December 2010, the percentage of debt to total tangible assets is 25.3% (2009: 23.9%) and the percentage on a net debt (net of cash) basis is 24.9% (2009: 23.5%).

(ii) Look through Gearing

In calculating the 'look through' gearing, GPT's interest in joint ventures and associates are proportionately consolidated based on GPT's ownership interest. At 31 December 2010, the percentage of 'look through' debt to total assets is 30.2% (2009: 31.8%) and the percentage on a net debt (net of cash) basis is 29.9% (2009: 31.6%).

(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 40% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a 55% maximum threshold limit on the percentage of GPT debt to total tangible assets on a "look through" basis; and
- a minimum interest cover ratio of 2 times, being EBIT (Realised Operating Income before taxes and finance costs) divided by finance costs.

A breach of these covenants for individual facilities may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. The Group performed a review of debt covenants as at 31 December 2010 and no breaches were identified.

Refer to note 26f(ii) in regards to the weighted average interest rate of borrowings.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

15. Provisions

	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Current Provisions		
Employee benefits	**4.4**	4.1
Other	**5.3**	2.6
Total Current Provisions	**9.7**	6.7
Non Current Provisions		
Employee benefits	**4.2**	3.9
Total Non Current Provisions	**4.2**	3.9

16. Contributed equity

		Note	GPT Stapled Securities Number	GPT $M	Other entities stapled to GPT $M	Non-controlling interest $M	Total $M
(i) Ordinary stapled securities							
1 Jan 2009	Opening securities on issue		4,467,363,800	6,285.0	324.7	-	6,609.7
27 May 2009	Issue of stapled securities	(a)	4,091,926,477	1,432.2	-	-	1,432.2
16 Jun 2009	Issue of stapled securities	(a)	718,294,466	251.4	-	-	251.4
	Less: Transaction costs			(53.9)	-	-	(53.9)
31 Dec 2009	Closing securities on issue		9,277,584,743	7,914.7	324.7	-	8,239.4
1 Jan 2010	Opening securities on issue		9,277,584,743	7,914.7	324.7	-	8,239.4
19 May 2010	5 to 1 consolidation of stapled securities	(b)	(7,422,055,312)	-	-	-	-
31 Dec 2010	Closing securities on issue		1,855,529,431	7,914.7	324.7	-	8,239.4
(ii) Exchangeable securities							
1 Jan 2009	Opening securities on issue		2,500	240.6	-	-	240.6
31 Dec 2009	Closing securities on issue		2,500	240.6	-	-	240.6
1 Jan 2010	Opening securities on issue		2,500	240.6	-	-	240.6
31 Dec 2010	Closing securities on issue	(c)	2,500	240.6	-	-	240.6
Total Contributed Equity				8,155.3	324.7	-	8,480.0

(a) Equity Raising
On 7 May 2009, GPT undertook a capital raising at an offer price of 35 cents per stapled security. The capital raising comprised a $120 million institutional placement and a non-renounceable 1 for 1 pro-rata entitlement offer to eligible securityholders which had an institutional component of $1,270.8 million and a retail component of $292.8 million. A total of $1.7 billion was raised with total transaction costs of $53.9 million.

(b) Consolidation of ordinary stapled securities
On 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole security. The consolidation took effect and was complete on 19 May 2010. The effect of the consolidation was to reduce the number of stapled securities on issue by 7,422,055,312 on 19 May 2010 to 1,855,529,431.

(c) Exchangeable Securities
On 27 November 2008, 2,500 Exchangeable Securities (ES) were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at $100,000 per exchangeable security. The ES are exchangeable into stapled securities at GIC RE's option subject to obtaining necessary approvals at an initial exchange price of $3.883 (Dec 09: $0.7766) per stapled security in accordance with the terms of the agreement. The ES offer discretionary distributions of 10% p.a and carry voting rights in GPT.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

17. Reserves

	Note	Consolidated entity 31 Dec 10 $M	31 Dec 09 $M
Foreign currency translation reserve	(a)	**(37.7)**	52.3
Treasury stock reserve	(b)	**(3.2)**	(3.9)
Employee incentive scheme reserve	(c)	**6.2**	3.2
Total reserves		**(34.7)**	51.6

Reconciliation
Reconciliations of each type of reserve at the beginning and end of the current financial year are set out below:

	Note	Consolidated entity GPT $M	Other entities stapled to GPT $M	External minority interest $M	Total $M
(a) Foreign currency translation reserve					
Balance at 1 January 2009		407.1	(17.3)	-	389.8
Net foreign exchange translation adjustments, net of tax		(368.6)	31.1	-	(337.5)
Balance at 31 December 2009		38.5	13.8	-	52.3
Balance at 1 January 2010		**38.5**	**13.8**	-	**52.3**
Net foreign exchange translation adjustments, net of tax		**(107.3)**	**17.3**	-	**(90.0)**
Balance at 31 December 2010		**(68.8)**	**31.1**	-	**(37.7)**
(b) Treasury stock reserve					
Balance at 1 January 2009		(4.1)	-	-	(4.1)
On-market purchase of GPT stapled securities	21	(6.8)	-	-	(6.8)
Sale of GPT stapled securities and loan repayments	21	10.9	-	-	10.9
Impairment on stapled securities	21	(3.9)	-	-	(3.9)
Balance at 31 December 2009		(3.9)	-	-	(3.9)
Balance at 1 January 2010		**(3.9)**	-	-	**(3.9)**
On-market purchase of GPT stapled securities	21	-	-	-	-
Sale of GPT stapled securities and loan repayments	21	**4.5**	-	-	**4.5**
Impairment on stapled securities	21	**(3.8)**	-	-	**(3.8)**
Balance at 31 December 2010		**(3.2)**	-	-	**(3.2)**
(c) Employee incentive scheme reserve					
Balance at 1 January 2009		2.3	-	-	2.3
Employee incentive schemes expense, net of tax	21	-	0.9	-	0.9
Balance at 31 December 2009		2.3	0.9	-	3.2
Balance at 1 January 2010		**2.3**	**0.9**	-	**3.2**
Employee incentive scheme expenses, net of tax	21	-	**3.0**	-	**3.0**
Balance at 31 December 2010		**2.3**	**3.9**	-	**6.2**
Total balance at 31 December 2009		36.9	14.7	-	51.6
Total balance at 31 December 2010		**(69.7)**	**35.0**	-	**(34.7)**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

17. Reserves (continued)

Nature and purpose of reserves

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities as described in note 1(e). The movement in the foreign currency reserve is recognised in the Statement of Comprehensive Income when the net investment in the foreign controlled entity is disposed.

Treasury stock reserve
The treasury stock reserve is used to record the issue and repayment of securities under the Employee Incentive Scheme – General Scheme and the Legacy Long Term Incentive Scheme. Refer to note 21(a)(ii)(1) for further details.

Employee incentive scheme reserve
The employee incentive scheme reserve is used to recognise the notional fair value of the implied option in respect of the securities issued under the Employee Incentive Scheme – General Scheme and performance rights issued under the GPT Group Stapled Security Rights Plan (refer to New Performance Rights LTI Plan in this report), as described in note 21(a)(ii)(2).

18. Retained profits

	Note	GPT $M	Other entities stapled to GPT $M	Non-controlling interest $M	Total $M
Consolidated entity					
Balance at 1 January 2009		290.6	(718.1)	1.5	(426.0)
Net loss for the financial year		(937.0)	(132.1)	(1.5)	(1,070.6)
less: Distributions paid to ordinary stapled securityholders	3(a)	(341.6)	-	-	(341.6)
less: Distributions paid/payable to exchangeable securityholder	3(b)	(25.0)	-		(25.0)
Balance at 31 December 2009		(1,013.0)	(850.2)	-	(1,863.2)
Balance at 1 January 2010		**(1,013.0)**	**(850.2)**	**-**	**(1,863.2)**
Net profit / (loss) for the financial year		**769.7**	**(62.4)**	**-**	**707.3**
less: Distributions paid to ordinary stapled securityholders	3(a)	**(309.9)**	**-**	**-**	**(309.9)**
less: Distributions paid/payable to exchangeable securityholder	3(b)	**(25.0)**			**(25.0)**
Balance at 31 December 2010		**(578.2)**	**(912.6)**	**-**	**(1,490.8)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

19. Parent entity financial information

(a) Summary financial information

The individual financial reports for the parent entity show the following aggregate amounts:

Balance Sheet

	31 Dec 10 $M	31 Dec 09 $M
ASSETS		
Total Current Assets	**85.9**	165.5
Total Non-Current Assets	**9,985.0**	9,397.5
Total Assets	**10,070.9**	9,563.0
Total Current Liabilities	**803.6**	2,366.2
Total Non-Current Liabilities	**2,460.7**	505.3
Total Liabilities	**3,264.3**	2,871.5
Net Assets	**6,806.6**	6,691.5
EQUITY		
Equity attributable to secutityholders of the Trust (parent entity)		
Contributed equity	**8,155.3**	8,155.3
Accumulated losses	**(1,348.7)**	(1,463.8)
Total equity of GPT Trust securityholders	**6,806.6**	6,691.5

As at 31 December 2010, the Parent entity had a deficiency of current net assets of $717.7m (Dec 09: $2,200.7m). This position is driven by the timing of intercompany balances. The Parent has sufficient facilities to draw upon as required.

Profit and Loss

Net profit / (loss) for the year	**450.2**	(1,400.7)
Total comprehensive income / (loss) for the year	**450.2**	(1,400.7)

(b) Contractual capital commitments

As at 31 December 2010, the parent entity had capital commitments principally relating to the purchase of investment properties. These commitments have been approved but not recognised as liabilities as the relevant assets have not yet been received:

Due within 1 year	**97.9**	297.2
Due between 1 and 5 years	**17.2**	61.0
Over 5 years	**-**	-
Total capital expenditure commitments	**115.1**	358.2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

20. Key management personnel disclosures

(a) Details of Key Management Personnel

(i) Directors
The Directors of GPT Management Holdings Limited and GPT RE Limited during the financial year and up to the date of this report were:

Chairman - Non-Executive Director
Ken Moss (retired 10 May 2010)
Rob Ferguson (an existing director, was appointed Chairman on 10 May 2010)

Non-Executive Directors
Brendan Crotty
Eileen Doyle (appointed 1 March 2010)
Eric Goodwin
Lim Swe Guan
Anne McDonald
Ian Martin (retired 10 May 2010)
Gene Tilbrook (appointed 11 May 2010)

Executive Director
Michael Cameron

(ii) Other key management personnel
In addition to the Directors, the following persons also had the greatest authority for the strategic direction and management of GPT, directly or indirectly, during the financial year:

Michael O'Brien	Chief Financial Officer
Nicholas Harris	Head of Wholesale
Mark Fookes	Head of Investment Management
Michelle Tierney	Head of Retail Property & Asset Management
Anthony McNulty	Head of Development
James Coyne	General Counsel and Secretary

(b) Key management personnel compensation

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$'000	$'000
Short term employee benefits	**10,493.2**	9,539.1
Post employment benefits	**192.5**	185.3
Long term incentive award accrual	**1,447.3**	250.2
Other long term benefits	**166.4**	114.8
Termination benefits	**-**	1,490.0
Total key management personnel compensation	**12,299.4**	11,579.4

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 11 to 28 of the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

20. Key management personnel disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel

(i) The number of GPT stapled securities held during the financial year by each key management personnel, including their personally-related parties, are set out below:

	Balance 1 Jan 2009	Purchases/ (Sales)	Balance 31 Dec 2009	Purchases/ (Sales)	Balance 31 Dec 2010
Directors					
Ken Moss (3)	10,496	13,121	23,617	-	-
Rob Ferguson	-	204,082	204,082	-	204,082
Brendan Crotty	-	-	-	30,000	30,000
Eileen Doyle	-	-	-	1,600	1,600
Eric Goodwin	2,526	13,058	15,584	-	15,584
Lim Swe Guan	-	-	-	-	-
Anne McDonald	4,200	5,250	9,450	-	9,450
Ian Martin (3)	20,496	25,621	46,117	-	-
Gene Tilbrook	-	-	-	20,000	20,000
Michael Cameron	-	-	-	163,742	163,742
Peter Joseph (2)	20,000	-	-	-	-
Malcolm Latham (2)	5,278	-	-	-	-
Senior Executives					
Michael O'Brien	111,627	2,500	114,127	38,454	152,581
James Coyne	35,261	-	35,261	-	35,261
Mark Fookes	138,648	9,476	148,124	-	148,124
Nicholas Harris	48,169	-	48,169	-	48,169
Anthony McNulty	-	-	-	-	-
Michelle Tierney	-	-	-	-	-
Jonathan Johnstone	89,006	(44,503)	44,503	-	44,503
Kieran Pryke (1)	118,064	-	-	-	-
Neil Tobin (1)	68,520	-	-	-	-

(1) Kieran Pryke and Neil Tobin's employment ended on 1 September 2009 and 31 August 2009 respectively.
(2) Peter Joseph and Malcolm Latham retired on 25 May 2009.
(3) Ken Moss and Ian Martin retired on 10 May 2010.

(ii) During the year, certain Senior Executives of The GPT Group were granted Performance Rights (refer to note 21(a)(ii)(2) for further details). The number of GPT performance rights held by the GPT Group Stapled Securities Rights Plan during the financial year by each key management personnel, including their personally-related parties, are set out below:

	Grant date	Vesting date	Exercise price $	Granted*	Lapsed	Balance 31 Dec 2010	Vested at 31 Dec 2010
Director							
Michael Cameron	29 April 2009	From 30 June 2011 to 30 June 2012	-	528,823	-	528,823	-
	19 May 2010	31 December 2012	-	590,068	-	590,068	-
Senior Executives					-		
Michael O'Brien	30 June 2009	31 December 2011	-	307,634	-	307,634	-
	16 July 2009	1 July 2011	-	76,908	-	38,454	38,454
	19 May 2010	31 December 2012	-	270,448	-	270,448	-
James Coyne	30 June 2009	31 December 2011	-	180,735	-	180,735	-
	19 May 2010	31 December 2012	-	154,074	-	154,074	-
Mark Fookes	30 June 2009	31 December 2011	-	269,179	-	269,179	-
	19 May 2010	31 December 2012	-	245,862	-	245,862	-
Nicholas Harris	30 June 2009	31 December 2011	-	230,725	-	230,725	-
	19 May 2010	31 December 2012	-	199,968	-	199,968	-
Anthony McNulty	30 June 2009	31 December 2011	-	152,856	-	152,856	-
	19 May 2010	31 December 2012	-	134,241	-	134,241	-
Michelle Tierney	30 June 2009	31 December 2011	-	137,714	-	137,714	-
	19 May 2010	31 December 2012	-	120,473	-	120,473	-
Jonathan Johnstone	30 June 2009	31 December 2011	-	192,271	-	192,271	-
	19 May 2010	31 December 2012	-	188,494	-	188,494	-

* Restated for the 5 to 1 consolidation of stapled securities effective as at 19 May 2010.

NOTES TO THE FINANCIAL STATEMENTS
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20. Key management personnel disclosures (continued)

(d) Loans to key management personnel
All loans are pursuant to the Employee Incentive Scheme (EIS) which is discussed in detail at note 21(a).
Details of loans made during the financial year to each key management personnel are set out below:

	Opening balance 1 Jan 2010	Total accumulated interest costs capitalised as part of the loan	Loans made during the year	Interest charged for the year	Interest not charged for the year [1]	Closing Balance 31 Dec 2010	Highest indebtedness during the year
	$	$	$	$	$	$	$
Michael O'Brien	2,664,129	300,563	-	18,308	254,499	2,664,129	2,664,129
James Coyne	817,910	101,426	-	5,889	77,865	817,910	817,910
Mark Fookes	1,595,071	194,137	-	11,377	151,959	1,595,071	1,595,071
Nicholas Harris	1,211,868	143,178	-	8,044	116,051	1,211,868	1,211,868
Anthony McNulty	1,021,699	125,651	-	7,325	97,297	1,021,699	1,021,699
Michelle Tierney	909,948	97,361	-	6,098	87,081	909,948	909,948
Jonathan Johnstone	1,023,764	129,044	-	7,432	97,401	1,023,764	1,023,764

(1) The amounts shown for interest not charged represent the difference between the amount paid and payable for the financial year and interest that would have been charged on an arm's length basis.

(e) Other transactions with key management personnel
There have been no transactions with key management personnel other than those transactions detailed in this note.

21. Share based payments

(a) Employee Incentive Scheme
The Employee Incentive Scheme (EIS) is a scheme under which GPT stapled securities are issued or purchased on-market on behalf of GPT employees for no cash consideration.

The EIS has two qualifying levels – the General Employee Security Ownership Plan and Long Term Incentive (LTI) Scheme.

The LTI Scheme may be divided into two broad categories:

1. Legacy LTI plans still operable covering the period 2007 to 2010, and
2. The Performance Rights Plan approved at the 2009 AGM in May 2009, revised and approved at the 2010 AGM in May 2010.

(i) The General Employee Security Ownership Plan
The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced a basic General Employee Security Ownership Plan (GESOP) in March 2010 for individuals who do not participate in the LTI.

Under the plan individuals who participated received an additional benefit equivalent to 10% of their STI which was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year.

(ii) The Long Term Incentive (LTI) Scheme
(1) Legacy LTI Scheme
As detailed in the 2008 Remuneration Report, the unprecedented dislocation in global financial markets and the A-REIT sector in particular highlighted a number of flaws in the loan based LTI scheme that had significant unintended consequences for GPT. Recognising that the scheme was no longer best practice or operating in the interests of either GPT or participants, the Board decided to convert the existing scheme loans from full recourse to the individual to limited recourse effective 31 December 2008 (the date of conversion), such that while the loan remained in place the participant was committed only to the value of the underlying securities. In addition, for 2009 onwards, the interest charge on the loans to participants was set at a level to approximate the net distributions receivables.

As at 31 December 2010, none of the performance targets have been met since inception and as a result no LTI awards to GPT employees have been made to date. The legacy LTI scheme will be wound up in the first quarter of 2011at the conclusion of the final 3-year performance period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

21. Share based payments (continued)

(a) Employee Incentive Scheme (continued)

(ii) The Long Term Incentive (LTI) Scheme (continued)

(2) GPT Group Stapled Security Rights Plan (referred to as the Performance Rights LTI Plan)
At the 2009 Annual General Meeting GPT securityholders approved the introduction of a more contemporary Performance Rights LTI Plan (the 2009 LTI scheme). At the 2010 Annual General Meeting, the Performance Rights LTI Plan was altered with new performance conditions and was approved by the GPT securityholders (the 2010 LTI scheme).

The Performance Rights LTI Plan ('the Plan') covers each 3 year period. Awards under the plan to eligible participants will be in the form of Performance Rights which convert to GPT stapled securities for nil consideration if specified service / performance conditions for the applicable 3 year period are satisfied. Please refer to Remuneration Report for detail on the service / performance conditions.

The Board determined those executives eligible to participate in the Plan and, for each participating executive, granted a number of Performance Rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP).

Under the requirements of AASB 2, the fair value of these Performance Rights will be amortised over the period starting from the grant date to the vesting date. Fair value at grant date has been independently determined using the Monte Carlo and Binomial tree pricing models that take into account the following inputs:

(a) Performance conditions
(b) Grant dates
(c) Expected vesting dates
(d) Share price at the grant date
(e) Dividend yield
(f) Risk free interest rate

The fair value of these Performance Rights granted during 2010 is $2.06 per Performance right (Dec 09: ranges from $0.84 to $0.98 per performance right depending on the vesting conditions).
Total share based payment expense recognised during the year ended 31 December 2010 was $3,217,189 (Dec 09: $870,845).

(b) Other Share-based Incentive Scheme

(i) The GPT Group All Employee Stapled Security Plan (AESSP)
Implemented in March 2008, the AESSP allows eligible participants to salary sacrifice $1,000 to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the AESSP must be held for a minimum of 3 years (or earlier if employment ceases) during which time they cannot be sold or otherwise dealt with.

(ii) The GPT Group Deferred Stapled Security Plan (DSSP)
Implemented in September 2008, the DSSP allows eligible participants to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with.

The GPT stapled securities / Rights issued under all Employee Incentive Schemes to participating employees is set out below:

	Number of GPT stapled securities issued during the year		Total number of GPT stapled securities issued*	
	31 Dec 2010	31 Dec 2009	**31 Dec 2010**	31 Dec 2009
GPT stapled securities issued under the General Employee Security Ownership Plan	**141,759**	-	**141,759**	-
GPT stapled securities issued under the Long Term Incentive Scheme	-	-	**1,010,209**	1,222,920
GPT stapled securities issued under the The GPT Group All Employee Stapled Security Plan	-	2,248	**5,077**	5,482
GPT stapled securities issued under the The GPT Group Deferred Stapled Security Plan	**163,743**	28,341	**166,308**	34,630

	Number of GPT share rights issued during the year		Total number of GPT share rights issued*	
GPT performance rights issued under GPT Group Stapled Securities Rights Plan	**3,818,257**	4,556,777	**8,375,034**	4,556,777

* December 2009 comparative has been restated for the 5 to 1 consolidation of stapled securities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

22. Related party transactions

(a) Ultimate Parent
General Property Trust is the ultimate Parent entity.

(b) Controlled entities, joint ventures and associates
Equity interests in joint ventures and associates are set out in note 10. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 7.

(c) Key management personnel
Disclosures relating to key management personnel and remuneration paid to directors of the ultimate Parent entity are set out in note 20.

(d) Transactions with related parties

	Consolidated entity	
	31 Dec 10 $M	31 Dec 09 $M
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	(6.1)	(5.5)
Transactions with associates and joint ventures		
Revenues		
Responsible Entity fees from associates	30.5	30.5
Development management fees from associates	4.5	4.6
Management fees from associates	3.4	3.0
Distributions received/receivables from joint ventures	53.9	54.9
Distributions received/receivables from associates	86.8	90.1
Interest revenue from joint ventures	-	40.2
Interest revenue from associates	6.4	7.6
Payroll costs recharged to associate	4.2	3.2
Proceeds on sale of interest in associate	216.4	141.7
Other transactions		
Loans advanced to joint ventures	-	(19.6)
Loan repayments from joint ventures	4.8	9.9
Loan repayments from associates	5.9	4.5
Decrease in units in joint ventures	(3.0)	(21.6)
Decrease in units in associates	(138.4)	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

23. Notes to the Statement of Cashflow

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

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$M	$M
Net profit / (loss) for the year	**707.3**	(1,070.6)
Fair value adjustments to investment properties	**(62.3)**	551.8
Share of after tax (profit)/ loss of investments in associates and joint ventures	**(296.8)**	275.4
Fair value adjustments to derivatives	**6.4**	(456.5)
Net foreign exchange gain	**(11.6)**	(238.6)
Reversal of prior year impairment	**(9.5)**	-
Impairment expense	**8.4**	1,220.1
Revaluation of hotel properties	**(5.4)**	49.0
Net (profit) / loss on disposal of assets	**(34.4)**	5.8
Cost to sell for non-current assets held for sale	**22.3**	12.7
Depreciation and amortisation	**13.2**	22.1
Non-cash employee benefits - share based payments	**1.7**	9.9
Non-cash revenue adjustments	**19.3**	19.1
Non cash expense adjustments	**0.8**	11.3
Interest capitalised	**(29.3)**	(20.6)
Impairment of trade receivables	**0.2**	0.6
Change in operating assets and liabilities		
Decrease in operating assets	**10.3**	14.8
Increase / (decrease) in operating liabilities	**46.2**	(31.1)
Net cash inflows from operating activities	**386.8**	375.2

(b) Reconciliation of cash
Reconciliation of cash at the end of the financial year (as shown in the Statement of Cashflow) to the related item in the financial report as follows:

Cash at bank and on hand	41.1	40.3
Total cash at end of the financial year	**41.1**	40.3

(c) Non-cash financing and investing activities
There are no non-cash financing and investing activities for the year ended 31 December 2010.

24. Contingent Liabilities

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. This is said to be on behalf of certain persons who purchased GPT securities from 27 February 2008 and held securities on 7 July 2008. The allegations surround the adequacy and timing of disclosures to the market in this period. No proceedings have yet been issued. GPT has been invited to enter into discussions, on a without prejudice basis, with Slater and Gordon. Failing an agreed resolution of the matter, Slater and Gordon have confirmed they intend to commence proceedings.

GPT rejects the allegations and intends to defend the claim if proceedings are commenced. GPT does not expect that any payment it could be required to make would have a material adverse effect on the Group's operational or strategic objectives, or its financial strength.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

25. Commitments

(a) Capital expenditure commitments

At 31 December 2010, GPT has commitments principally relating to the purchase and development of investment properties which have been approved but not recognised as liabilities in the Statement of Financial Position as set out below:

	Consolidated	
	31 Dec 10	31 Dec 09
	$M	$M
Due within 1 year	**141.1**	301.7
Due between 1 and 5 years	**19.2**	63.4
Over 5 years	-	-
Total capital expenditure commitments	**160.3**	365.1

(b) Operating lease commitments

At 31 December 2010, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	**3.8**	5.2
Due between 1 and 5 years	**15.7**	14.2
Over 5 years and expiry date of leases.	**27.8**	20.3
Total operating lease commitments	**47.3**	39.7

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

(c) Commitments relating to associate and joint venture investments

GPT's share of commitments relating to associate and joint venture investments has been included in note 10(c).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

26. Capital and financial risk management disclosures

GPT's Treasury Risk Management Committee (TRMC) oversees the establishment and implementation of the capital and financial risk management system including compliance with GPT treasury policy and reporting to the Audit and Risk Management Committee (ARMC) and, through the ARMC, to the GPT Board. The ARMC and the GPT Board approve GPT's treasury policy which establishes a framework for the management of treasury risks, defines the role of GPT's treasury and details risk management policies for cash, borrowing, liquidity, credit risk, foreign exchange, interest rate and derivative instruments. GPT's treasury policy applies to the Trust and all controlled entities in the GPT Group.

To manage capital and financial risks GPT uses bank loans, Medium Term Notes (MTN's) and derivative financial instruments.

(a) Capital and interest expense risk management
GPT's objective when managing capital is to maximise the availability and minimise the cost of capital having regard to the relevant real estate market in which it is invested.

Capital and interest expense risk management is monitored in two main ways:

- Statement of Financial Position management – concerned with the capital mix of equity and debt and GPT maintaining gearing levels in line with its desired "A category" investment grade credit rating. GPT is able to increase equity in the capital mix by issuing new stapled securities, activating the DRP, adjusting the amount of distributions paid to stapled security holders or selling assets to reduce borrowings.

- Statement of Comprehensive Income management – concerned with supporting the delivery of financial targets by protecting GPT's exposure to interest rate volatility through the use of interest rate derivatives, which provide GPT with a known interest expense.

(i) Capital Structure, Financial Policy and Credit Rating Impact
GPT implemented revised distribution payout and gearing policies in 2010. These policies align GPT's capital management framework with its refined business strategy, reflect a more sustainable distribution level, and ensure a prudent approach to managing the Group's gearing through cycles.

Under the revised distribution payout policy, GPT will distribute the greater of 70-80% of realised operating income (excluding development profits), and taxable income.

GPT will manage gearing within a range of 25% to 35% (based on debt to total tangible assets). The policy includes flexibility to increase gearing beyond 30% if required, provided a reduction back to 30% or below is achieved within a reasonable timeframe.

GPT is credit rated A-/A3 with stable outlook by Standard and Poor's and Moody's Investor Services respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund its development pipeline and future acquisition investment opportunities. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

(b) Financial risk management
The financial risks that result from GPT's activities are credit risk, liquidity risk, refinancing risk and market risk (interest rate and foreign exchange). GPT manages its exposures to these key financial risks in accordance with its treasury policy and focuses on mitigating the impact of volatility in financial markets.

(c) Credit risk
Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to GPT. The GPT Consolidated entity has exposure to credit risk on all financial assets included in their Statement of Financial Position.

GPT manages this risk by:
- establishing credit limits for customers and financial institutions to ensure that GPT only trades and invests with approved counterparties to enable it to manage its exposure to individual entities;
- investing and transacting derivatives with multiple counterparties that have a long term credit rating of A- (or its equivalent) from S&P, Moody's or Fitch;
- providing loans as an investment into joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances on an ongoing basis;
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis; and
- obtaining collateral as security (where appropriate). Security is normally held through bank guarantees.

Receivables are reviewed regularly during the year. Provision for Doubtful Debts is made where collection is deemed uncertain. Part of GPT's policy is to hold collateral as security over tenants via bank guarantees (or less frequently used collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 31 December 2010 is the carrying amounts of financial assets recognised in the Statement of Financial Position of the Consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

26. Capital and financial risk management disclosures (continued)

(c) Credit risk (continued)

There were no significant financial assets that were past due as at 31 December 2010 and 31 December 2009. Additionally, there are no other significant financial assets that would otherwise be past due or impaired if relevant terms have not been renegotiated. GPT consistently monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

The table below shows the aging analysis of loans and receivables and the financial assets that are determined to be impaired in the Consolidated entity.

Consolidated Entity

31 December 2010	Not Due 2010 $M	0-30 days 2010 $M	31-60 days 2010 $M	61-90 days 2010 $M	90+ days 2010 $M	Total 2010 $M
Receivables	-	66.8	1.3	-	2.5	70.6
Impairment of receivables	-	-	-	-	(0.3)	(0.3)
Current loans	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Non current loans and receivables	101.0	-	-	-	-	101.0
Impairment	(18.3)	-	-	-	-	(18.3)
Total loans and receivables	82.7	66.8	1.3	-	2.2	153.0

31 December 2009	Not Due 2009 $M	0-30 days 2009 $M	31-60 days 2009 $M	61-90 days 2009 $M	90+ days 2009 $M	Total 2009 $M
Receivables	-	57.3	0.6	-	2.8	60.7
Impariment of receivables	-	-	-	-	(0.6)	(0.6)
Current loans	21.1	-	-	-	-	21.1
Impairment	(21.1)	-	-	-	-	(21.1)
Non current loans and receivables	1,998.4	-	-	-	-	1,998.4
Impairment	(1,910.7)	-	-	-	-	(1,910.7)
Total loans and receivables	87.7	57.3	0.6	-	2.2	147.8

The impairment of $1,910.7m in the prior year related to the loans to the Joint Venture which were written down to $nil at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

26. Capital and financial risk management disclosures (continued)

(d) Liquidity risk

Liquidity risk includes the risk that GPT, as a result of its operations:
- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities (refer to note 14), the ability to close out market positions, and the option to raise funds through the issue of new stapled securities.

GPT's main liquidity risk besides meeting daily working capital requirements is its ability to refinance its current borrowings. The table below shows an analysis of the undiscounted contractual maturities of liabilities and capital expenditure commitments which forms part of GPT's assessment of liquidity risk.

Consolidated entity

	31 December 2010					31 December 2009				
	1 Year or less	Over 1 year to 2 years	Over 2 year to 5 years	Over 5 years	Total	1 Year or less	Over 1 year to 2 years	Over 2 year to 5 years	Over 5 years	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Liabilities										
Non-Derivatives										
Payables	196.1	-	-	-	196.1	181.3	-	-	-	181.3
Borrowings	34.3	1,360.8	768.0	294.3	2,457.4	1,699.9	96.8	302.0	85.0	2,183.7
Projected interest cost on borrowings**	167.2	157.3	161.7	180.9	667.1	100.5	28.5	41.4	49.2	219.6
Capital commitments	174.2	45.3	34.1	-	253.6	338.5	82.8	20.4	11.8	453.5
	571.8	1,563.4	963.8	475.2	3,574.2	2,320.2	208.1	363.9	146.0	3,038.1
Derivatives										
Projected Interest cost derivatives**	(2.2)	(5.2)	(33.3)	(82.0)	(122.6)	13.4	6.7	9.0	4.2	33.3
	(2.2)	(5.2)	(33.3)	(82.0)	(122.6)	13.4	6.7	9.0	4.2	33.3
Total liabilities	569.6	1,558.2	930.5	393.2	3,451.6	2,333.6	214.8	372.9	150.2	3,071.4
Less Cash	41.1	-	-	-	41.1	40.3	-	-	-	40.3
Total	528.5	1,558.2	930.5	393.2	3,410.5	2,293.4	214.8	372.9	150.2	3,031.1

After overlaying contractual maturities with other counterparties, the maturity profile lengthens as follows:

	31 December 2010					31 December 2009				
	1 Year or less	Over 1 year to 2 years	Over 2 year to 5 years	Over 5 years	Total	1 Year or less	Over 1 year to 2 years	Over 2 year to 5 years	Over 5 years	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Liabilities										
Non-Derivatives										
Payables	196.1	-	-	-	196.1	181.3	-	-	-	181.3
Borrowings	34.3	480.8	1,068.0	874.3	2,457.4	1,699.9	96.8	302.0	85.0	2,183.7
Projected interest cost on borrowings**	169.0	170.2	364.1	263.8	967.1	100.5	28.5	41.4	49.2	219.6
Capital commitments	174.2	45.3	34.1	-	253.6	338.5	82.8	20.4	11.8	453.5
	573.6	696.3	1,466.2	1,138.1	3,874.2	2,320.2	208.1	363.8	146.0	3,038.1
Derivatives										
Projected Interest cost derivatives**	(2.2)	(5.2)	(33.3)	(82.0)	(122.7)	13.4	6.7	9.0	4.2	33.3
	(2.2)	(5.2)	(33.3)	(82.0)	(122.7)	13.4	6.7	9.0	4.2	33.3
Total liabilities	571.4	691.1	1,432.9	1,056.1	3,751.5	2,333.6	214.8	372.8	150.2	3,071.4
Less Cash	41.1	-	-	-	41.1	40.3	-	-	-	40.3
Total	530.3	691.1	1,432.9	1,056.1	3,710.4	2,293.3	214.8	372.8	150.2	3,031.1

** Projection is based on the likely outcome of contracts given the interest rates, margins, forecast exchange rates and interest rate forward curve as at 31 December 2010 and 31 December 2009 up until the contractual maturity of the contract. The projection is based on future non- discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values shown in note 8.

GPT treasury policy requires debt maturity concentration risk to be minimised as follows:
- Debt expiry no greater than 20% of total forecast debt at any point in time;
- Maximum $1 billion maturing debt in forward rolling twelve month periods;
- Maximum $500 million maturing debt in any calendar quarter; and
- Minimum weighted average tenor target of four years.

As at 31 December 2010, GPT fully comply with the above treasury policy requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

26. Capital and financial risk management disclosures (continued)

(e) Refinancing risk

Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in GPT's credit margins and interest cost. Refinancing risk arises when GPT is required to obtain debt to fund existing and new debt positions.

GPT is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. GPT manages this risk by spreading sources and maturities of borrowings in order to minimise debt concentration risk, allow averaging of credit margins over time and reduce refinance amounts.

The GPT treasury policy further enhances refinancing risk by applying standards to all GPT borrowing facilities, in order to control GPT's debt obligations, including the risk of cross default in associates or joint ventures. The objective of the borrowing policy is to maximise GPT borrowing capacity from a variety of sources with the least amount of borrowing restrictions in terms of covenants and at the minimum cost.

(f) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(i) Interest rate risk contracts – loan receivables

The income and the associated operating cash flows of GPT's assets are substantially independent of changes in market interest rates. GPT's loans are primarily provided at arms length fixed rates with periodic reset clauses to investments in joint ventures and associates, as a means of obtaining an underlying property exposure. Loans are also provided to associates on a long term basis where all investors contribute to the associate in the same debt and equity ratio. Refer to note 7 for terms and interest rates.

(ii) Interest rate risk contracts – borrowings

GPT's primary interest rate risk arises from long term borrowings. Borrowings issued at floating rates expose GPT to cash flow interest rate risk. Borrowings issued at fixed rates expose GPT to fair value interest rate risk.

GPT manages the cash flow effect of interest rate risk by entering into interest rate swap agreements that are used to convert floating interest rate borrowings to fixed interest rates. Such interest rate swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Under the interest rate swaps, GPT agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

GPT had entered into interest rate swap agreements that are used to convert fixed interest rate debt to floating. Such interest rate swaps were entered into to give GPT the flexibility to utilise existing hedge positions.

Some of GPT's interest rate swaps have embedded options, such as knock-outs, caps, collars and callable options. The options lower GPT's cost of borrowings in exchange for some risk of the interest rate swap ceasing to be a hedge.

Interest rate swap contracts have been recorded on the Statement of Financial Position at their fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The AIFRS documentation, designation and effectiveness requirements cannot be met in all circumstances, as a result derivatives do not qualify for hedge accounting and are recorded at fair value through the Statement of Comprehensive Income. Refer accounting policy at note 1(x).

The following table provides (in each currency) a summary of GPT's gross interest rate risk exposure as at 31 December 2010 on interest bearing borrowings together with the net effect of interest rate risk management transactions which have been entered into to manage these exposures.

	Gross exposure (before the effect of derivatives)		Net exposure (after the effect of derivatives)	
	2010 $M	2009 $M	**2010 $M**	2009 $M
Australian Dollar				
Fixed rate interest-bearing borrowings	**284.0**	385.0	**1,994.7**	1,312.0
Floating rate interest-bearing borrowings	**2,065.5**	1,653.8	**354.8**	726.8
	2,349.5	2,038.8	**2,349.5**	2,038.8
Average Rate (%)			**6.93%**	7.20%
US Dollar				
Fixed rate interest-bearing borrowings	**-**	-	**-**	-
Floating rate interest-bearing borrowings	**110.0**	130.0	**110.0**	130.0
	110.0	130.0	**110.0**	130.0
Average Rate (%)			**1.61%**	1.46%

The average rate depicted in the table above represents the balance date cost of funds for that currency. At balance date, the fair value of interest rate derivatives were an asset of $115.2 million (2009: $4.4 million) and a liability of $96.4 million (2009: $100 million) as disclosed in note 8. In the year ended 31 December 2010, the loss in the Statement of Comprehensive Income from the decrease in fair value of the net liability during the year is $6.4 million (2009:gain $463.3 million).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

26. Capital and financial risk management disclosures (continued)

(f) Interest rate risk (continued)

(iii) Interest rate risk – sensitivity analysis

Sensitivity on interest expense
The impact on unhedged interest expense of a 1% increase or decrease in market interest rates is shown below. Interest expense is sensitive to movements in market interest rates on floating rate debt (net of any derivative hedges).

Sensitivity on changes in fair value of interest rate swaps
The impact of changes in the fair value of interest rate swaps for a 1% increase or decrease in market interest rates is shown below. The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the interest rate swaps. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows for each derivative, based on the forward market interest rate curve. Gains or losses arising from changes in the fair value are reflected in the Statement of Comprehensive Income, as GPT do not apply hedge accounting, even though an economic hedge exists.

A 100 basis point increase or decrease is used for consistency of reporting interest rate risk across the Group and represents management's assessment of the potential change in interest rates

	Consolidated Entity			
	2010 (+1%) $M	**2010 (-1%) $M**	2009 (+1%) $M	2009 (-1%) $M
Impact on interest expense (increase)/decrease	**(21.7)**	**21.7**	(8.7)	8.7
Impact on change in fair value of interest rate derivatives gain/(loss)	**86.7**	**(91.5)**	45.5	(45.5)
Impact of profit / (loss)	**65.0**	**(69.8)**	36.8	(36.8)

(g) Foreign exchange risk
Foreign exchange risk refers to the risk that the value of a financial commitment asset or liability will fluctuate due to changes in foreign currency rates. GPT's foreign exchange risk arises primarily from:
- borrowings denominated in foreign currencies;
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets.

(i) Foreign currency assets and liabilities
GPT manages its foreign exchange risk for its assets and liabilities denominated in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations.

The following table shows the Australian dollar equivalents of GPT's investments denominated in foreign currencies.

Consolidated entity

	Euros		United States Dollars		British Pounds	
	2010 A$M	2009 A$M	**2010 A$M**	2009 A$M	**2010 A$M**	2009 A$M
Assets						
Cash	**1.1**	1.6	**0.9**	1.4	**0.4**	-
Interests in equity accounted investments	**13.5**	30.6	**312.0**	79.2	**-**	-
Loans and receivables	**9.5**	0.8	**60.0**	73.2	**-**	-
	24.1	33.0	**372.9**	153.8	**0.4**	-
Liabilities						
Borrowings	**-**	-	**107.8**	144.9	**-**	-
Payables	**0.9**	4.7	**4.7**	2.8	**0.5**	-
	0.9	4.7	**112.5**	147.7	**0.5**	-
Net assets/(liabilities)	**23.2**	28.3	**260.4**	6.1	**(0.1)**	-

(ii) Forward exchange contracts to hedge net foreign cash flows
GPT manages the foreign exchange risk of income (net of funding costs) derived from its foreign assets and investments in joint ventures and associates by entering into forward foreign exchange contracts. There are no outstanding foreign exchange contracts as at 31 December 2010.

(iii) Equity and cash flow at risk analysis
GPT monitors the impact of adverse or favourable movements in foreign exchange rates and the impact this may have on its capital management and cash flow. Adverse versus favourable movements are determined relative to the underlying exposure.

As a result of management's decision to terminate all remaining foreign currency hedges, GPT has a remaining partial USD natural economic foreign hedge position. A portion of fair value of USD investments is matched with USD borrowings outstanding totalling USD$110 million. If USD investments were to be disposed, GPT expect the proceeds to be received in USD, which would fully meet GPT's USD debt outstanding. With USD exposure on asset held for sale, a quantitative sensitivity analysis is not required.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

26. Capital and financial risk management disclosures (continued)

(h) Fair value
GPT has adopted the classification of fair value measurements into the following hierarchy as required by AASB 7 *Financial Instruments: Disclosures*:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) 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 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Consolidated entity's assets and liabilities measured and recognised at fair value as at 31 December 2010 and 31 December 2009.

Consolidated entity

	Level 1 31 Dec 10 $M	Level 2 31 Dec 10 $M	Level 3 31 Dec 10 $M	Total 31 Dec 10 $M	Level 1 31 Dec 09 $M	Level 2 31 Dec 09 $M	Level 3 31 Dec 09 $M	Total 31 Dec 09 $M
Current								
Derivative assets								
Interest Rate Swaps	-	0.2	-	0.2	-	-	-	-
Derivative liabilities								
Interest Rate Swaps	-	-	-	-	-	(0.4)	-	(0.4)
Interest Rate Options	-	-	(0.4)	(0.4)	-	-	(1.1)	(1.1)
	-	-	(0.4)	(0.4)	-	(0.4)	(1.1)	(1.5)
Total Current	-	0.2	(0.4)	(0.2)	-	(0.4)	(1.1)	(1.5)
Non-Current								
Derivative assets								
Interest Rate Swaps	-	61.4	53.5	114.9	-	0.6	3.8	4.4
Derivative liabilities								
Interest Rate Swaps	-	(50.5)	(14.9)	(65.4)	-	(31.3)	(31.4)	(62.7)
Interest Rate Options	-	-	(30.5)	(30.5)	-	-	(35.8)	(35.8)
	-	(50.5)	(45.4)	(95.9)	-	(31.3)	(67.2)	(98.5)
Total Non-Current	-	10.9	8.1	19.0	-	(30.7)	(63.4)	(94.1)

GPT holds no level 1 derivatives. Level 2 derivatives that GPT has at 31 December 2010 include Float to Float, Fixed to Float, Knock Out and Vanilla derivatives. Level 3 derivatives that GPT has at 31 December 2010 include Sold Receiver Option, Callable and CPI derivatives. These differ to the level 2 derivatives as the banks will use their own proprietary assumptions to determine whether to exercise any options or not, which are not observable, rather than the triggers being based primarily on the forward market curve.

Given the complex nature of these instruments and various assumptions that are used in calculating the mark-to-market values, GPT relies on the counterparties' valuations for derivative values. The counterparties' valuation methodologies are usually based on mid-market rates and are calculated using the main variables including the forward market curve, time and volatility.

The fair value of GPT's derivatives has been determined as follows:
- Interest rate swaps - fair valued by discounting the present value of the estimated future cash flows based on the forward price curve of interest rates.
- Fair value of all derivative contracts has been confirmed with counterparties.

The following table is a reconciliation of the movements in derivatives classified as Level 3 for the year ended 31 December 2010 and 31 December 2009. Amounts represented as 'fair value movement through profit and loss – no longer held' reflect the movement in value of the derivatives from the beginning of the financial year to the date of settlement / termination.

Consolidated entity

	Derivative assets Dec-10 $M	Derivative Liabilities Dec-10 $M	Total Dec-10 $M	Derivative assets Dec-09 $M	Derivative Liabilities Dec-09 $M	Total Dec-09 $M
Opening balance	3.8	(68.3)	(64.5)	27.0	(751.6)	(724.6)
Fair value movement through profit and loss						
- Still held	3.6	(10.5)	(6.9)	(23.2)	117.8	94.6
- No longer held	-	5.7	5.7	-	293.5	293.5
Purchases	46.2	1.6	47.8	-	-	-
Issues	-	-	-	-	35.0	35.0
Terminations	-	2.9	2.9	-	237.0	237.0
Transfers out of level 3	-	22.7	22.7	-	-	-
Closing Balance 31 December 2010	53.6	(45.9)	7.7	3.8	(68.3)	(64.5)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

27. Auditors' remuneration

During the financial year the following amounts were paid or payable for services provided by the auditor of the Trust, PricewaterhouseCoopers, or any other entity in the Consolidated entity and its related parties:

	Consolidated entity	
	31 Dec 10	31 Dec 09
	$'000	$'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**1,315.5**	1,692.0
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms		
Audit and review of financial reports and other statutory audit work	**308.2**	361.1
Total remuneration for audit services	**1,623.7**	2,053.1
Other assurance services		
PricewaterhouseCoopers Australian firm		
Regulatory and contractually required audits	**122.5**	141.0
Due diligence services	**-**	1,042.0
Total remuneration for other assurance services	**122.5**	1,183.0
Total remuneration for audit and assurance services	**1,746.2**	3,236.1
Non audit related services		
PricewaterhouseCoopers Australian firm		
Other Services	**3.8**	-
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms		
Taxation services	**88.3**	39.2
Total remuneration for non audit related services	**92.1**	39.2
Total auditor's remuneration	**1,838.3**	3,275.3

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

28. Earnings per stapled security

	Note	Consolidated Entity 31 Dec 10 Cents	31 Dec 09 Cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earning per security - Profit from continuing operations		26.2	2.2
Basic and diluted earning per security - Profit / (loss) from discontinued operations		13.9	(67.6)
Total basic and diluted earning per security attributable to ordinary securityholders of the Trust		40.1	(65.4)
(b) Attributable to stapled ordinary stapled securityholders of The GPT Group			
Basic and diluted earning per security - Profit from continuing operations		21.8	7.6
Basic and diluted earning per security - Profit / (loss) from discontinued operations		14.9	(82.0)
Total basic and diluted earning per security attributable to ordinary stapled securityholders of The GPT Group		36.7	(74.4)

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

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	31 Dec 10 $M	31 Dec 09 $M
Net Profit from continuing operations attributable to the securityholders of the Trust	511.3	58.0
Net Profit / (loss) from discontinued operations attributable to the securityholders of the Trust	258.4	(995.0)
	769.7	(937.0)
Less: distribution to the holders of Exchangeable Securities **	(25.0)	(25.0)
Basic and diluted earnings of the Trust	744.7	(962.0)
Add: Net (loss) / profit from continuing operations attributable to the securityholders of other stapled entities	(80.8)	79.4
Add: Net profit / (loss) from discontinued operations attributable to the securityholders of other stapled entities	18.4	(211.5)
Basic and diluted earnings of the Company	(62.4)	(132.1)
Basic and diluted earnings of the Trust and other entities stapled to the Trust (The GPT Group)	682.3	(1,094.1)
Add: Net Loss attributable to external minority interest	-	(1.5)
Basic and diluted earnings of The Group	682.3	(1,095.6)

(d) Weighted average number of ordinary stapled securities	Note	No. of securities millions 31 Dec 10	No. of securities millions 31 Dec 09*
Weighted average number of ordinary stapled securities used as the denominator in calculating			
Basic earnings per ordinary stapled security - Trust and The Group		1,855.5	1,472.1
Adjustments for calculation of diluted earnings per share:			
Performance rights (weighted average basis)	(e)	0.2	-
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calcuating diluted earnings per ordinary stapled security:		1,855.7	1,472.1

* The December 2009 weighted average number of securities and EPSs have been adjusted for the share/stapled security consolidation effective of 19 May 2010. Refer to note 16(b) for further details on the share/stapled security consolidation.

** These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security. Refer to note 16(c) for further details on the Exchangeable Securities.

(e) Information concerning the classification of securities
Performance Rights
3,818,257 Performance Rights (restated for the 5 to 1 consolidation of the stapled securities) (Dec 09: 4,556,777 restated for the 5 to 1 consolidation of stapled securities) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2010. Only 243,571 Performance Rights have met the vesting conditions and are considered dilutive. As such, only 243,571 Performance Rights have been included in the determination of diluted earnings per security. The remaining 8,131,463 Performance Rights have not been included in the calculation of diluted earnings per security because their vesting conditions are not satisfied for the year ended 31 December 2010. These Performance Rights could potentially dilute basic earnings per share in the future. No Performance Rights have been included in the determination of basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

29. Net tangible asset backing

	Consolidated entity	
	31 Dec 10	31 Dec 09*
	$	$
Net tangible asset backing per stapled security/unit	**3.60**	3.46

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of potential stapled securities, assuming the conversion of the exchangeable securities at an exchange price of $3.883 (Dec 09: $0.7766).

* Prior period comparative has been restated at the basis of post 5 to 1 consolidation of the stapled securities.

30. Events subsequent to reporting date

On 24 February 2011, a distribution of 4.6 cents per stapled security ($85.4 million) was declared for the quarter ended 31 December 2010 (refer to note 3(a)(ii)).

During January 2011, the state of Queensland experienced major flooding impacting three of the GPT Group's assets, Homemaker Fortitude Valley, Riverside Centre (held through the GPT Wholesale Office Fund) and OneOneOne Eagle St. The total cost and impact of the damage is still being assessed and we do not believe the impact will be material to the GPT Group.

On 16 February 2011 GPT announced the sale of the US Senior Housing portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011. The carrying value of GPT's equity investment, net of sale costs and taxes, is $324m at 31 December 2010.

Directors' Declaration
For the year ended 31 December 2010

In the directors of the Responsible Entity's opinion:

(a) the financial report and notes set out on pages 30 to 93 are in accordance with the *Corporations Act 2001*, including:
- complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the GPT Group's financial position as at 31 December 2010 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the GPT Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial report also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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

Rob Ferguson
Chairman

Michael Cameron
Managing Director and Chief Executive Officer

GPT RE Limited

Sydney
24 February 2011

PRICEWATERHOUSECOOPERS

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

Report on the financial report

We have audited the accompanying financial report of General Property Trust (the Trust), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the GPT Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year, including GPT Management Holdings Limited and its controlled entities.

Directors' responsibility for the financial report

The directors of GPT RE Limited (the responsible entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PRICEWATERHOUSECOOPERS

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of General Property Trust is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 28 of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of General Property Trust for the year ended 31 December 2010, complies with section 300A of the *Corporations Act 2001.*

PricewaterhouseCoopers

DH Armstrong
Partner

Sydney
24 February 2011

PRICEWATERHOUSECOOPERS

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

Report on the financial report

We have audited the accompanying financial report of General Property Trust (the Trust), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the GPT Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year, including GPT Management Holdings Limited and its controlled entities.

Directors' responsibility for the financial report

The directors of GPT RE Limited (the responsible entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PRICEWATERHOUSECOOPERS

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of General Property Trust is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 28 of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of General Property Trust for the year ended 31 December 2010, complies with section 300A of the *Corporations Act 2001*.

PRICEWATERHOUSECOOPERS

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of General Property Trust (the Trust) for the year ended 31 December 2010 included on GPT's web site. The company's directors are responsible for the integrity of the GPT web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or the remuneration report. 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 audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

DH Armstrong
Partner

Sydney
24 February 2011