General Property Trust
ABN: 58 071 755 609

Annual Financial Report
31 December 2014

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
Year ended 31 December 2014

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (consolidated entity) for the financial year ended 31 December 2014. The consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT).

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

1. OPERATING AND FINANCIAL REVIEW

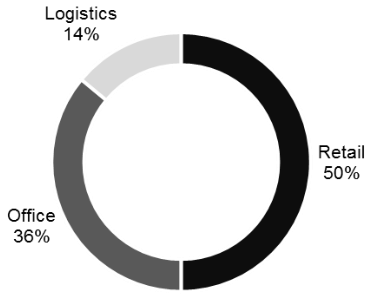
About GPT
GPT is an active owner and manager of a $9.4 billion diversified portfolio of high quality Australian retail, office and logistics property assets and has a funds management platform with $9.6 billion of property assets under management.

GPT owns, and has created, some of Australia's most iconic real estate assets, including the MLC Centre and Australia Square in Sydney, Melbourne Central and Highpoint Shopping Centre in Melbourne and One One One Eagle Street in Brisbane.

Listed on the Australian Securities Exchange (ASX) since 1971, GPT is today one of Australia's largest diversified listed property groups with a market capitalisation of approximately $7.3 billion. GPT is one of the top 50 listed stocks on the ASX by market capitalisation as at 31 December 2014.

GPT has significant end to end capability within its business across all three sectors, supporting the performance of its $18.1 billion portfolio of assets under management. Core to the business is the capital allocation process of the portfolio. This is enhanced through development and active asset management. The business is optimised through an efficient support team ensuring GPT applies a frugal approach, with disciplined capital management and a fortress balance sheet.

GPT Portfolio Diversity



Retail Portfolio	Office Portfolio	Logistics Portfolio
16 shopping centres	24 assets	32 assets
1,050,000 sqm GLA	1,190,000 sqm NLA	760,000 sqm GLA
3,700 + tenants	380 + tenants	90 + tenants
$4.8b portfolio	$3.4b portfolio	$1.3b portfolio
$8.5b AUM	$8.0b AUM	$1.6b AUM

Strategic plan
GPT Group's strategy is focussed on delivering a disciplined, consistent and transparent approach to investment.

Driven by Total Return
A key performance measure for GPT is Total Return, measured at both GPT level and at an individual asset level. Total Return is calculated as the change in Net Tangible Assets (NTA) per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year. This focus on Total Return is aligned with securityholders' long term investment aspirations. It also reflects the characteristics of property as an asset class. GPT targets to deliver a Total Return of greater than 9.0% over the long term.

This measure now also drives the incentive payment structure for staff, providing simplicity, alignment and transparency. From 2014 onwards, short term incentives are discretionary and the amount is based on achieving Total Return targets. For 2014, GPT achieved a Total Return of 9.6%.

Increasing Active Earnings
GPT has a focus on increasing the proportion of its earnings that it derives from "active" property-related business areas. These are Funds Management, Logistics and Major Project Development, and Asset Management. GPT is targeting a contribution of 10% of its earnings to come from these various lines of business.

GPT is well positioned to execute on this strategy given its success to date in funds management, with $9.6 billion of funds currently under management, recording 34.6% growth since 31 December 2013.

During the year, GPT launched the $375.9 million GPT Metro Office Fund, which has a portfolio of six A Grade metropolitan and business park office properties located across Sydney, Melbourne and Brisbane. GPT's two wholesale funds have acquired $1.5 billion in assets and raised $872.0 million of equity capital in the 2014 financial year.

$1.5bn Asset acquisitions	34.6% Growth in Funds under management	11.8% Total Return to GPT from funds management business

In Logistics Development GPT has completed a number of significant developments, which have delivered high quality investment assets to the GPT portfolio and generated NTA uplift of $46.7 million in 2014.

These achievements position GPT to take advantage of the large and growing demand for real estate assets and investment products in Australia from both domestic and offshore capital sources.

DIRECTORS' REPORT
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Maintaining a Frugal Approach and Fortress Balance Sheet
GPT targets a Management Expense Ratio (MER) of less than 45 basis points. MER is calculated as management expenses as a percentage of assets under management. In 2014, GPT achieved an MER of 38 basis points, making it one of the most efficient AREITs in the sector.

GPT focusses on maintaining a strong balance sheet. GPT has moderate gearing and significant investment capacity giving it the flexibility to execute on investment and business opportunities as they arise.

4.8% Weighted average cost of debt	26.3% Net Gearing	5.8 years Weighted average term to maturity

Review of operations
GPT has adopted Funds from Operations (FFO) to replace Realised operating income (ROI) with effect from 1 January 2014 as its measure of underlying earnngs.

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

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

	31 Dec 14 $M	31 Dec 13 $M	**Change %**
Retail net operating income	**248.7**	264.3	(5.9%)
Office net operating income	**141.8**	144.1	(1.6%)
Logistics net operating income	**85.9**	76.2	12.7%
Income from funds	**87.1**	74.9	16.3%
Investment management expenses	**(7.6)**	(7.1)	7.0%
Investment management	**555.9**	552.4	0.6%
Asset management	**5.6**	5.8	(3.4%)
Development - retail & major projects	**1.9**	2.8	(32.1%)
Development - logistics	**6.5**	(1.8)	461.1%
Funds management	**32.5**	21.7	49.8%
Net finance costs	**(103.5)**	(95.5)	8.4%
Corporate management expenses	**(30.1)**	(21.2)	42.0%
Tax expenses	**(2.8)**	(2.7)	3.7%
Non-core	**11.1**	11.2	(0.9%)
Less: distribution to exchangeable securities	**(25.0)**	(25.0)	0.0%
Funds from Operations (FFO)	**452.1**	447.7	1.0%
Change in fair value of assets (non-cash):			
Valuation increase - core operations	**249.5**	92.2	170.6%
Financial Instruments mark to market value and net foreign exchange movements	**(89.1)**	20.3	(538.9%)
Other items*	**7.8**	(13.7)	(156.9%)
Exclude distributions on exchangeable securities in FFO	**25.0**	25.0	0.0%
Net profit after tax	**645.3**	571.5	12.9%
FFO per ordinary stapled security (cents)	**26.81**	25.76	4.1%
Distribution per ordinary stapled security (cents)	**21.2**	20.4	3.9%

*Other items include amortisation of intangibles, impairment expenses, net profit on disposal of assets and related tax impact.

Operating result
GPT delivered FFO of $452.1 million for the 2014 financial year, an increase of 1.0% on the prior year. This translated into FFO per security of 26.81 cents, up 4.1%. The result was driven by solid contributions from the investment portfolio of high quality Australian retail, office and logistics properties, significant growth in the funds management and logistics development businesses and a lower average cost of debt.

GPT's statutory net profit after tax was $645.3 million, an increase of 12.9% on the prior year, driven by property valuation uplift partly offset by a negative mark to market and net foreign exchange movements of financial instruments.

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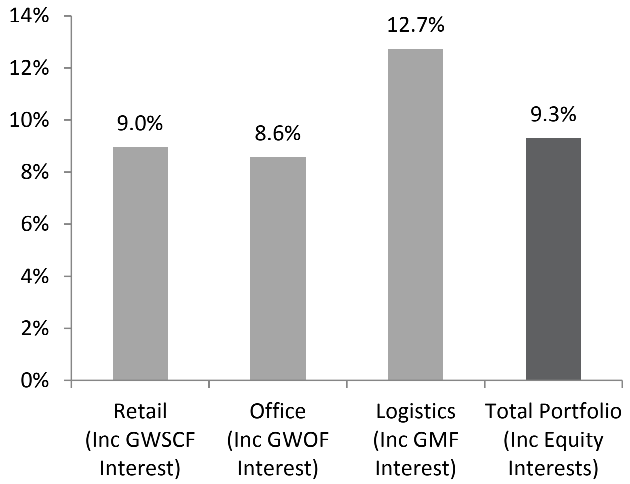
Investment management
Total Return at the portfolio level was 9.3% for 2014.



Across the three portfolios, GPT maintained stability in key portfolio metrics:
- 96.4% occupancy by area (2013: 95.9%)
- 5.0 years weighted average lease expiry (WALE) by income (2013: 4.8 years)
- Structured rental reviews: 79% of the portfolio is subject to structured rental reviews with an average increase across the portfolio of 4.1% (2013: 80.0% subject to average increases of 4.2%)
- 0.9% comparable income growth (2013: 1.7%)

(i) Retail portfolio
- $4.77 billion portfolio (2013: $4.49 billion), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF)
- 2.9% comparable income growth (2013: 2.5%)
- 3.9 years weighted average lease expiry (WALE) by base rent (2013: 4.1 years)
- 99.5% occupancy by area (2013: 99.6%)
- 5.87% weighted average capitalisation rate (2013: 5.99%)

The value of the retail portfolio increased by $0.28 billion over the year as a result of a combination of positive revaluations and the acquisition of partial interests in Northland Shopping Centre (50% interest) and Highpoint Shopping Centre (8.33% interest) by the GWSCF. The underlying portfolio quality continues to improve with further capitalisation rate compression of 12 basis points during 2014. A net revaluation uplift of $115.0 million (including GPT's equity interest in GWSCF) was achieved across the portfolio primarily through favourable revaluations at Highpoint Shopping Centre, Melbourne Central and Rouse Hill Town Centre.

Positive income growth was driven by a high proportion of structured rental increases in addition to increased focus on expense management across the portfolio. Retail sales have improved over 2014 with weighted total centre annual sales up 2.5% and specialty annual sales up 4.2%. The retail portfolio continues to be well leased with occupancy remaining high at 99.5%. There are currently 36 vacant tenancies.

The operating income has decreased to $248.7 million (2013: $264.3 million) caused by divestment of GPT's 50 per cent interest in Erina Fair and the remaining Homemaker Centre portfolio during 2013.

(ii) Office portfolio
- $3.35 billion portfolio (2013: $2.90 billion), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF)
- -1.1% comparable income growth (2013: 0.7%)
- 6.3 years weighted average lease expiry (WALE) by income (2013: 5.8 years)
- 93.9% occupancy by area (2013: 90.6%)
- 6.41% weighted average capitalisation rate (2013: 6.72%)

The office portfolio achieved a net revaluation uplift of $58.3 million (including GPT's equity interest in GWOF) over the 12 month period, primarily as a result of a reduction in future expiries and firming capitalisation and discount rates. This was reflected in positive revaluation movements in Citigroup Centre, One One One Eagle Street, Melbourne Central Tower and 818 Bourke Street as well as a number of assets in the GWOF portfolio.

Occupancy increased primarily as a result of strong leasing success, particularly at the MLC Centre.

(iii) Logistics portfolio
- $1.31 billion portfolio (2013: $1.17 billion), including GPT's equity interest in the GPT Metro Office Fund (GMF)
- -0.5% comparable income growth (2013: 1.0%)
- 6.2 years weighted average lease expiry (WALE) by income (2013: 5.1 years)
- 95.3% occupancy by area (2013: 96.2%)
- 7.72% weighted average capitalisation rate (2013: 8.33%)

The value of the logistics portfolio increased by $134.5 million as a result of valuation uplift across the portfolio, development capex and the residual profit release in development assets completed (TNT Express, Erskine Park), or nearing completion (RRM and Rand, Erskine Park). This has been offset by the transfer of four assets (5 Murray Rose, Quad 2, Quad 3 and 3 Murray Rose) totalling $170.3 million into GMF. GPT holds a 12.46% equity interest in GMF which adds $30.4 million to the logistics portfolio value. A further $13.5 million reduction in the portfolio size resulted from the sale of 134 -140 Fairbairn Road, Sunshine West, to an external party during the year.

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Comparable income growth is down due to vacancies across the portfolio with significant impacts coming from the ex Mars facility at Austrak Business Park and various vacant tenancies at Citiport Business Park, Port Melbourne. The ex Mars vacancy, which represents circa 3% of the portfolio area also led to lower occupancy. At the portfolio level, only 4 out of 32 assets have current vacancies.

The WALE increased to 6.2 years, primarily as a result of developments, with long WALEs (approximate 15 years), reaching completion and coming into the portfolio. These assets include Toll NQX, Karawatha and TNT Express, Erskine Park.

(iv) Income from funds and funds management
GPT has ownership interests in two wholesale funds, the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF), and an ASX-listed fund, GPT Metro Office Fund (GMF).

As at 31 Dec 2014	GWOF	GWSCF	GMF
Assets under Management	$5.4bn	$3.8bn	$0.4bn
Number of Assets	19	10	6
GPT Interest	20.36%	20.11%	12.46%
GPT Investment	$890.3m	$622.9m	$30.4m
One year Equity IRR (post-fees)	13.1%	6.5%	N/A
Fund distributions	$51.5m	$32.5m	-
Funds Management fee income	$20.3m	$14.6m	$0.3m

The performance of the wholesale funds continues to be strong, with GWOF achieving a total return of 13.1% and GWSCF a total return of 6.5% for the year. GWOF is ranked first among the sector peer groups for their total returns over one year, three years and five years. GWSCF's total return has been adversely impacted by the writing off of transaction costs on major acquisitions.

GWOF
GWOF raised new equity of $450 million in the September 2014 quarter. It currently has a high level of DRP participation by its investors, raising $166.5 million of equity during the year. GPT participated in GWOF's capital raising contributing $92.2 million and the DRP contributing $35.9 million during the year to ensure it remains above the 20% minimum holding requirement. GPT has therefore received higher distributions during 2014.

GWOF's assets under management continue to grow strongly, up $1.2 billion in 2014. The management fee earned on GWOF increased by $2.9 million in 2014 due to the acquisition of four assets in Melbourne and strong upward revaluations across the portfolio.

GWSCF
During the year, GWSCF completed a capital raising program raising a total of $422.0 million against an original target of $400.0 million. The DRP raised an additional $82.1 million of equity over the year. GPT contributed $80.2 million to the equity raise during the year and $15.8 million in the DRP remaining above the 20% minimum holding requirement. GPT's fund distributions from GWSCF increased accordingly, in addition to underlying growth in GWSCF distributions in 2014.

GWSCF's assets under management grew by $858.7 million in 2014. The management fee earned on GWSCF increased by $1.1 million in 2014 due to a higher asset base as a result of acquisitions and strong upward revaluations.

GMF
GPT successfully listed GMF on the Australian Securities Exchange on 24 October 2014. GPT retained a holding of 12.46% in the fund from allotment date on 29 October 2014.

Asset management
GPT internalised the property management function of seven assets held by GWOF and GPT during the year (CBW, 150 Collins Street, 655 Collins Street, 750 Collins Street, 8 Exhibition Street, Hawthorn and Green Square). This takes the number of internalised office assets to 17. The internalisation further reinforces GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes.

The operating profit of asset management has decreased to $5.6 million (2013: $5.8 million) as higher property management fees were offset by higher employee costs due to team structure changes caused by the divestment of Carlingford Court by GWSCF and the inclusion of additional corporate costs.

Development – retail & major projects
The Development – retail & major project team delivered $427.0 million of completed developments during the year, being 150 Collins Street in Melbourne, Wollongong Central West Keira and Student Accommodation at Casuarina Square.

The team has identified additional forward pipeline opportunities of $0.7 billion, growing the pipeline to $2.7 billion forecast over the next seven years. The operating profit of Development – retail & major project is $1.9 million (2013: $2.8 million).

Development – logistics
The total development projects undertaken by the division in 2014 comprised eight logistics projects and one business park development with a total end value of $480.0 million of which $372.0 million will be retained as investment assets by the group. One asset valued at $78.0 million at completion, was acquired by the recently listed GMF. A further two projects with an end value of $30.0 million were sold to external parties.

In 2014 the business unit generated a total development margin of $53.2 million across all projects, comprising an operating profit of $6.5 million (2013: loss of $1.8 million) and an NTA uplift of $46.7 million on assets retained for investment. Of the $450.0 million of assets retained for investment an average yield on costs of 8.4 percent and an average WALE of 15.6 years was achieved.

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Management expenses

	31 Dec 14 $M	31 Dec 13 $M
Investment management	**7.6**	7.1
Asset management	**11.7**	9.6
Development management - retail and major projects	**2.6**	4.0
Development management - logistics	**0.9**	2.5
Funds management	**13.0**	10.0
Corporate	**30.1**	21.2
Total management expenses	**65.9**	54.4

The management expenses increased to $65.9 million (2013: $54.4 million) predominantly caused by new roles generated from the growth of the business, team restructure, increase in salaries and wages and consulting costs spending on projects.

GPT's MER of 38 basis points remains one of the lowest in the AREIT sector.

Non-core operations
Hotel/Tourism portfolio
On 23 May 2011, GPT completed the sale of Ayers Rock Resort to the Indigenous Land Corporation. Total consideration for the sale was $300.0 million, to be received in three instalments with $81.0 million paid on settlement, $81.0 million paid 12 months after settlement and $138.0 million to be received five years after settlement. Proceeds from the first and second instalments were used to reduce borrowings.

GPT has been provided with a guarantee on the payments of the deferred considerations and the interest income at a rate of 6.5% per annum. GPT shares in 46% of any increase in capital value of Ayers Rock Resort over $300.0 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of $17.0 million at the end of the five year period. GPT accrue increments of the $17.0 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT contributed $22.2 million towards capital expenditure in 2012 in accordance with the sale agreement.

Financial position

	Net Assets 31 Dec 14 $M	Net Assets 31 Dec 13 $M	Change %
Core			
Retail	**4,161.5**	3,974.9	4.7%
Office	**2,458.4**	2,170.5	13.3%
Logistics	**1,319.9**	1,285.3	2.7%
Funds management	**1,543.6**	1,238.7	24.6%
	9,483.4	8,669.4	9.4%
Non-core	**154.7**	158.3	(2.3%)
Financing and Corporate Assets	**521.0**	604.5	(13.8%)
Total Assets	**10,159.1**	9,432.2	7.7%
Borrowings	**2,718.5**	2,310.4	17.7%
Other Liabilities	**508.9**	407.0	25.0%
Total Liabilities	**3,227.4**	2,717.4	18.8%
Net Assets	**6,931.7**	6,714.8	3.2%
Total number of ordinary stapled securities (million)	**1,685.5**	1,694.9	(0.6%)
NTA ($)	**3.94**	3.79	4.0%

Balance sheet
- Total Return of 9.6% (2013: 8.5%) being the growth of NTA per security of 15 cents to $3.94 plus the distribution paid / payable per security of 21.2 cents, divided by the opening NTA per security.
- Total core assets increased by 9.4% primarily due to acquisition, development capital expenditures, positive property revaluations and further investments in the wholesale funds.
- Total borrowings increased by $408.1 million due to additional funding required for acquisitions occurred during the year, equity investment in funds, development capital expenditures and the securities buyback partially offset by divestments.

Capital management
- Cost of debt: 4.8% (2013: 5.1%).
- Gearing (net debt basis): 26.3% (2013: 22.3%).
- Weighted average debt maturity: 5.8 years (2013: 5.5 years).
- S&P/Moody's credit rating: A-(Positive)/A3 (stable) (2013: A-/A3 (stable)).

GPT continues to maintain a strong focus on capital management, key highlights for the year include:
- Reduced weighted average cost of debt by 30 basis points due to renegotiation of bank facilities at lower margins and fees and lower fixed and floating interest rates for the period.
- Net gearing increased to 26.3% (2013: 22.3%), which is within GPT's target gearing range of 25% to 35%. This was a result of net asset acquisitions and developments during the period (including acquisition of Corner of Bourke and William, equity investment in funds, security buybacks, net of asset disposals into GMF and the sale of 818 Bourke Street).
- Net look through gearing increased to 28.2% (2013: 23.2%) due to the increase in gearing in GPT and the Funds.
- Investment capacity at 30% net gearing is $530.0 million (2013: $960.0 million).

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- Further diversified funding sources and extended tenor as a result of repeat issuance into offshore and domestic debt capital markets including:
  - USD $175 million (AUD $188.4 million) 15 year US Private Placement; and
  - AUD $150 million 6 year medium term notes.
- Maintained S&P/Moody's credit rating of A-/A3 with S&P moving GPT's rating outlook from 'stable' to 'positive' in June 2014 on the basis GPT will improve its competitive position and profitability by growing its domestic asset base consistent with its financial policies over the next two years. Moody's rating remains on a stable outlook.
- Increased weighted average term of interest rate hedging from 5.9 years to 6.6 years, reducing future earnings at risk in the event of higher interest rates.
- Net profit and other comprehensive income were impacted by a mark to market loss on derivatives and foreign bonds and net foreign exchange rate movements of $94.7 million for the period. This was largely a result of a significant decrease in market interest rates during the period.

Cash flows
The cash balance as at December 2014 decreased to $72.4 million (2013: $278.7 million). Prior year balance included $245.0 million in term deposit maturing and subsequently used to repay debts.

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

	31 Dec 14 $M	31 Dec 13 $M	Change %
FFO	**452.1**	447.7	1.0%
Distribution to exchangeable securities included in FFO	**25.0**	25.0	0.0%
Add back: non-cash expenses items included in FFO	**10.0**	15.5	(35.5%)
Less: non-cash revenue items included in FFO	**(23.6)**	(20.0)	18.0%
Less: interest capitalised but paid in cash	**(9.5)**	(3.0)	216.7%
Less: payments for inventory	**(43.6)**	-	100%
Timing differences - increase in receivables	**(11.6)**	(14.1)	(17.7%)
Timing differences - increase / (decrease) in payables	**5.9**	(25.6)	(123.0%)
Cash flow from operating activities	**404.7**	425.5	(4.9%)

The Non-IFRS Information included above has not been specifically audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 13 of the accompanying financial statements.

Investing activities:
Significant investing cash flows during the year included the proceeds from the divestments of 818 Bourke Street and interest in GPT Metro Office Fund. Major cash outflows included equity investment in the wholesale funds, acquisitions of Corner of Bourke and William (CBW) in Melbourne, operating capital expenditures, lease incentives and development capital expenditures.

Financing activities:
Significant financing cash flows during the year included the net proceeds from Medium Term Notes and USPP notes, funding of the security buyback and distributions paid.

Equity – on market buy back
During the year, GPT bought back 11.4 million securities at an average price of $3.597 per security for a total cost of $41.0 million. On 24 April 2014, GPT announced the extension of the on market buy back for an additional 12 months until May 2015.

Distribution
GPT changed the frequency of distribution payments from quarterly to half yearly effective from 1 July 2013.

With the application of FFO from 1 January 2014, GPT's distribution policy has changed to a payout ratio of approximately 100% of Adjusted Funds from Operations (AFFO) which is defined as FFO less maintenance capex and lease incentives.

For the financial year ended 31 December 2014, distributions paid and payable to stapled securityholders totalled $357.3 million (2013: $351.7 million), representing an annual distribution of 21.2 cents, up 3.9% on 2013 (2013: 20.4 cents). This includes 10.7 cents ($180.3 million) in respect of the second half of 2014, which was declared on 22 December 2014 and is expected to be paid on 27 March 2015.

Prospects
(i) Group
GPT will be focused on ensuring it maintains a disciplined, consistent and transparent approach to the management of it business activities. This approach includes:
- A disciplined approach to capital allocation, utilizing its strategic business intelligence capability to inform decision making.
- Increasing the proportion of its earnings that it derives from "active" property-related business areas, including Funds Management, Logistics and Major Project Development, and Asset Management.
- Adopting a customer centric approach in providing property solutions to customers.
- Targeting a Total Return of greater than 9.0% over the long-term.
- Targeting a Management Expense Ratio of less than 40 basis points.

(ii) Investment management
Retail: Retail trade growth is expected to stabilise in 2015 after the solid recovery in 2014. The acceleration in retail trade growth was evident in the improvement in GPT's shopping centre sales growth (4.2% for specialty). The outlook for shopping centre sales should be positively impacted by the recent fall in the oil price and the moderation of growth in online retail sales. GPT expects that larger regional centres which dominate strong and growing trade areas will outperform other retail asset classes in the longer term.

Office: The key lead indicators for the office markets such as hiring intentions, business confidence and equity markets are gradually improving and this has been reflected in improved lease enquiry levels. In the medium term Australian economic growth is expected to be at or below trend, leading to a modest outlook for white collar employment. The finance, insurance and business services driven markets of Sydney and Melbourne are expected to continue to perform better than the resource dependent markets of Brisbane and Perth. GPT's office portfolio is the highest quality of the listed REIT sector, heavily weighted to Sydney and Melbourne markets, and is well positioned to deliver a solid performance.

Logistics: A strong investment market for institutional grade product remains in the industrial sector despite patchy fundamentals with weak tenant demand and increasing supply. The medium term outlook is for a stabilisation of rents and improved land values. GPT will continue to opportunistically acquire logistics assets as it looks to increase exposure to the sector. GPT will also continue to develop out its land banks and seek new development investment opportunities as part of its development capability.

(iii) Funds management

GPT's longer term target is to increase active earnings to 10% of FFO predominantly from Funds Management. This growth will come from a combination of growing existing funds and launching new products. The existing funds management team will continue to actively manage their existing portfolios, with new acquisitions based on meeting the relevant investment objectives of the respective funds.

(iv) Guidance for 2015

In 2015, GPT is targeting to deliver a Total Return of at least 9.0% and a 5.0% increase in FFO per ordinary security which is based on a like for like portfolio of assets. Achieving these targets are subject to risks detailed in the section following.

Risks

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

The key components of this approach include:

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

GPT's risk management policy applies to all directors and employees of GPT and, to the maximum extent possible, to the agents and contractors that act on for or on behalf of GPT. Further details of roles and responsibilities in relation to risk management are set out below:

- The GPT Board is ultimately accountable for corporate governance and the appropriate management of risk across GPT. The Board sets the risk appetite and oversees GPT's risk profile to ensure activities are consistent with the strategy and values of the organisation.

- The Audit and Risk Management Committee (Committee) supports the Board. The Committee is responsible for overseeing and reviewing the effectiveness of GPT's risk management framework. The Committee, and through it the Board, receive reports on GPT's risk management practises, control systems and the effectiveness of GPT's management of its material business risks.

- The Leadership team supports the framework and culture of risk management at GPT and each member is accountable for developing and promoting this within their business area. The Leadership team is responsible for appropriately managing key risks and for the ongoing maintenance of the control environment.

- The Chief Risk Officer is responsible for designing, implementing and reporting on the risk management framework to the Board, Audit and Risk Management Committee and the Leadership team.

- Employees are responsible for ensuring they comply with all legislative, regulatory and GPT policy requirements including reporting any identified risks to the appropriate management in a timely manner.

DIRECTORS' REPORT

For the year ended 31 December 2014

The table below shows the key inherent risks faced by GPT and the strategies which GPT uses to manage them:

Level	Risk Description	Strategic Impact	Mitigation
Operational performance	Investments do not perform in line with forecast	• Investments deliver lower Total Return than target • Credit downgrade	• Formal deal management process • Active asset management including regular forecasting and monitoring of performance • High quality property portfolio • Development program to enhance asset returns • Comprehensive asset insurance program
	Inability to lease assets in line with forecast	• Investments deliver lower Total Return than target	• Large and diversified tenant base • High quality property portfolio • Experienced leasing team • Development program to enhance asset returns
Market risk	Volatility and speed of changes in market conditions	• Investments deliver lower Total Return than target	• Holistic capital management • Large multi asset portfolio • Monitoring of asset concentration
Targeting growth in active earnings of 10%	Insufficient quality product or detrimental market conditions negatively impact the ability to grow existing funds and create new products in line with strategy	• Unable to achieve 10% in active earnings	• Strategy communicates multiple pathways to successful growth in FUM
Capital management	Re-financing and liquidity risk	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • May impact distributions • Failure to continue as a going concern	• Diversity of funding sources and spreading of debt maturities with a long weighted average debt term • Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve month period
	Interest rate risk – higher interest rate cost than forecast	• Detrimental impact to asset and portfolio performance • Adversely affect GPT's operating results	• Interest rate exposures are actively hedged
Health and safety	Risk of incidents, causing injury to tenants, visitors to the properties, employees and contractors	• Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Health and Safety management system including policies and procedures for managing safety • Training and education of staff and contractors
People	Inability to attract, retain and develop talented people	• Limits the ability to deliver the business objectives	• Competitive remuneration • Structured development planning • Succession planning and talent management

2. 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 the National Greenhouse and Energy Reporting Act 2007 ("NGER Act").

The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2013 to 30 June 2014. GPT has implemented systems and processes for the collection and calculation of the data required which enabled submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2014.

On 11 September 2014, the Energy Efficiency Opportunities (Repeal) Bill 2014 received Royal Assent. The repeal has a retrospective commencement clause and is effective from 29 June 2014. Accordingly, all obligations and activities under the EEO Program have ceased.

More information about the GPT's participation in the NGER program is available at www.gpt.com.au.

DIRECTORS' REPORT
For the year ended 31 December 2014

3. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2015, GPT announced to the market that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325 million fully underwritten institutional placement (placement) and a non-underwritten security purchase plan for a maximum of $50.0 million. The placement was completed on 22 January 2015 at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015. 76.8 million securities were issued under the placement on 29 January 2015.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 31 December 2014 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

4. DIRECTORS AND SECRETARY

Information on directors

Rob Ferguson – Chairman
Rob joined the Board on 25 May 2009 and is also a member of the Nomination and Remuneration Committee. He brings a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Rob currently holds Non-Executive directorships in the following listed entities:
- Primary Health Care Limited (since 2009) – Chairman
- Watermark Market Neutral Fund Limited (since 2013)

He was also a Non-Executive Chairman of IMF Bentham Limited from 2004 to 5 January 2015.

As at the date of this report, he holds 204,082 GPT stapled securities.

Michael Cameron – Chief Executive Officer and Managing Director
Michael joined The GPT Group as Chief Executive Officer and Managing Director on 1 May 2009. He has over 30 years' experience in Finance and Business, including Group CFO at Commonwealth Bank of Australia and then St George Bank. Before that, he worked 10 years with Lend Lease and MLC Limited before moving to the US in 1994 with The Yarmouth Group, Lend Lease's US property business.

Since 2012, Michael has held the position of Non-Executive Director in listed entity, Suncorp Group Limited.

As at the date of this report he holds 1,267,229 GPT stapled securities and 2,221,718 performance rights.

Brendan Crotty
Brendan was appointed to the Board on 22 December 2009 and is also a member of the Audit and Risk Management Committee and the Sustainability Committee. He brings extensive property industry experience to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Brendan is currently a director of Brickworks Limited (since 2008) as well as being the Chairman of Western Sydney Parklands Trust. Brendan is also a member of the Investment Committee of CIMB Trust Cap Advisors.

As at the date of this report, he holds 60,000 GPT stapled securities.

Eileen Doyle
Eileen was appointed to the Board on 1 March 2010. She is also the Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee. She has diverse and substantial business experience having held senior executive roles and directorships in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export.

Eileen currently holds directorships in the following listed and other entities:
- Boral Limited (since 2010)
- Bradken Limited (since 2011)
- CSIRO (Deputy Chairman)

As at the date of this report, she holds 31,450 GPT stapled securities.

Eric Goodwin
Eric was appointed to the Board in November 2005 and is also a member of the Audit and Risk Management Committee and the Sustainability Committee. Eric has extensive experience in design, construction, project management, general management and funds management. He was the founding Fund Manager of the Australian Prime Property Fund and his experience includes fund management of the MLC Property Portfolio.

Since 2004, Eric has held the position of Non-Executive Director of listed entity Duet Group.

As at the date of this report, he holds 31,255 GPT stapled securities.

Anne McDonald
Anne was appointed to the Board on 2 August 2006 and is also the Chair of the Audit and Risk Management Committee. She is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Anne currently holds the position of Non-Executive Director in the following listed and other entities:
- Specialty Fashion Group Limited (since 2007)
- Spark Infrastructure Group (since 2009)
- Sydney Water Corporation

As at the date of this report, she holds 21,000 GPT stapled securities and 10,000 units in GPT Metro Office Fund.

DIRECTORS' REPORT
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Gene Tilbrook
Gene was appointed to the Board on 11 May 2010 and is also a Chair of the Nomination and Remuneration Committee. He brings extensive experience in finance, corporate strategy, investments and capital management.

Gene currently holds the position of Non-Executive Director in the following listed entities:
- Fletcher Building Limited (since 2009)
- Aurizon Holdings Limited (since 2010)
- Orica Limited (since 2013)
- Woodside Petroleum Limited (since 2014)

He was also a Director of listed entity Transpacific Industries Group Limited from 2009 to 2013.

As at the date of this report, he holds 45,000 GPT stapled securities and 20,000 units in GPT Metro Office Fund.

James Coyne – General Counsel and Company Secretary
James is responsible for the legal, compliance and company secretarial activities of GPT. He was appointed as the General Counsel and Company Secretary of GPT in 2004. His previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and unlisted).

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
Chair	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	13	13	-	-	7	7	-	-
Michael Cameron	13	13	-	-	-	-	-	-
Brendan Crotty	13	13	5	5	-	-	4	4
Eileen Doyle	13	13	-	-	7	7	4	4
Eric Goodwin	13	13	5	5	-	-	4	4
Anne McDonald	13	13	5	5	-	-	-	-
Gene Tilbrook	13	13	-	-	7	7	-	-

5. OTHER DISCLOSURES

Indemnification and insurance of directors, officers and auditor
GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Officers 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.

Non-audit services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 20 to the financial statements.

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; and
- 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.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20 and forms part of the Directors' Report.

Rounding of amounts
The amounts contained in this report and in the financial statements have been rounded to the nearest million dollars unless otherwise stated (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

6. REMUNERATION REPORT

The Nomination & Remuneration Committee (the Committee) of the Board presents the Remuneration Report (Report) for the GPT Group. This Report has been audited in accordance with section 308(3C) of the *Corporations Act 2011.*

The Board aims to communicate the remuneration outcomes with full transparency, demonstrate that the GPT Group's remuneration platform is both market competitive and fair to all stakeholders, and has performance measures aligned to the achievement of GPT's strategic objectives.

The report also covers the principles of remuneration for all GPT Group employees.

Governance

Who are the members of the Committee?	The Committee consists of 3 Non-Executive Directors: • Gene Tilbrook (Committee Chairman) • Eileen Doyle • Rob Ferguson
What is the scope of work of the Committee?	The Committee provides advice and recommendations to the Board on: • Criteria for selection of Directors; • Nominations for appointment of Directors (either between Annual General Meetings (AGM) or to stand for election); • Criteria for reviewing the performance of Directors both individually and the GPT Board collectively; • Remuneration policies for Directors and Committee members; • Remuneration amounts for Directors from within the overall Directors fee cap approved by security holders; • Remuneration policy for the CEO and employees; • Incentive plans for the CEO and employees, including exercising discretion where appropriate in determining Short term incentive compensation (STIC) and Long term incentive compensation (LTI) outcomes; and • Any other related matters regarding executives or the Board[1].
Who is included in the Remuneration Report?	GPT's KMP are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, the CEO and other key Executives). Since the prior year, the number of KMP has reduced.

Committee key decisions and outcomes in 2014

Platform component	Key decisions and outcomes
Base pay (fixed)	• Implemented a review of employee base pay, effective 1 January 2014, averaging 2.24%. • Absorbed the increase in compulsory superannuation guarantee contributions from 9.25 to 9.50% effective 1 July 2014 within employee base pay (fixed) packages. • Reviewed Non-Executive Director fees, introducing a Project Control Group (PCG) Chair fee.
Short term incentive compensation	• Adopted Total Return as the primary measure of Group financial performance with a target of 9%. • Delivered a 9.6% Total Return which created a STIC pool of $13.49 million. • Introduced a mandatory deferral of 50% of STIC for senior executives into future vesting equity in two equal tranches, tranche one to vest one year after the end of the performance period, and the second tranche to vest two years after the end of the performance period. • Aligned senior executive remuneration with investor interests by granting performance rights for the deferred equity component of STIC at the commencement of the performance period, therefore ensuring that employee value received in STIC moves with the GPT security price. • Following a review of the STIC platform by the Committee, removed approximately 80% of employees from STIC participation by way of an adjustment to base pay (fixed) of 60% of their target STIC potential (a total increment to base pay of $4.2 million). • Reduced the quantum of STIC funding available at all benchmarks to drive performance outcomes.
Long term incentive compensation	• Concluded the 2012-2014 LTI with a vesting outcome of 56.67% of performance rights as a result of exceeding the Group stretch target in FFO per security growth, exceeding the threshold performance required in the Total Return performance measure, and not achieving a threshold result in the Relative Total Shareholder Return (Relative TSR)[2] measure. • Launched the 2014-2016 LTI with two performance measures, Total Return and Relative TSR. • Reduced the quantum of performance rights in the 2014-2016 LTI that would vest at threshold performance in the Total Return performance measure from 50% to 25%.
Other employee ownership plans	• Continued the General Employee Security Ownership Plan (GESOP) for STIC eligible employees not in the LTI. • Introduced a Broad Based Employee Security Ownership Plan (BBESOP) for those ineligible for GESOP as a result of being ineligible for STIC. Under BBESOP, eligible employees received $1,000 worth of GPT securities that cannot be transferred or sold until the earlier of 3 years from the allocation date or cessation of employment.
Policy & governance	• Introduced a clawback policy to ensure that executive rewards can be adjusted in the event there are material misstatements or omissions in financial results that lead to unfair benefits. • Introduced a minimum security holding requirement (MSHR) which must be achieved by April 2017 for the CEO

[1] 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).
[2] TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested.

	(150% of Base), leadership team (100% of Base) and Board (100% of Base fees) to increase alignment with investors; • Obtained external advice on market compensation benchmarks and practice, prevailing regulatory and governance standards, and drafting of incentive plan documentation from Ernst & Young and Conari Partners.
Diversity	• Increased the percentage of females in senior leadership roles from 27% to 34% towards the 2015 target of 40% • Increased the participation of Indigenous employees from 1.2% to 1.8% towards the 2015 target of 2.5%.

GPT's purpose & goals and the link to remuneration structures

GPT's purpose & goals (measured over 1,3 and 5 years)			
Property to Prosperity - We maximise the financial potential of Australian property with solutions that fulfil the aspirations of our investors, tenants and communities	**Total Return > 9%**	**Generate leading Relative Total Securityholder Return**	**Average FFO Growth > CPI plus 1%**

Total remuneration components			
Base pay (fixed) • Base level of reward • Set around Australian market median using external benchmark data (including AON Hewitt and FIRG) • Varies based on employee's responsibilities, experience, skills and performance • External & internal relativities considered.	**STIC (variable)** • Discretionary, at risk, and with aggregate STIC funding aligned to overall Group financial outcomes. • Set around market median for target performance with potential to approach top quartile for stretch outcomes. • Determined by GPT and individual performance against a mix of balanced scorecard measures which include financial & non-financial measures. • Financial measures include Total Return and FFO per security, portfolio and/or property level metrics. • Non-financial objectives focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation, as applicable. • Delivered in cash, or (for senior executives), a combination of cash and deferred vesting equity for 1 and 2 years.	**LTI (variable)** • Discretionary, at risk, and aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for Stretch outcomes. • Determined by GPT performance against Total Return and Relative TSR financial performance. • Relative TSR is measured against relevant comparators from the AREIT sector. • Assessed over a 3 year performance period, no re-testing. • No value derived unless GPT meets or exceeds defined performance measures. • Delivered in GPT securities to align executive and security holder interests.	**Other employee ownership plans (variable)** **GESOP** • For STIC eligible individuals who are ineligible for LTI. • Equal to 10% of STIC delivered in GPT securities, which must be held for at least 1 year. **BBESOP** • For individuals ineligible for STIC or LTI. • GPT must achieve at least Target outcome on the annual Total Return of 9%. • A grant of $1,000 worth of GPT securities which must be held until the earlier of 3 years or end of employment.

Attract, retain, motivate and reward high calibre executives to deliver superior performance by: • Providing competitive rewards • Opportunity to achieve incentives beyond base pay based on high performance	**Align executive rewards to GPT's performance and security holder interests by:** • 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

Employment Terms

1. Employment terms – Chief Executive Officer and Managing Director

Term	Conditions
Contract duration	A rolling 12-month contract.
Termination entitlements	Termination entitlements vary depending on the circumstances, however any severance payment is capped at 12 months of base pay (fixed).

Remuneration package	In 2014, Michael Cameron's remuneration mix and potential incentives remained unchanged from the 2013 level as: • Fixed pay: $1,500,000. • STIC: $0 to $1,875,000 (ie 0% to 125% of base pay) based on performance and paid in a mix of cash and deferred GPT securities vesting in two equal tranches 1 year and 2 years after the conclusion of the performance year. • LTI: $0 to $2,250,000 (ie 0% to 150% of base pay) based on performance and continued service and delivered in restricted GPT securities.
Benchmark group for setting/reviewing remuneration	The Committee benchmarks the remuneration of the CEO annually against: • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
External Directorships	Under GPT policy Michael Cameron is eligible to take up one external Directorship. In 2012 he joined the Suncorp Group Board. All Board fees received by Michael Cameron associated with this appointment are paid to GPT.

2. Employment terms – Executive KMP

Term	Conditions
Contract duration	Open ended.
Termination by Executive	3 months' notice. GPT may elect to make a payment in lieu of notice.
Remuneration Package	See table below
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 and capped at the three year average of the executive's annual base (fixed) pay. Treatment of unvested STIC and LTI will be at Committee discretion under the terms of the relevant plans and GPT policy.
Termination payments	The maximum severance payment component is capped to the three year average of the executive's annual base (fixed) pay. In addition the executive may be entitled to pro-rata STIC and LTI at the end of the relevant period(s) subject to the achievement of any key performance indicators that had been set. The executive would also receive any accrued but untaken statutory entitlements.
Post-employment restraints	Non-solicitation of GPT employees for 12 months post-employment.

Remuneration Package:

	Mark Fookes	Nicholas Harris	Carmel Hourigan
Fixed pay	$775,000	$725,000	$750,000
STIC	$0 to $775,000	$0 to $725,000	$0 to $750,000
LTI	$0 to $775,000	$0 to $725,000	$0 to $750,000

3. Compensation mix

	Fixed remuneration	Variable or "at risk" remuneration	
Senior Executives	**Base pay**	**STI**	**LTI**
Michael Cameron Chief Executive Officer and Managing Director	36%	36%	28%
Mark Fookes Chief Financial Officer	43%	35%	22%
Nicholas Harris Head of Funds Management	43%	35%	22%
Carmel Hourigan Chief Investment Officer	43%	35%	22%

The percentage of each component of total remuneration is calculated with reference to "target" performance outcomes in both STI and LTI rather than maximum "stretch" level outcomes – for more information on performance measurement levels see the following sections on STIC and LTI.

Group financial performance & incentive outcomes

1. Five year Group financial performance

		2014	2013	2012	2011	2010
FFO / ROI until 2013[3]	$M	**452.1**	471.8	456.4	438.8	410.0
Total Shareholder Return (TSR)	%	**34.5**	4.1	26.9	10.5	2.9
FFO / ROI per security	cents	**26.8**	25.7	24.2	22.4	20.7
FFO / ROI per security growth	%	**4.1**	6.1	8.0	8.1	(13.0)
Distributions per security (DPS)	cents	**21.2**	20.4	19.3	17.8	16.3
Total Return	%	**9.6**	8.5	9.5	4.9	9.1
NTA (per security)	$	**3.94**	3.79	3.73	3.59	3.60
Security price at end of calendar year	$	**4.35**	3.40	3.68	3.07	2.94
Weighted average number of ordinary securities		**1,686.3**	1,738.0	1,780.6	1,845.2	1,855.5

[3] FFO is lower than ROI due to $25 million distribution to exchangeable securities that was previously not measured in ROI.

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2. Group performance driving the 2014 STIC result

Performance range	Total Return	STIC pool funding at each performance benchmark	2014 Total Return outcome	2014 STIC pool
Threshold	8.0%	$1.14 million		
	8.5%	$5.44 million		
Target	9.0%	$9.90 million	**9.6%**	**$13.49 million**
	9.5%	$12.90 million		
Stretch	10.0%	$15.85 million		

3. 2014 STIC outcomes by Executive KMP[4]

Senior Executive	Position	Actual STIC awarded ($)	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component ($)	Equity component (# of GPT securities)[5]
Michael Cameron	Chief Executive Officer & Managing Director	$1,200,000	64%	36%	$600,000	168,067
Mark Fookes	Chief Financial Officer	$590,000	76%	24%	$295,000	82,633
Nicholas Harris	Head of Funds Management	$560,000	77%	23%	$280,000	78,431
Carmel Hourigan	Chief Investment Officer	$560,000	75%	25%	$280,000	78,431

4. Group Performance driving the 2012-2014 LTI Result

LTI	LTI performance measurement period	Performance measure	Performance measure hurdle	Weighting	Results	Percentage of performance rights vesting for each performance measure (%)
2012	2012-2014	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3rd	61.5%, 6th against comparator group	0%
		Funds from Operations (FFO) per security growth versus the CPI.	50% of rights vest if FFO growth = CPI plus 1%, up to 100% if FFO growth = CPI plus 1.5% percentile (pro rata vesting in between).	1/3rd	14.6%	100%
		Total Return	50% of rights vest at 9% Total Return, up to 100% at 9.5% Total Return (pro-rata vesting in between).	1/3rd	9.2%[6]	70%
2013	2013-2015	Relative TSR versus comparator group.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	50%	N/A	N/A
		Total Return	50% of rights vest at 9% Total Return, up to 100% at 9.5% Total Return (pro-rata vesting in between).	50%		
2014	2014-2016	Relative TSR versus comparator group.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between)	50%	N/A	N/A
		Total Return	25% of rights vest at 9% Total Return, up to 100% at 9.75% Total Return (pro-rata vesting in between).	50%		

5. 2012-2014 LTI outcomes by Executive KMP

Senior Executive	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Michael Cameron	Chief Executive Officer and Managing Director	693,537	393,004	300,533
Mark Fookes	Chief Financial Officer	247,122	140,036	107,086
Nicholas Harris	Head of Funds Management	231,179	131,002	100,177
Carmel Hourigan	Chief Investment Officer	160,073	90,709	69,364

[4] Excluding the impact of movements in the GPT security price on deferred STIC value received.
[5] The deferred GPT securities that have been allocated will vest subject to service in two equal tranches on 31 December 2015 and 31 December 2016.
[6] This is the three year compound Total Return result.

6. LTI outcomes – fair value and maximum value recognised in future years

Senior Executive	LTI scheme	Grant date	Fair value per performance right	Performance rights granted as at 31 Dec 14	Vesting date	Maximum value to be recognised in future years
Michael Cameron						
Chief Executive Officer and Managing Director	**2014**	**26 May 14**	**$2.09**	**630,252**	**31 Dec 16**	**$1,016,782**
	2013	3 May 13	$2.14	635,324	31 Dec 15	$510,547
Mark Fookes	**2014**	**26 May 14**	**$2.09**	**217,087**	**31 Dec 16**	**$350,225**
Chief Financial Officer	2013	3 May 13	$2.14	218,834	31 Dec 15	$175,855
Nicholas Harris	**2014**	**26 May 14**	**$2.09**	**203,081**	**31 Dec 16**	**$327,629**
Head of Funds Management	2013	3 May 13	$2.14	204,716	31 Dec 15	$164,510
Carmel Hourigan	**2014**	**26 May 14**	**$2.09**	**210,084**	**31 Dec 16**	**$338,927**
Chief Investment Officer	2013	3 May 13	$2.14	197,656	31 Dec 15	$158,837

Reported remuneration – Executive KMP - cash[7]

Senior Executive		Fixed pay		Variable or "at risk"[8]			
		Base pay	Superannuation guarantee	Other[9]	STIC	LTI	Total
Michael Cameron Chief Executive Officer and Managing Director	**2014**	$1,481,721	$18,279	$9,514	$1,290,402	$1,614,421	**$4,414,337**
Mark Fookes Chief Financial Officer	**2014**	$756,720	$18,279	$7,583	$634,448	$575,254	**$1,992,284**
Nicholas Harris Head of Funds Management	**2014**	$706,720	$18,279	$153,901	$602,187	$538,143	**$2,019,230**
Carmel Hourigan Chief Investment Officer	**2014**	$733,357	$18,279	$6,206	$602,187	$372,624	**$1,732,653**

Reported remuneration – Executive KMP – IFRS Accounting[10]

Senior Executive		Fixed pay		Variable or "at risk"				
		Base pay	Superannuation guarantee	Other[11]	STIC (cash plus accrual)[12]	LTI award accrual[13]	Grant or vesting of non STI or LTI performance rights[14]	Total
Michael Cameron								
Chief Executive Officer and	**2014**	**$1,580,276**	**$18,279**	**$9,514**	**$855,274**	**$1,308,764**	**-**	**$3,772,107**
Managing Director	2013	$1,598,666	$17,122	$9,979	$1,000,000	$1,706,791	-	$4,332,558
Mark Fookes	**2014**	**$771,813**	**$18,279**	**$7,583**	**$420,510**	**$456,709**	**-**	**$1,674,894**
Chief Financial Officer	2013	$770,007	$17,122	$20,312	$430,000	$620,599	-	$1,858,040
Nicholas Harris	**2014**	**$704,657**	**$18,279**	**$153,901**	**$399,127**	**$427,244**	**-**	**$1,703,208**
Head of Funds Management	2013	$743,850	$17,122	$3,658	$250,000	$547,244	-	$1,561,874
Carmel Hourigan	**2014**	**$746,088**	**$18,279**	**$6,206**	**$399,127**	**$398,671**	**$53,687**	**$1,622,058**
Chief Investment Officer	2013	$715,140	$17,122	$1,719	$480,000	$306,247	$249,968	$1,770,196
Total	**2014**	**$3,802,834**	**$73,116**	**$177,204**	**$2,074,038**	**$2,591,388**	**$53,687**	**$8,772,267**
	2013	$3,827,663	$68,488	$35,668	$2,160,000	$3,180,881	$249,968	$9,522,668

[7] This table discloses the cash and other benefits received by GPT's executive KMP, as distinct from the accounting expense. As a result, it does not align to Australian accounting standards.
[8] For the purpose of recording a value for the STIC & LTI, the equity component of each has been calculated by multiplying the value of the performance rights awarded by GPT's fourth quarter 2014 volume weighted average security price (VWAP) of $4.1079.
[9] Other may include post balance date 2013 STIC adjustments (Nicholas Harris), death & total/permanent disability insurance premiums, service awards, superannuation plan administration fees, executive health assessments and other benefits.
[10] This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
[11] Other may include post balance date 2013 STIC adjustments (Nicholas Harris), death & total/permanent disability insurance premiums, service awards, superannuation plan administration fees, executive health assessments and other benefits.
[12] This column includes the cash value of the STIC award and an accounting valuation of the deferred equity component.
[13] This column records the amount of the fair value of performance rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives.
[14] Grant or vesting of one off non STI or LTI performance rights includes a sign on package for Carmel Hourigan of granted performance rights, initially valued at $500,000, of which half vested 1 September 2013 and half vested 1 September 2014, into GPT securities for nil consideration.

DIRECTORS' REPORT
For the year ended 31 December 2014

Security ownership and performance rights entitlements of GPT's Executive KMP

Senior Executive	Previously vested GPT security holding (# of securities)	GPT securities allocated or vesting in 2014[15] (# of securities)	Current GPT security ownership at 31/12/14 – Private holdings: Balance (31/12/13)	Purchase/ (Sale)	Balance (31/12/14)	MSHR[16] (Y/N)	Performance rights that lapsed in 2014[17] (# of rights)	Performance rights still on foot at 31/12/14[18] (# of rights)
Michael Cameron Chief Executive Officer and Managing Director	1,146,656	681,644	-	-	-	Yes	395,071	1,265,576
Mark Fookes Chief Financial Officer	291,078	222,669	80,000	(80,000)	-	Yes	132,996	435,921
Nicholas Harris Head of Funds Management	235,341	209,433	1,035,000	25,771	1,060,771	Yes	123,287	407,797
Carmel Hourigan Chief Investment Officer	77,808	246,949	-	-	-	No	95,975	407,740

Remuneration – Non-Executive Directors

What are the key elements of the Non-Executive Director Remuneration Policy?

- The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Committee.
- 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 contribution rate.
- Non-Executive Directors do not participate in any short or long term incentive arrangements and 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 ASX (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.
- Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of $1,650,000 per annum which was approved by GPT security holders at the Annual General Meeting on 11 May 2011. As an executive director, Michael Cameron does not receive fees from this pool as he is remunerated as one of GPT's senior executives.
- In 2014 the Committee introduced a Project Control Group Chair fee.

Board and Committee fees[19,20]

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee	Project Control Group[21]
Chairman	**2014**	**$346,500**	**$34,650**	**$11,000**	**$23,100**	**$20,000**
	2013	$346,500	$34,650	$11,000	$23,100	-
Members	**2014**	**$138,600**	**$17,325**	**$8,000**	**$11,550**	**N/A**
	2013	$138,600	$17,325	$8,000	$11,550	N/A

[15] This number may include 2012-2014 LTI that has vested, and 2014 STIC deferred equity that was allocated, and is subject to further service conditions prior to vesting. In the case of Carmel Hourigan specifically, the number also includes the second tranche of her sign on performance rights, 77,809 of which vested on 1 September 2014.
[16] This shows whether the MSHR has been met at a GPT security price of $4.1079.
[17] The number of performance rights that were awarded to a participant in the 2012 LTI that did not vest at the end of the 2012-2014 performance period, and as a result, lapsed. It also includes performance rights granted under the 2014 STIC that also lapsed.
[18] The total of unvested GPT securities and Performance Rights granted over the years that are currently on foot and excludes any GPT securities or performance rights that may have lapsed up to 31 December 2014. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, these performance rights are "at risk" and may never vest.
[19] 'Chairman' used in this sense may refer to the chairperson of the board or a particular committee.
[20] In addition to the fees noted in the table, all non-executive directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.
[21] In 2014 this was applicable to Eric Goodwin and Brendan Crotty.

Reported Remuneration - Non-Executive Directors – IFRS Accounting[22]

Director		Fixed pay			Total
		Salary & fees	Superannuation	Other[23]	
Rob Ferguson	**2014**	**$346,500**	**$18,279**	**-**	**$364,779**
Chairman	2013	$346,500	$17,122	-	$363,622
Brendan Crotty	**2014**	**$183,925**	**$16,171**	**-**	**$200,096**
	2013	$163,925	$14,958	-	$178,883
Eileen Doyle	**2014**	**$161,150**	**$15,108**	**-**	**$176,258**
	2013	$161,150	$14,704	-	$175,854
Eric Goodwin	**2014**	**$183,925**	**$16,171**	**-**	**$200,096**
	2013	$163,925	$14,958	-	$178,883
Anne McDonald	**2014**	**$173,250**	**$16,242**	**$1,329**	**$190,821**
	2013	$173,250	$15,809	$1,340	$190,399
Gene Tilbrook	**2014**	**$161,700**	**$15,159**	**$736**	**$177,595**
	2013	$161,699	$14,755	$989	$177,443
Total	**2014**	**$1,210,450**	**$97,130**	**$2,065**	**$1,309,645**
	2013	$1,170,449	$92,306	$2,329	$1,265,084

No termination benefits were paid during the financial year.

Non-Executive Director - GPT security holdings

Director	Private holdings (# of securities)			MSHR (Y/N)[24]
	Balance 31/12/13	Purchase / (Sale)	Balance 31/12/14	
Rob Ferguson	204,082	-	204,082	Yes
Brendan Crotty	30,000	30,000	60,000	Yes
Eileen Doyle	20,650	10,800	31,450	No
Eric Goodwin	15,584	15,671	31,255	No
Anne McDonald	9,450	11,550	21,000	No
Gene Tilbrook	45,000	-	45,000	Yes

The directors' report, including the remuneration report, is signed in accordance with a resolution of the directors of the GPT Group.

Rob Ferguson
Chairman

Michael Cameron
Chief Executive Officer and Managing Director

Sydney
19 February 2015

[22] This table provides a breakdown of remuneration for non-executive directors in accordance with statutory requirements and Australian accounting standards
[23] The amount set out under 'Other' may include administration fees associated with membership of the GPT Superannuation Plan and Death & Total/Permanent Disability Insurance Premiums.
[24] This shows whether the MSHR has been met at a GPT security price of $4.1079.

Auditor's Independence Declaration

As lead auditor for the audit of General Property Trust for the year ended 31 December 2014, 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.

Partner
PricewaterhouseCoopers

Sydney
19 February 2015

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	31 Dec 14 $M	31 Dec 13 $M
Revenue			
Rent from investment properties		**573.5**	566.2
Property and fund management fees		**52.5**	47.0
Development revenue		**17.1**	-
Development management fees		**5.1**	6.8
		648.2	620.0
Other income			
Fair value gain to investment properties		**208.9**	73.8
Fair value gain of unlisted equity investments		**1.2**	0.6
Share of after tax profit of equity accounted investments		**202.4**	168.3
Interest revenue		**5.8**	9.9
Net impact of foreign currency borrowings and associated hedging (loss) / gain		**(3.6)**	7.0
Net foreign exchange gain / (loss)		**0.2**	(0.4)
Net profit / (loss) on disposal of assets		**3.7**	(4.0)
		418.6	255.2
Total revenue and other income		**1,066.8**	875.2
Expenses			
Property expenses and outgoings		**158.5**	155.1
Management and other administration costs		**64.0**	52.5
Development costs		**13.3**	-
Depreciation expense		**1.9**	2.6
Amortisation expense		**6.7**	6.5
Finance costs		**109.3**	105.4
Net loss / (gain) on fair value movements of derivatives		**84.8**	(14.5)
Total expenses		**438.5**	307.6
Profit before income tax expense		**628.3**	567.6
Income tax (credit) / expense	9(a)	**(4.3)**	7.7
Profit after income tax expense		**632.6**	559.9
Profit from discontinued operations		**12.7**	11.6
Net profit for the year		**645.3**	571.5
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net foreign exchange translation adjustments	10(b)	**(7.9)**	2.5
Changes in the fair value of cash flow hedges	10(b)	**(5.6)**	(5.9)
Total other comprehensive income		**(13.5)**	(3.4)
Total comprehensive income for the year		**631.8**	568.1
Net profit attributable to:			
- Securityholders of the Trust		**656.2**	590.7
- Securityholders of other entities stapled to the Trust		**(10.9)**	(19.2)
Total comprehensive income attributable to:			
- Securityholders of the Trust		**640.9**	587.0
- Securityholders of other entities stapled to the Trust		**(9.1)**	(18.9)
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	11(a)	36.4	31.6
Basic and diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	11(b)	36.0	30.8

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

THE GPT GROUP

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Note	31 Dec 14 $M	31 Dec 13 $M
ASSETS			
Current Assets			
Cash and cash equivalents	13	**72.4**	278.7
Loans and receivables	4	**104.4**	99.0
Derivative assets	15(a)	**3.5**	-
Prepayments		**6.2**	4.6
		186.5	382.3
Non-current assets held for sale		**4.3**	11.1
Total Current Assets		**190.8**	393.4
Non-Current Assets			
Investment properties	2	**7,093.5**	6,678.2
Equity accounted investments	3	**2,334.8**	1,976.6
Loans and receivables	4	**156.3**	157.2
Intangible assets	5	**43.7**	50.7
Inventories	6	**43.6**	-
Property, plant & equipment		**14.4**	12.5
Derivative assets	15(a)	**237.8**	132.7
Deferred tax assets	9	**32.4**	25.0
Other assets		**11.8**	5.9
Total Non-Current Assets		**9,968.3**	9,038.8
Total Assets		**10,159.1**	9,432.2
LIABILITIES			
Current Liabilities			
Payables	7	**338.8**	318.2
Borrowings	14	**7.0**	205.0
Derivative liabilities	15(a)	**4.4**	-
Provisions	8	**23.8**	24.3
Total Current Liabilities		**374.0**	547.5
Non-Current Liabilities			
Borrowings	14	**2,711.5**	2,105.4
Derivative liabilities	15(a)	**139.9**	62.7
Provisions	8	**2.0**	1.8
Total Non-Current Liabilities		**2,853.4**	2,169.9
Total Liabilities		**3,227.4**	2,717.4
Net Assets		**6,931.7**	6,714.8
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	10(a)	**7,585.1**	7,620.2
Reserves	10(b)	**(34.2)**	(18.9)
Retained earnings / Accumulated losses	10(c)	**29.7**	(244.2)
Total equity of GPT Trust securityholders		**7,580.6**	7,357.1
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	10(a)	**319.3**	319.5
Reserves	10(b)	**57.5**	53.0
Accumulated losses	10(c)	**(1,025.7)**	(1,014.8)
Total equity of other stapled securityholders		**(648.9)**	(642.3)
Total Equity		**6,931.7**	6,714.8

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

		Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				
	Note	Contributed equity $M	Reserves $M	Retained earnings / accumulated losses $M	Total $M	Contributed equity $M	Reserves $M	Accumulated losses $M	Total $M	Total equity $M
Balance at 1 January 2013		7,883.5	(15.2)	(368.1)	7,500.2	321.8	49.8	(995.6)	(624.0)	6,876.2
Foreign currency translation reserve	10 (b)	-	2.2	-	2.2	-	0.3	-	0.3	2.5
Cash flow hedge reserve	10 (b)	-	(5.9)	-	(5.9)	-	-	-	-	(5.9)
Other comprehensive income / (loss) for the year		-	(3.7)	-	(3.7)	-	0.3	-	0.3	(3.4)
Profit / (loss) for the year		-	-	590.7	590.7	-	-	(19.2)	(19.2)	571.5
Total comprehensive income / (loss) for the year		-	(3.7)	590.7	587.0	-	0.3	(19.2)	(18.9)	568.1
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	10 (a)	(267.4)	-	-	(267.4)	(2.3)	-	-	(2.3)	(269.7)
New issues of securities	10 (a)	4.1	-	-	4.1	-	-	-	-	4.1
Movement in employee incentive security scheme reserve net of tax	10 (b)	-	-	-	-	-	2.9	-	2.9	2.9
Distribution paid and payable	12	-	-	(466.8)	(466.8)	-	-	-	-	(466.8)
Balance at 31 December 2013		7,620.2	(18.9)	(244.2)	7,357.1	319.5	53.0	(1,014.8)	(642.3)	6,714.8
Balance at 1 January 2014		**7,620.2**	**(18.9)**	**(244.2)**	**7,357.1**	**319.5**	**53.0**	**(1,014.8)**	**(642.3)**	**6,714.8**
Foreign currency translation reserve	10 (b)	**-**	**(9.7)**	**-**	**(9.7)**	**-**	**1.8**	**-**	**1.8**	**(7.9)**
Cash flow hedge reserve	10 (b)	**-**	**(5.6)**	**-**	**(5.6)**	**-**	**-**	**-**	**-**	**(5.6)**
Other comprehensive income / (loss) for the year		**-**	**(15.3)**	**-**	**(15.3)**	**-**	**1.8**	**-**	**1.8**	**(13.5)**
Profit / (loss) for the year		**-**	**-**	**656.2**	**656.2**	**-**	**-**	**(10.9)**	**(10.9)**	**645.3**
Total comprehensive income / (loss) for the year		**-**	**(15.3)**	**656.2**	**640.9**	**-**	**1.8**	**(10.9)**	**(9.1)**	**631.8**
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	10 (a)	**(40.8)**	**-**	**-**	**(40.8)**	**(0.2)**	**-**	**-**	**(0.2)**	**(41.0)**
New issue of securities	10 (a)	**5.7**	**-**	**-**	**5.7**	**-**	**-**	**-**	**-**	**5.7**
Movement in employee incentive security scheme reserve net of tax	10 (b)	**-**	**-**	**-**	**-**	**-**	**2.7**	**-**	**2.7**	**2.7**
Distribution paid and payable	12	**-**	**-**	**(382.3)**	**(382.3)**	**-**	**-**	**-**	**-**	**(382.3)**
Balance at 31 December 2014		**7,585.1**	**(34.2)**	**29.7**	**7,580.6**	**319.3**	**57.5**	**(1,025.7)**	**(648.9)**	**6,931.7**

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

THE GPT GROUP

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2014

	Note	31 Dec 14 $M	31 Dec 13 $M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**633.9**	665.7
Cash payments in the course of operations (inclusive of GST)		**(219.6)**	(263.6)
Cash receipts from development activities		**0.4**	-
Payments for development activities		**(5.4)**	-
Payment for inventory	13(i)	**(43.6)**	-
Distributions received from equity accounted investments		**137.6**	116.9
Interest received		**17.6**	17.1
Income taxes paid		**(0.8)**	-
		520.1	536.1
Finance costs		**(115.4)**	(110.6)
Net cash inflows from operating activities	13	**404.7**	425.5
Cash flows from investing activities			
Payments for investment properties		**(523.3)**	(329.5)
Proceeds from disposal of investment properties		**165.3**	454.6
Payments for properties under development		**(190.7)**	(46.7)
Payments for property, plant and equipment		**(0.2)**	(5.5)
Payments for intangibles		**(2.3)**	(6.5)
Investment in unlisted equities		**(0.3)**	-
Investment in equity accounted investments		**(289.7)**	(54.4)
Proceeds from disposal of subsidiaries		**355.5**	-
Proceeds from disposal of equity accounted investments		**-**	130.9
Proceeds from disposal of assets in US Seniors Housing Portfolio (net of tax)		**-**	1.6
Loan to joint ventures and associates		**-**	(3.3)
Loan repayments from joint ventures and associates		**6.4**	1.4
Net cash (outflows)/inflows from investing activities		**(479.3)**	142.6
Cash flows from financing activities			
Proceeds from bank borrowings		**419.6**	625.6
Proceeds from MTN and USPP borrowings		**336.7**	419.6
Repayment of bank borrowings		**(390.0)**	(677.0)
Repayment of MTN borrowings		**(80.0)**	(211.0)
Purchase of securities for the employee incentive scheme		**(0.4)**	(0.3)
Payments on termination and restructure of derivatives		**-**	(44.3)
Payments for the on-market buy-back of securities		**(41.0)**	(269.7)
Distributions paid to securityholders		**(376.6)**	(292.2)
Net cash outflows from financing activities		**(131.7)**	(449.3)
Net (decrease)/increase in cash and cash equivalents		**(206.3)**	118.8
Cash and cash equivalents at the beginning of the year		**278.7**	159.9
Cash and cash equivalents at the end of the year	13	**72.4**	278.7

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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

The notes to these financial statements have been organised into logical groupings in order to help users find and understand the information they need to know. Where possible, related information has been provided in the same place, and more detailed information was moved to the rear of the document and cross-referenced where necessary. GPT has also reviewed the notes for materiality and relevance, providing additional information where it is helpful to understand GPT's performance, and by removing immaterial information.

The notes are organised into the following sections:

Note 1 - Results for the year: focuses on results and performance of GPT.
Note 2 to 9 - Operating assets and liabilities: provides information on the assets and liabilities used to generate GPT's trading performance.
Note 10 to 15 - Capital structure: outlines how GPT manages its capital structure and various financial risks.
Note 16 to 24 – Other disclosure items: provides information on items that the Directors do not consider significant in understanding the financial statements of GPT however must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements and estimates

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

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

Area of estimates	Assumptions underlying	Note
Management rights with indefinite life	Impairment trigger and recoverable amounts	5
IT development and software	Impairment trigger and recoverable amounts	5
Inventories	Lower of costs and net realisable value	6
Deferred tax assets	Recoverability	9
Security based payments	Fair value	18
Derivatives	Fair value	22
Investment properties	Fair value	22

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

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

Segment	Types of products and services which generate the segment result
Retail	Ownership and management of predominantly regional and sub-regional shopping centres, including property management and development activities.
Office	Ownership and management of prime CBD office properties with some associated retail space, including property management and development activities.
Logistics	Ownership and management of established logistics and business park assets, including property management and development activities.
Funds Management	Management of three Australian property funds (2013: two Australian property funds) covering the retail, office and metropolitan office and business parks sectors, as well as equity investments by GPT in GPT Wholesale Shopping Centre Fund, GPT Wholesale Office Fund and GPT Metro Office Fund.
Corporate	Cash, borrowings and intangible assets plus resulting net interest costs and corporate operating costs.

(a) Segment financial information

31 December 2014
The segment financial information provided to the chief operating decision maker for the year ended 31 December 2014 is set out below.

Financial performance by segment

	Note	Core operations							
		Retail	Office	Logistics	Funds Mgmt	Corporate	Total Core	Total Non-core [1]	Total
	Note	$M	$M	$M	$M	$M	$M	$M	$M
Investment Management									
Rent from investment properties	(b)(ii)	355.5	188.2	101.9	-	-	645.6	(62.2)	583.4
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(b)(iii)	-	-	-	87.1	-	87.1	49.4	136.5
Other Income		2.2	1.7	1.1	-	1.0	6.0	(6.0)	-
Property expenses and outgoings		(106.8)	(46.4)	(16.0)	-	-	(169.2)	12.8	(156.4)
Property Net Income		250.9	143.5	87.0	87.1	1.0	569.5	(6.0)	563.5
Management & administrative expenses	(b)(iv)	(7.9)	(2.4)	(1.4)	-	(1.9)	(13.6)	6.0	(7.6)
Net Contribution - Investment Management		243.0	141.1	85.6	87.1	(0.9)	555.9	-	555.9
Asset Management									
Property management fees		16.8	1.5	2.0	13.2	3.2	36.7	(19.4)	17.3
Management & administrative expenses	(b)(iv)	(8.1)	(1.5)	(2.4)	(15.4)	(3.7)	(31.1)	19.4	(11.7)
Net Contribution - Asset Management		8.7	-	(0.4)	(2.2)	(0.5)	5.6	-	5.6
Development - Retail and Major Projects									
Development fees		4.7	2.3	-	3.8	-	10.8	(6.3)	4.5
Management & administrative expenses	(b)(iv)	(4.1)	(1.2)	-	(3.6)	-	(8.9)	6.3	(2.6)
Net Contribution - Development Retail and Major Projects		0.6	1.1	-	0.2	-	1.9	-	1.9
Development - Logistics									
Development fees		-	-	5.9	-	-	5.9	(5.3)	0.6
Development revenue		-	-	17.1	-	-	17.1	-	17.1
Development costs		-	-	(13.3)	-	-	(13.3)	-	(13.3)
Share of after tax profits of investments in joint ventures	(b)(iii)	-	-	3.0	-	-	3.0	-	3.0
Management & administrative expenses	(b)(iv)	-	-	(6.2)	-	-	(6.2)	5.3	(0.9)
Net Contribution - Development Logistics		-	-	6.5	-	-	6.5	-	6.5
Funds Management									
Rent from investment properties	(b)(ii)	-	-	12.4	-	-	12.4	-	12.4
Property expenses and outgoings		-	-	(2.1)	-	-	(2.1)	-	(2.1)
Property Net Income		-	-	10.3	-	-	10.3	-	10.3
Funds management fees		-	-	-	35.2	-	35.2	-	35.2
Management & administrative expenses	(b)(iv)	-	-	-	(13.0)	-	(13.0)	-	(13.0)
Net Contribution - Funds Management		-	-	10.3	22.2	-	32.5	-	32.5
Corporate									
Management & administrative expenses	(b)(iv)	-	-	-	-	(30.1)	(30.1)	(0.1)	(30.2)
Interest income		-	-	-	-	31.0	31.0	(12.1)	18.9
Finance costs		-	-	-	-	(134.5)	(134.5)	25.2	(109.3)
Segment Result Before Tax		252.3	142.2	102.0	107.3	(135.0)	468.8	13.0	481.8
Income tax expense	(b)(v)	-	-	-	-	(2.8)	(2.8)	(1.9)	(4.7)
Distributions on exchangeable securities		-	-	-	-	(25.0)	(25.0)	-	(25.0)
Funds from Operations (FFO)	(b)(i)	252.3	142.2	102.0	107.3	(162.8)	441.0	11.1	452.1

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

	Retail	Office	Logistics	Funds Mgmt	Corporate	Total Core	Total Non-core [1]	Total
Current Assets								
Current assets	-	-	-	-	186.5	186.5	4.3	190.8
Total Current Assets	-	-	-	-	186.5	186.5	4.3	190.8
Non-Current Assets								
Investment properties	4,128.6	1,688.6	1,276.3	-	-	7,093.5	-	7,093.5
Equity accounted investments	22.2	769.0	-	1,543.6	-	2,334.8	-	2,334.8
Inventories	-	-	43.6	-	-	43.6	-	43.6
Other non-current assets	10.7	0.8	-	-	334.5	346.0	150.4	496.4
Total Non-Current Assets	4,161.5	2,458.4	1,319.9	1,543.6	334.5	9,817.9	150.4	9,968.3
Total Assets	4,161.5	2,458.4	1,319.9	1,543.6	521.0	10,004.4	154.7	10,159.1
Current and non-current liabilities	-	-	-	-	3,227.4	3,227.4	-	3,227.4
Total Liabilities	-	-	-	-	3,227.4	3,227.4	-	3,227.4
Net Assets	4,161.5	2,458.4	1,319.9	1,543.6	(2,706.4)	6,777.0	154.7	6,931.7

(1) Include non-core operations, consolidation and eliminations.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

31 December 2013
The segment financial information provided to the chief operating decision maker for the year ended 31 December 2013 is set out below.

Financial performance by segment

		Core operations							
		Retail	Office	Logistics	Funds Mgmt	Corporate	**Total Core**	**Total Non-core [1]**	**Total**
	Note	$M	$M	$M	$M	$M	**$M**	**$M**	**$M**
Investment Management									
Rent from investment properties	(b)(ii)	372.9	188.3	91.8	-	-	653.0	(66.2)	586.8
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(b)(iii)	-	-	-	74.9	-	74.9	52.8	127.7
Other Income		2.0	1.3	0.5	-	-	3.8	(3.8)	-
Property expenses and outgoings		(108.6)	(44.2)	(15.6)	-	-	(168.4)	13.4	(155.0)
Property Net Income		266.3	145.4	76.7	74.9	-	563.3	(3.8)	559.5
Management & administrative expenses	(b)(iv)	(5.9)	(2.4)	(1.5)	(1.1)	-	(10.9)	3.8	(7.1)
Net Contribution - Investment Management		260.4	143.0	75.2	73.8	-	552.4	-	552.4
Asset Management									
Property management fees		17.0	1.3	1.8	12.3	-	32.4	(17.0)	15.4
Management & administrative expenses	(b)(iv)	(7.5)	(2.8)	(2.2)	(14.1)	-	(26.6)	17.0	(9.6)
Net Contribution - Asset Management		9.5	(1.5)	(0.4)	(1.8)	-	5.8	-	5.8
Development - Retail and Major Projects									
Development fees		3.3	2.4	-	6.2	-	11.9	(5.1)	6.8
Management & administrative expenses	(b)(iv)	(1.7)	(0.8)	-	(6.6)	-	(9.1)	5.1	(4.0)
Net Contribution - Development Retail and Major Projects		1.6	1.6	-	(0.4)	-	2.8	-	2.8
Development - Logistics									
Development fees		-	-	0.6	-	-	0.6	(0.6)	-
Share of after tax profits of investments in joint ventures	(b)(iii)	-	-	0.7	-	-	0.7	-	0.7
Management & administrative expenses	(b)(iv)	-	-	(3.1)	-	-	(3.1)	0.6	(2.5)
Net Contribution - Development Logistics		-	-	(1.8)	-	-	(1.8)	-	(1.8)
Funds Management									
Rent from investment properties	(b)(ii)	-	-	0.9	-	-	0.9	-	0.9
Property expenses and outgoings		-	-	(0.1)	-	-	(0.1)	-	(0.1)
Property Net Income		-	-	0.8	-	-	0.8	-	0.8
Funds management fees		-	-	-	30.9	-	30.9	-	30.9
Management & administrative expenses	(b)(iv)	-	-	-	(10.0)	-	(10.0)	-	(10.0)
Net Contribution - Funds Management		-	-	0.8	20.9	-	21.7	-	21.7
Corporate									
Management & administrative expenses	(b)(iv)	-	-	-	-	(21.2)	(21.2)	(0.4)	(21.6)
Interest income		-	-	-	-	33.3	33.3	(9.8)	23.5
Finance costs		-	-	-	-	(128.8)	(128.8)	23.4	(105.4)
Segment Result Before Tax		271.5	143.1	73.8	92.5	(116.7)	464.2	13.2	477.4
Income tax expense	(b)(v)	-	-	-	-	(2.7)	(2.7)	(2.0)	(4.7)
Distributions on exchangeable securities		-	-	-	-	(25.0)	(25.0)	-	(25.0)
Funds from Operations (FFO)	(b)(i)	271.5	143.1	73.8	92.5	(144.4)	436.5	11.2	447.7

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

Current Assets								
Current assets	-	-	-	-	382.3	382.3	11.1	393.4
Total Current Assets	-	-	-	-	382.3	382.3	11.1	393.4
Non-Current Assets								
Investment properties	3,943.2	1,452.8	1,282.2	-	-	6,678.2	-	6,678.2
Equity accounted investments	21.0	716.8	-	1,238.7	0.1	1,976.6	-	1,976.6
Other non-current assets	10.7	0.9	3.1	-	222.1	236.8	147.2	384.0
Total Non-Current Assets	3,974.9	2,170.5	1,285.3	1,238.7	222.2	8,891.6	147.2	9,038.8
Total Assets	3,974.9	2,170.5	1,285.3	1,238.7	604.5	9,273.9	158.3	9,432.2
Current and non-current liabilities	-	-	-	-	2,717.4	2,717.4	-	2,717.4
Total Liabilities	-	-	-	-	2,717.4	2,717.4	-	2,717.4
Net Assets	3,974.9	2,170.5	1,285.3	1,238.7	(2,112.9)	6,556.5	158.3	6,714.8

(1) Include non-core operations, consolidation and eliminations.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

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

	31 Dec 14 $M	31 Dec 13 $M
(i) FFO to Net profit for the year		
Segment result		
FFO	**452.1**	447.7
Adjustments		
Fair value gain to investment properties	**208.9**	73.8
Fair value gain and other adjustments to equity accounted investments	**62.9**	39.9
Net (loss) / gain on fair value movement of derivatives	**(84.8)**	14.5
Net impact of foreign currency borrowings and associated hedging gain / (loss)	**(3.6)**	7.0
Net foreign exchange loss	**(0.7)**	(1.2)
Amortisation of lease incentives and rent free assets	**(29.8)**	(27.0)
Straightlining of rental income	**7.5**	5.5
Other items	**7.8**	(13.7)
Exclude distributions on exchangeable securities included in FFO	**25.0**	25.0
Consolidated Statement of Comprehensive Income		
Net profit for the year	**645.3**	571.5
(ii) Rent from investment properties		
Segment result		
Rent from investment properties (Investment Management)	**583.4**	586.8
Rent from investment properties (Funds Management)	**12.4**	0.9
Adjustments		
Amortisation of lease incentives and rent free assets	**(29.8)**	(27.0)
Straightlining of rental income	**7.5**	5.5
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**573.5**	566.2
(iii) Share of after tax profits of equity accounted investments		
Segment result		
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Investment Management)	**136.5**	127.7
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Development - Logistics)	**3.0**	0.7
Adjustment		
Fair value and other adjustments to equity accounted investments	**62.9**	39.9
Consolidated Statement of Comprehensive Income		
Share of after tax profits of equity accounted investments	**202.4**	168.3
(iv) Management and administration expenses		
Segment result		
Investment Management	**7.6**	7.1
Asset Management	**11.7**	9.6
Development - Retail & Major Projects	**2.6**	4.0
Development - Logistics	**0.9**	2.5
Funds Management	**13.0**	10.0
Corporate - core operations	**30.1**	21.2
Add back: management fee income	**-**	0.7
Less: depreciation expense	**(1.9)**	(2.6)
Consolidated Statement of Comprehensive Income		
Management and administration expenses	**64.0**	**52.5**
(v) Income tax expense		
Segment result		
Income tax expense - core operations	**2.8**	2.7
Adjustment		
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year - core operations	**(7.1)**	5.0
Consolidated Statement of Comprehensive Income		
Income tax (credit) / expense	**(4.3)**	7.7

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

(c) Net profit / (loss) on disposal of assets

	Core operations				Total		
	Retail	Office	Logistics [1]	Total Core	Non-core	31 Dec 14	31 Dec 13
	$M	$M	$M	$M	$M	$M	$M
Details of disposals during the year:							
Cash consideration	-	152.5	367.5	520.0	-	**520.0**	591.9
Reversal of transaction costs overaccrued / (transaction costs)	0.3	(1.0)	(0.2)	(0.9)	-	**(0.9)**	(4.4)
Net consideration	0.3	151.5	367.3	519.1	-	**519.1**	587.5
Carrying amount of net assets sold	-	(150.1)	(365.3)	(515.4)	-	**(515.4)**	(590.1)
Foreign exchange gain realised on disposal	-	-	-	-	7.2	**7.2**	-
Profit / (loss) on sale before income tax	0.3	1.4	2.0	3.7	7.2	**10.9**	(2.6)
The carrying amounts of assets and liabilities as at the date of disposal were:							
Investment properties	-	150.1	356.8	506.9	-	**506.9**	458.0
Equity accounted investments	-	-	-	-	-	**-**	131.1
Other assets	-	-	15.0	15.0	-	**15.0**	1.0
Other liabilities	-	-	(6.5)	(6.5)	-	**(6.5)**	-
Net assets	-	150.1	365.3	515.4	-	**515.4**	590.1

(1) Include disposal of 87.54% interest in GPT Metro Office Fund for a consideration of $354.0 million resulting in a gain of disposal of $2.2 million.

Revenue
Rental revenue from investment properties is recognised on a straight line basis over the lease term. An asset is also recognised as a component of investment properties relating to fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, any cost is recognised on a straight line basis over the lease term. Contingent rental income is recognised as revenue in the period in which it is earned.

Property, development and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts.

Development revenue is recognised on percentage of completion basis, using the proportion of development completed at reporting date.

Revenue from dividends and distributions is recognised when they are declared.

Interest income is recognised on an accruals basis using the effective interest method.

Profit or loss on disposal of assets is recognised as the difference between the carrying amount and the net proceeds from 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.

Expenses
Property expenses and outgoings which include rates, taxes and other property outgoings, are recognised on an accruals basis.

Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of 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 under development which generally takes a substantial period of time to get ready for its intended use or sale, for example more than 12 months. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete the asset. Where funds are borrowed specifically for a development project, finance costs associated with the development facility are capitalised. Conversely, where funds are used from group borrowings, finance costs are capitalised using an appropriate capitalisation rate.

OPERATING ASSETS AND LIABILITIES

2. INVESTMENT PROPERTIES

	Note	31 Dec 14 $M	31 Dec 13 $M
Retail	(a)	**4,128.6**	3,943.2
Office	(b)	**1,688.6**	1,452.8
Logistics	(c)	**1,047.2**	1,088.7
Properties under development	(d)	**229.1**	193.5
Total investment properties	(e)	**7,093.5**	6,678.2

	Ownership interest [1] %	Acquisition date	Fair value 31 Dec 14 $M	Fair value 31 Dec 13 $M	Latest independent valuation date	Valuer
(a) Retail						
Casuarina Square, NT	50.0	Oct 1973	**271.7**	247.0	Dec 2014	Jones Lang LaSalle
Charlestown Square, NSW	100.0	Dec 1977	**835.3**	823.9	Jun 2014	Savills Australia
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	**5.7**	6.0	Jun 2014	Savills Australia
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	**188.0**	158.8	Dec 2014	Savills Australia
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**320.3**	299.0	Sep 2014	CB Richard Ellis Pty Ltd
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	**8.8**	8.2	Sep 2014	CB Richard Ellis Pty Ltd
Westfield Penrith, NSW	50.0	Jun 1971	**566.1**	553.9	Jun 2014	Jones Lang LaSalle
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Sep 2004	**378.2**	367.7	Jun 2014	CB Richard Ellis Pty Ltd
Plaza Parade, QLD	50.0	Jun 1999	**10.3**	10.5	Jun 2014	CB Richard Ellis Pty Ltd
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**495.0**	470.0	Dec 2014	Jones Lang LaSalle
Melbourne Central, VIC - retail portion [2]	100.0	May 1999 / May 2001	**1,049.2**	998.2	Dec 2014	Savills Australia
Total Retail			**4,128.6**	3,943.2		
(b) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	**327.0**	311.1	Jun 2014	Knight Frank Valuations
MLC Centre, Sydney, NSW	50.0	Apr 1987	**383.2**	384.4	Jun 2014	CB Richard Ellis Pty Ltd
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**246.7**	224.9	Dec 2014	Jones Lang LaSalle
Melbourne Central, VIC - office portion [2]	100.0	May 1999 / May 2001	**427.0**	394.0	Dec 2014	Knight Frank Valuations
818 Bourke St, Victoria Harbour, VIC [3]	0.0	Jun 2006	**-**	138.4	Jun 2014	CB Richard Ellis Pty Ltd
Corner of Bourke and William, VIC [4]	50.0	Oct 2014	**304.7**	-	Dec 2014	M3 Property
Total Office			**1,688.6**	1,452.8		
(c) Logistics						
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	**46.5**	44.1	Jun 2014	Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	**67.5**	66.6	Dec 2014	Savills Australia
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	**21.4**	20.3	Jun 2014	Jones Lang LaSalle
Quad 2, Sydney Olympic Park, NSW [5]	-	Dec 2001	**-**	24.4	Sep 2014	Jones Lang LaSalle
Quad 3, Sydney Olympic Park, NSW [5]	-	Mar 2003	**-**	24.0	Sep 2014	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	**31.2**	33.9	Jun 2014	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	**13.0**	12.5	Dec 2014	CB Richard Ellis Pty Ltd
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	**10.6**	10.2	Dec 2014	CB Richard Ellis Pty Ltd
3 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Apr 2013	**21.0**	19.4	Dec 2014	CB Richard Ellis Pty Ltd
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	**23.8**	21.0	Jun 2014	CB Richard Ellis Pty Ltd
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	**13.8**	13.5	Dec 2014	CB Richard Ellis Pty Ltd
5 Murray Rose, Sydney Olympic Park, NSW [5]	-	May 2002	**-**	70.4	Sep 2014	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**75.0**	68.5	Dec 2014	Urbis
15 Berry Street, Granville, NSW	100.0	Nov 2000	**13.0**	13.3	Dec 2014	Savills Australia
19 Berry Street, Granville, NSW	100.0	Dec 2000	**28.1**	26.6	Dec 2014	Savills Australia
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**41.0**	38.8	Dec 2014	Colliers International
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**20.5**	20.0	Dec 2014	Colliers International
Austrak Business Park, Somerton, VIC [6]	50.0	Oct 2003	**144.4**	140.1	Dec 2014	Jones Lang LaSalle

	Ownership interest (1) %	Acquisition date	Fair value 31 Dec 14 $M	Fair value 31 Dec 13 $M	Latest independent valuation date	Valuer
Logistics (continued)						
134-140 Fairbairn Road, Sunshine West, VIC (7)	-	Mar 2006	**-**	13.2	Dec 2011	CB Richard Ellis Pty Ltd
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	**14.1**	13.5	Jun 2014	M3 Property
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	**24.2**	26.0	Jun 2014	Colliers International
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**21.0**	18.4	Dec 2014	Jones Lang LaSalle
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**9.1**	14.5	Dec 2014	Urbis
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**60.0**	60.0	Dec 2014	Urbis
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**28.4**	25.2	Dec 2014	M3 Property
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**30.0**	28.9	Dec 2014	Jones Lang LaSalle
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**25.0**	23.3	Dec 2014	M3 Property
Corner Pine Road and Loftus Road, Yennora, NSW	100.0	Nov 2013	**45.8**	43.6	Dec 2014	Jones Lang LaSalle
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	**47.3**	44.5	Dec 2014	Knight Frank Valuations
15 Green Square Close, Fortitude Valley, QLD (5)	-	Nov 2013	**-**	110.0	Sep 2014	Colliers International
109-133 Burwood Road, Hawthorn, VIC (5)	-	Apr 2014	**-**	-	Sep 2014	Colliers International
Toll NQX, Karawatha, QLD (8)	100.0	Dec 2012	**94.5**	-	Dec 2014	Jones Lang LaSalle
29-55 Lockwood Road, Erskine Park, NSW (9)	100.0	Jun 2008	**77.0**	-	Dec 2014	CB Richard Ellis Pty Ltd
Total Logistics			**1,047.2**	1,088.7		
(d) Properties under development						
17 Berry St, Granville, NSW	100.0	Sep 2009	**3.0**	2.9	Jun 2012	Savills Australia
7 Parkview Drive, Sydney Olympic Park, NSW (5)	* 100.0	May 2002	**20.7**	24.4	Dec 2014	CB Richard Ellis Pty Ltd
Erskine Park, NSW (9)	100.0	Jun 2008	**176.7**	75.1	Dec 2014	CB Richard Ellis Pty Ltd
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**4.7**	4.7	Jun 2013	Knight Frank Valuations
Austrak Business Park, Somerton, VIC (6)	50.0	Oct 2003	**24.0**	24.3	Jun 2014	Jones Lang LaSalle
Toll NQX, Karawatha, QLD (8)	100.0	Dec 2012	**-**	62.1	Dec 2014	Jones Lang LaSalle
Total Properties under development			**229.1**	193.5		

(1) Freehold, unless otherwise marked with a * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Melbourne Central: 71.1% Retail and 28.9% Office (Dec 13: 71.7% Retail and 28.3% Office). Melbourne Central – Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street which was acquired on 3 June 2014 for $4.8 million.
(3) On 31 October 2014, GPT sold its 100% interest in 818 Bourke Street, Victoria Harbour for a total consideration of $152.5 million.
(4) On 1 October 2014 GPT acquired 50% interest in Corner of Bourke and William for a total consideration of $321.2 million.
(5) On 29 October 2014 GPT diluted its controlling interest in GPT Metro Office Fund to 12.46% which resulted in the divestment of GPT Metro Office Fund investment properties for a total consideration of $343.3 million.
(6) Following practical completion in December 2014 of the IMCD development at Austrak Business Park, Somerton, $3.9 million was transferred from properties under development to investment property in the Logistics portfolio.
(7) On 7 November 2014 GPT sold its 100% interest in 134-140 Fairbairn Road, Sunshine for a total consideration of $13.5 million.
(8) Following practical completion in March 2014, Toll NQX, Karawatha has been reclassified from properties under development to investment property in the Logistics portfolio.
(9) Following practical completion in December 2014, 29-55 Lockwood Road, Erskine Park has been reclassified from properties under development to investment property in the Logistics portfolio. The prior year comparison in properties under development includes 29-55 Lockwood Road, Erskine Park.

(e) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	31 Dec 14 $M	31 Dec 13 $M
Carrying amount at the beginning of the financial year	3,943.2	1,452.8	1,088.7	193.5	**6,678.2**	6,500.6
Additions - operating capital expenditure	13.8	21.0	3.8	0.1	**38.7**	33.5
Additions - interest capitalised (1)	0.7	-	-	8.4	**9.1**	3.0
Additions - development capital expenditure	47.0	24.0	-	193.6	**264.6**	80.4
Asset acquisitions	4.8	321.2	66.7	-	**392.7**	230.9
Transfers to / from properties under development	-	-	166.0	(166.0)	**-**	-
Lease incentives	8.2	19.8	1.7	-	**29.7**	42.7
Amortisation of lease incentives	(11.0)	(15.6)	(3.2)	-	**(29.8)**	(27.0)
Disposals	-	(150.1)	(309.7)	(47.1)	**(506.9)**	(262.4)
Fair value adjustments	123.3	11.2	27.7	46.7	**208.9**	73.8
Leasing costs (net of amortisation)	0.2	0.5	0.1	-	**0.8**	(2.8)
Straightlining of rental income	(1.6)	3.8	5.4	(0.1)	**7.5**	5.5
Carrying amount at the end of the financial year	4,128.6	1,688.6	1,047.2	229.1	**7,093.5**	6,678.2

(1) A capitalisation interest rate of 5.3% (2013: 5.1%) has been applied when capitalising interest on qualifying assets.

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Land and buildings held for the long-term for rental yields and which are not occupied by GPT, are classified as investment properties.

Investment properties are initially recognised at cost and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any change in fair value is recognised in the consolidated statement of comprehensive income in the period.

Properties under development are stated at fair value at each balance date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile. Finance costs incurred on properties undergoing development are included in the cost of the development.

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions, using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed in note 22.

Lease incentives provided by GPT to lessees are included in the measurement of fair value of investment property and are amortised over the lease term using a straight-line basis.

(f) Operating lease receivables
Non-cancellable operating leases receivables not recognised in the financial statements at balance date:

	31 Dec 14	31 Dec 13
	$M	$M
Due within one year	**454.6**	489.8
Due between one and five years	**1,215.5**	1,311.2
Due after five years	**864.6**	729.3
Total operating lease receivables	**2,534.7**	2,530.3

3. EQUITY ACCOUNTED INVESTMENTS

		31 Dec 14	31 Dec 13
	Note	**$M**	$M
Investments in joint ventures	(a)(i)	**791.2**	737.9
Investments in associates	(a)(ii)	**1,543.6**	1,238.7
Total equity accounted investments		**2,334.8**	1,976.6

(a) Details of equity accounted investments

Name	**Principal Activity**	**Ownership Interest**			
		31 Dec 14	31 Dec 13	**31 Dec 14**	31 Dec 13
		%	%	**$M**	$M
(i) Joint ventures					
2 Park Street Trust (1)	Investment property	50.00	50.00	**431.8**	384.5
1 Farrer Place Trust (1)	Investment property	50.00	50.00	**337.1**	332.3
Horton Trust	Investment property	50.00	50.00	**22.2**	21.0
Lend Lease GPT (Rouse Hill) Pty Limited (1) (2)	Property development	50.00	50.00	**-**	-
Chullora Trust 1	Investment property	50.00	50.00	**-**	-
DPT Operator Pty Limited (1)	Managing property	50.00	50.00	**0.1**	0.1
Total investment in joint venture entities				**791.2**	737.9
(ii) Associates					
GPT Wholesale Office Fund (1)	Property investment	20.36	20.28	**890.3**	714.9
GPT Wholesale Shopping Centre Fund (1)	Property investment	20.11	20.31	**622.9**	523.8
GPT Metro Office Fund (1) (3)	Property investment	12.46	-	**30.4**	-
Total investments in associates				**1,543.6**	1,238.7

(1) The entity has a 30 June balance date.
(2) GPT has 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Landcom and the NSW Department of Planning.
(3) The fair value of GPT Metro Office Fund based on the quoted market price is $31.3m. There are no quoted market prices for GPT's other associates and joint ventures.

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Year ended 31 December 2014

(b) Summarised financial information for associates and joint ventures

The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not GPT's share of those amounts. They have been amended to reflect adjustments made by GPT when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(i) Joint ventures

	2 Park Street Trust		1 Farrer Place Trust		Others		Total	
	31 Dec 14	31 Dec 13	**31 Dec 14**	31 Dec 13	**31 Dec 14**	31 Dec 13	**31 Dec 14**	31 Dec 13
	$M	$M	**$M**	$M	**$M**	$M	**$M**	$M
Current assets								
Cash and cash equivalents	**7.9**	8.4	**4.6**	7.5	**15.0**	23.7	**27.5**	39.6
Other current assets	**10.1**	6.4	**3.2**	0.4	**2.5**	2.4	**15.8**	9.2
Total current assets	**18.0**	14.8	**7.8**	7.9	**17.5**	26.1	**43.3**	48.8
Total non-current assets	**865.0**	790.0	**680.8**	671.1	**80.5**	85.7	**1,626.3**	1,546.8
Current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**19.5**	35.6	**14.5**	14.5	**9.3**	17.8	**43.3**	67.9
Other current liabilities	**-**	0.2	**-**	-	**3.2**	1.6	**3.2**	1.8
Total current liabilities	**19.5**	35.8	**14.5**	14.5	**12.5**	19.4	**46.5**	69.7
Non-current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**-**	-	**-**	-	**57.1**	69.1	**57.1**	69.1
Total non-current liabilities	**-**	-	**-**	-	**57.1**	69.1	**57.1**	69.1
Negative net assets not recognised (1)	**-**	-	**-**	-	**16.2**	18.9	**16.2**	18.9
Net assets	**863.5**	769.0	**674.1**	664.5	**44.6**	42.2	**1,582.2**	1,475.7
Reconciliation to carrying amounts:								
Opening net assets 1 January	**769.0**	763.4	**664.5**	649.2	**42.2**	303.3	**1,475.7**	1,715.9
Profit for the year	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4
Disposal of joint ventures	**-**	-	**-**	-	**-**	(262.2)	**-**	(262.2)
Issue of equity	**61.3**	-	**6.0**	8.4	**-**	1.0	**67.3**	9.4
Distributions paid / payable	**(47.1)**	(48.6)	**(41.3)**	(41.5)	**(8.4)**	(11.7)	**(96.8)**	(101.8)
Closing net assets	**863.5**	769.0	**674.1**	664.5	**44.6**	42.2	**1,582.2**	1,475.7
Group's share	**431.8**	384.5	**337.1**	332.3	**22.3**	21.1	**791.2**	737.9
Summarised statement of comprehensive income								
Revenue	**60.4**	60.4	**52.6**	52.8	**6.2**	12.8	**119.2**	126.0
Interest expense	**-**	-	**-**	-	**-**	(0.4)	**-**	(0.4)
Profit for the year	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4
Total comprehensive income	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4

(1) This represents the negative net assets of Lend Lease GPT (Rouse Hill) Pty Limited.

(ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		GPT Metro Office Fund		Total	
	31 Dec 14	31 Dec 13	**31 Dec 14**	31 Dec 13	**31 Dec 14**	31 Dec 13	**31 Dec 14**	31 Dec 13
	$M	$M	**$M**	$M	**$M**	$M	**$M**	$M
Total current assets	**41.1**	34.4	**24.2**	24.8	**10.9**	-	**76.2**	59.2
Total non-current assets	**5,334.8**	4,101.9	**3,818.4**	2,961.3	**352.5**	-	**9,505.7**	7,063.2
Total current liabilities	**125.2**	126.0	**111.4**	87.9	**14.7**	-	**251.3**	213.9
Total non-current liabilities	**878.3**	485.9	**633.8**	320.0	**104.6**	-	**1,616.7**	805.9
Net assets	**4,372.4**	3,524.4	**3,097.4**	2,578.2	**244.1**	-	**7,713.9**	6,102.6
Reconciliation to carrying amounts:								
Opening net assets 1 January	**3,524.4**	3,296.7	**2,578.2**	2,065.5	**-**	-	**6,102.6**	5,362.2
Profit / (loss) for the year	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Issue of equity	**616.5**	123.5	**504.2**	445.2	**246.6**	-	**1,367.3**	568.7
Distributions paid / payable	**(251.9)**	(221.4)	**(161.4)**	(138.8)	**-**	-	**(413.3)**	(360.2)
Closing net assets	**4,372.4**	3,524.4	**3,097.4**	2,578.2	**244.1**	-	**7,713.9**	6,102.6
Group's share	**890.3**	714.9	**622.9**	523.8	**30.4**	-	**1,543.6**	1,238.7
Summarised statement of comprehensive income								
Revenue	**427.1**	317.6	**277.9**	259.1	**5.6**	-	**710.6**	576.7
Profit for the year	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Total comprehensive income	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Distributions received from associates	**35.0**	45.6	**-**	-	**-**			

4. LOANS AND RECEIVABLES

	31 Dec 14	31 Dec 13
	$M	$M
Current assets		
Trade receivables	**15.3**	19.8
Less: impairment of trade receivables	**(0.4)**	(0.7)
	14.9	19.1
Distributions receivable from joint ventures	**8.1**	17.3
Distributions receivable from associates	**24.1**	20.1
Related party receivables (1)	**27.0**	15.4
Other receivables	**30.3**	27.1
Total current loans and receivables	**104.4**	99.0
Non-Current assets		
Deferred consideration receivables	**150.4**	147.2
Loan advanced to Chullora Trust 1	**-**	3.1
Loan advanced to Lend Lease GPT (Rouse Hill) Pty Limited	**5.9**	6.9
Total non-current loans and receivables	**156.3**	157.2

(1) The related party receivables are on commercial terms and conditions.

The table below shows the ageing analysis of GPT's loans and receivables.

	31 Dec 14						31 Dec 13					
	Not Due	**0-30 days**	**31-60 days**	**61-90 days**	**90+ days**	**Total**	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	$M	**$M**	**$M**	**$M**	**$M**	**$M**	$M	$M	$M	$M	$M	$M
Current receivables		**100.3**	**1.1**	**0.7**	**2.7**	**104.8**	-	93.9	1.1	0.2	4.5	99.7
Impairment of current receivables					**(0.4)**	**(0.4)**	-	-	-	-	(0.7)	(0.7)
Non current loans and receivables(2)	**179.0**					**179.0**	179.9	-	-	-	-	179.9
Impairment of non-current receivables	**(22.7)**					**(22.7)**	(22.7)	-	-	-	-	(22.7)
Total loans and receivables	**156.3**	**100.3**	**1.1**	**0.7**	**2.3**	**260.7**	157.2	93.9	1.1	0.2	3.8	256.2

(2) Includes $150.4 million (Dec 13: $147.2 million) of deferred consideration from the Indigenous Land Corporation with respect to the sale of Ayers Rock Resort. GPT has been provided with security guaranteeing the deferred payment and therefore the receivable is considered as recoverable.

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance for impairment. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

Recoverability of trade receivables
Recoverability of trade receivables is assessed on an ongoing basis. Impairment is recognised in the consolidated statement of comprehensive income when there is objective evidence that GPT will not be able to collect the debts. Financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered objective evidence of impairment. See note 15(e) for more information on management of credit risk relating to trade receivables.

The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. Debts that are known to be uncollectable are written off when identified.

5. INTANGIBLES

	Management rights $M	IT development and software $M	Total $M
Costs			
Balance as at 31 December 2012	77.3	51.4	128.7
Additions	0.7	6.6	7.3
Balance as at 31 December 2013	78.0	58.0	136.0
Additions	0.2	2.3	2.5
Transfer to other assets	-	(2.8)	(2.8)
Balance as at 31 December 2014	**78.2**	**57.5**	**135.7**
Accumulated amortisation and impairment			
Balance as at 31 December 2012	(66.0)	(12.8)	(78.8)
Amortisation charge 2013	(0.4)	(6.1)	(6.5)
Balance as at 31 December 2013	(66.4)	(18.9)	(85.3)
Amortisation charge for 2014	(0.6)	(6.1)	(6.7)
Balance as at 31 December 2014	**(67.0)**	**(25.0)**	**(92.0)**
Carrying amounts			
Balance as at 31 December 2013	11.6	39.1	50.7
Balance as at 31 December 2014	**11.2**	**32.5**	**43.7**

Management rights
Management rights include property management and development management rights. Rights are initially measured at cost and subsequently amortised over their useful life, which ranges from 3 to 10 years.

For the management right of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term for the management agreement. Therefore, GPT tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using value in use calculation based on cash flow projections for a five year period. The discount rate applied to these asset-specific cash flow projections is 5.3% and the growth rate used to extrapolate the cash flows beyond the five year period is 4.2%.

IT development and software
Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits are capitalised. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the length of time over which the benefits are expected to be received, generally ranging from 3 to 10 years.

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. Where impairment triggers exist, management calculate the recoverable amount. The asset will be impaired if the recoverable amount exceeds the carrying value. Critical judgements are made by GPT in setting appropriate impairment triggers and assumptions used to determine the recoverable amount.

6. INVENTORIES

	31 Dec 14 $M	31 Dec 13 $M
Development properties held for resale	**43.6**	-
Total inventories	**43.6**	-

Development properties held for resale are stated at the lower of cost and net realisable value.

Cost
Cost includes the cost of acquisition, development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred.

Net realisable value (NRV)
The NRV is the estimated selling price in the ordinary course of business less estimated costs to sell. At each reporting date, management reviews these estimates by taking into consideration:
- the most reliable evidence and
- any events which confirm conditions existing at the year end and cause any fluctuations of selling price and costs to sell.

The amount of any write-down is recognised as an impairment expense in the consolidated statement of comprehensive income.
No impairment expense has been recognised for the year ended 31 December 2014.

7. PAYABLES

	31 Dec 14 $M	31 Dec 13 $M
Trade payables and accruals	**128.8**	122.7
Distribution payable to stapled securityholders	**180.3**	174.6
Interest payable	**16.7**	14.1
Related party payables	**5.6**	-
Other payables	**7.4**	6.8
Total payables	**338.8**	318.2

Trade and other payables represent liabilities for goods and services provided to GPT prior to the end of the financial year which are unpaid. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

8. PROVISIONS

	31 Dec 14 $M	31 Dec 13 $M
Current provisions		
Employee benefits	**6.9**	7.3
Provision for levies	**11.6**	10.4
Other	**5.3**	6.6
Total Current provisions	**23.8**	24.3
Non-Current provisions		
Employee benefits	**2.0**	1.8
Total Non-Current provisions	**2.0**	1.8

Provisions are recognised when:
- GPT has a present obligation (legal or constructive) as a result of a past event,
- it is probable that resources will be expended to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation.

Provision for employee benefits
The provision for employee benefits represents annual leave and long service leave entitlements accrued for employees. The employee benefit liability expected to be settled within twelve months after the end of the reporting period is recognised in current liabilities.

Employee benefits expenses in the Consolidated Statement of Comprehensive Income

Employee benefits expenses	**105.2**	**87.3**

9. TAXATION

	31 Dec 14 $M	31 Dec 13 $M
(a) Income tax expense		
Deferred income tax (credit) / expense	**(1.7)**	9.9
Income tax (credit) / expense in the Statement of Comprehensive Income	**(1.7)**	9.9
Income tax (credit) / expense attributable to:		
(Loss) / profit from continuing operations	**(4.3)**	7.7
Profit from discontinued operations	**2.6**	2.2
Aggregate income tax (credit) / expense	**(1.7)**	9.9
Reconciliation of Income tax (credit) / expense to prima facie tax payable:		
Net profit before income tax expense	**643.5**	581.4
Less: profit attributed to entities not subject to tax	**(659.1)**	(584.2)
Net loss before income tax expense	**(15.6)**	(2.8)
Prima facie income tax credit at 30% tax rate (2013: 30%)	**(4.7)**	(0.8)
Adjustments for income tax for prior years	**(7.6)**	-
Non-deductible items	**5.3**	5.3
Deferred tax asset not recognised	**5.3**	5.4
Income tax (credit) / expense	**(1.7)**	9.9
(b) Deferred tax assets		
Employee benefits	**15.2**	11.9
Provisions and accruals	**3.2**	3.3
Tax losses recognised	**15.8**	9.6
Other	**(1.8)**	0.2
Net deferred tax asset	**32.4**	25.0
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	**25.0**	34.8
Charged to the income statement	**(4.5)**	(2.4)
Charged to the reserves	**5.7**	-
Tax losses recognised / (utilised)	**6.2**	(7.4)
Closing balance at end of the financial year	**32.4**	25.0

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

Company and other taxable entities
Income tax expense / credit for the financial year is the tax payable / receivable on the current year's taxable income based on the 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 income tax liabilities and assets - recognition
Deferred income tax liabilities are recognised for all taxable temporary differences.
Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them. The carrying amount of deferred income tax assets is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

Deferred income tax liabilities and assets – measurement
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

- Where they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- Where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:
  - Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
  - Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Tax relating to equity items
Income taxes relating to items recognised directly in equity are recognised in equity and not in statement of comprehensive income.

CAPITAL STRUCTURE

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard GPT's ability to continue as a going concern while optimising its debt and equity structure. GPT aims to maintain a capital structure which includes gearing levels within a range of 25% to 35% (based on net debt to total tangible assets less cash) that is consistent with a stable investment grade credit rating in the "A category".

At 31 December 2014, GPT is credit rated A- Positive /A3 stable by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) 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.

GPT is able to vary equity in the capital mix by:

- issuing new stapled securities,
- buying back stapled securities,
- activating the distribution reinvestment plan,
- adjusting the amount of distributions paid to stapled security holders, or
- selling assets to reduce borrowings.

10. EQUITY AND RESERVES

(a) Contributed equity

		Note	Number	Trust $M	Other entities Stapled to GPT $M	Total $M
(i) Ordinary stapled securities						
1 Jan 2013	Opening securities on issue		1,766,785,075	7,642.9	321.8	7,964.7
18 Feb 2013	Securities issued		1,946,654	4.1	-	4.1
Jun-Sep 2013	On-market buy-back		(73,843,091)	(267.4)	(2.3)	(269.7)
31 Dec 2013	Closing securities on issue		1,694,888,638	7,379.6	319.5	7,699.1
1 Jan 2014	Opening securities on issue		**1,694,888,638**	**7,379.6**	**319.5**	**7,699.1**
14 Feb 2014	Securities issued	(1)	**1,980,505**	**5.7**	**-**	**5.7**
Jan-Jun 2014	On-market buy-back	(2)	**(11,408,188)**	**(40.8)**	**(0.2)**	**(41.0)**
31 Dec 2014	Closing securities on issue		**1,685,460,955**	**7,344.5**	**319.3**	**7,663.8**
(ii) Exchangeable securities						
1 Jan 2013	Opening securities on issue		2,500	240.6	-	240.6
31 Dec 2013	Closing securities on issue		2,500	240.6	-	240.6
1 Jan 2014	Opening securities on issue		**2,500**	**240.6**	**-**	**240.6**
31 Dec 2014	Closing securities on issue	(3)	**2,500**	**240.6**	**-**	**240.6**
Total Contributed Equity - 31 December 2013			-	7,620.2	319.5	7,939.7
Total Contributed Equity - 31 December 2014				**7,585.1**	**319.3**	**7,904.4**

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

(1) Securities issued
On 14 February 2014, GPT issued 1,980,505 securities to GPT employees under the 2011 Performance Rights Long Term Incentive Plan

(2) On-market buy-back
On 10 May 2014, GPT announced the extension of the on-market buy-back for an additional 12 months until May 2015. During the year GPT has acquired 11.4 million stapled securities for a total consideration of $41.0 million.

(3) 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 per stapled security in accordance with the terms of the agreement. The ES offer discretionary distributions of 10% per annum and carry voting rights in GPT. On 28 January 2015, GPT redeemed the ES GIC for $325 million, plus accrued distribution. Please refer note 24 for detail.

(b) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Employee incentive scheme reserve		Total reserve	
	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M
Balance at 1 January 2013	(17.5)	31.9	-	-	2.3	17.9	(15.2)	49.8
Net foreign exchange translation adjustments	2.2	0.3	-	-	-	-	2.2	0.3
Changes in the fair value of cash flow hedges	-	-	(5.9)	-	-	-	(5.9)	-
Share-based payment transactions	-	-	-	-	-	2.9	-	2.9
Balance at 31 December 2013	(15.3)	32.2	(5.9)	-	2.3	20.8	(18.9)	53.0
Balance at 1 January 2014	**(15.3)**	**32.2**	**(5.9)**	**-**	**2.3**	**20.8**	**(18.9)**	**53.0**
Net foreign exchange translation adjustments	**(9.7)**	**1.8**	**-**	**-**	**-**	**-**	**(9.7)**	**1.8**
Changes in the fair value of cash flow hedges	**-**	**-**	**(5.6)**	**-**	**-**	**-**	**(5.6)**	**-**
Share-based payment transactions	**-**	**-**	**-**	**-**	**-**	**2.7**	**-**	**2.7**
Balance at 31 December 2014	**(25.0)**	**34.0**	**(11.5)**	**-**	**2.3**	**23.5**	**(34.2)**	**57.5**

Nature and purpose of reserves

Foreign currency translation reserve
The reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities. The movement in the reserve is recognised in the net profit when the investment in the foreign controlled entity is disposed.

Cash flow hedge reserve
The reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Employee incentive scheme reserve
The reserve is used to recognise the fair value of equity-settled security based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 18 for further details of the security based payments.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

(c) Retained earnings / Accumulated losses

	Note	Trust $M	Other entities stapled to GPT $M	Total $M
Consolidated entity				
Balance at 1 January 2013		(368.1)	(995.6)	(1,363.7)
Net profit / (loss) for the financial year		590.7	(19.2)	571.5
less: Distributions paid/payable to ordinary stapled securityholders	12(a)	(441.8)	-	(441.8)
less: Distributions paid/payable to exchangeable securities securityholders	12(b)	(25.0)	-	(25.0)
Balance at 31 December 2013		(244.2)	(1,014.8)	(1,259.0)
Balance at 1 January 2014		**(244.2)**	**(1,014.8)**	**(1,259.0)**
Net profit / (loss) for the financial year		**656.2**	**(10.9)**	**645.3**
less: Distributions paid/payable to ordinary stapled securityholders	12(a)	**(357.3)**	**-**	**(357.3)**
less: Distributions paid/payable to exchangeable securities securityholders	12(b)	**(25.0)**	**-**	**(25.0)**
Balance at 31 December 2014		**29.7**	**(1,025.7)**	**(996.0)**

11. EARNINGS PER STAPLED SECURITY

	31 Dec 14 Cents	31 Dec 13 Cents
(a) Attributable to ordinary securityholders of the Trust		
Basic and diluted earnings per security - profit from continuing operations	**36.4**	31.6
Basic and diluted earnings per security - profit from discontinued operations	**1.0**	0.9
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**37.4**	32.5
(b) Attributable to ordinary stapled securityholders of GPT		
Basic and diluted earnings per security - profit from continuing operations	**36.0**	30.8
Basic and diluted earnings per security - profit from discontinued operations	**0.8**	0.7
Total basic and diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group	**36.8**	31.5

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

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	**$M**	$M
Net profit from continuing operations attributable to the securityholders of the Trust	**639.0**	574.4
Net profit from discontinued operations attributable to the securityholders of the Trust	**17.2**	16.3
	656.2	590.7
Less: distribution to the holders of Exchangeable Securities (1)	**(25.0)**	(25.0)
Basic and diluted earnings of the Trust	**631.2**	565.7
Add: Net profit / (loss) from continuing operations attributable to the securityholders of other stapled entities	**(6.4)**	(14.5)
Add: Net (loss) from discontinued operations attributable to the securityholders of other stapled entities	**(4.5)**	(4.7)
Basic and diluted earnings of the Company	**(10.9)**	(19.2)
Basic and diluted earnings of The GPT Group	**620.3**	546.5

(d) WANOS	**millions**	millions
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,686.3**	1,738.0
Performance security rights at weighted average basis (2)	**2.8**	1.4
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security	**1,689.1**	1,739.4

(1) These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security. Refer to note 10 for further details on the Exchangeable Securities.
(2) Performance security rights granted under the Long Term Incentive plan are only included in dilutive earnings per ordinary stapled security where the performance hurdles are met as at the year end.

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

12. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT securityholders and exchangeable securities securityholders half yearly.

		31 Dec 14 $M	31 Dec 13 $M
(a) Stapled Securityholders			
Distributions paid and payable			
6 months period ended 30 June 2014	10.5 cents per stapled security paid on 12 September 2014 (30 June 2013 [2]: 10.2 cents per stapled security)	**177.0**	180.3
6 months period ended 31 December 2014 [1]	10.7 cents per stapled security (31 December 2013 [3]: 15.3 cents per stapled security)	**180.3**	261.5
Total distributions paid / payable		**357.3**	441.8
(b) Exchangeable Securities Securityholders			
(i) Distributions paid			
Period from 28 November 2013 to 27 November 2014	10% per exchangeable security	**25.0**	25.0
(ii) Distributions payable			
Period from 28 November 2014 to 31 December 2014	10% per exchangeable security	**2.4**	2.4

(1) December 2014 half yearly distribution of 10.7 cents per stapled security has been declared on 22 December 2014 and is expected to be paid on 27 March 2015 based on the record date of 31 December 2014.

(2) The 10.2 cents include December 2012 quarter distribution of 5.1 cents per stapled security paid on 14 March 2013 and March 2013 distribution of 5.1 cents per stapled security paid on 17 May 2013.

(3) The 15.3 cents includes June 2013 quarter distribution of 5.0 cents per stapled security paid on 13 September 2013 and December 2013 half yearly distribution of 10.3 cents per stapled security paid on 21 March 2014.

13. CASH AND CASH EQUIVALENTS

	31 Dec 14 $M	31 Dec 13 $M
Cash and cash equivalents	**72.4**	278.7
Total cash and cash equivalents at the end of the year	**72.4**	278.7

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

		31 Dec 14 $M	31 Dec 13 $M
Net profit for the year		**645.3**	571.5
Fair value adjustments to investment properties		**(208.9)**	(73.8)
Fair value adjustments to derivatives		**84.8**	(14.5)
Net impact of foreign currency borrowings and associated hedging loss / (gain)		**3.6**	(7.0)
Share of after tax profit of equity accounted investments (net of distributions)		**(70.0)**	(42.5)
Net (gain) / loss on disposal of assets		**(10.9)**	2.6
Depreciation and amortisation		**8.6**	9.1
Non-cash employee benefits - security based payments		**3.1**	7.3
Non-cash revenue adjustments		**9.6**	8.1
Interest capitalised		**(9.5)**	(3.0)
Increase in operating assets		**(16.5)**	(7.5)
Increase in inventory	(i)	**(43.6)**	-
Increase / (decrease) in operating liabilities		**5.9**	(25.4)
Others		**3.2**	0.6
Net cash inflows from operating activities		**404.7**	425.5

(i) This represents a payment for the development property for sale as part of GPT's share in Metroplex development at Westgate.

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

14. BORROWINGS

	31 Dec 14 $M	31 Dec 13 $M
Current borrowings - unsecured	**-**	205.0
Current borrowings - secured	**7.0**	-
Current borrowings	**7.0**	205.0
Non-current borrowings - unsecured	**2,617.9**	2,029.1
Non-current borrowings - secured	**93.6**	76.3
Non-current borrowings	**2,711.5**	2,105.4
Total borrowings(1) - carrying amount	**2,718.5**	2,310.4
Total borrowings(2) - fair value	**2,781.9**	2,329.1

(1) Including unamortised establishment costs and fair value adjustments
(2) Valued using market observable inputs (level 2). Excluding unamortised establishment costs.

Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method or at their fair value. Under this 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 unless there is an effective fair value hedge of the borrowings, in which case the borrowings are carried at fair value and any changes in the fair value are recognised in the statement of comprehensive income. All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

The maturity profile of borrowings is provided below.

	Total facility(1) $M	Used facility(1) $M	Unused facility $M
Due within one year	9.5	7.0	2.5
Due between one and five years	2,214.7	1,770.8	443.9
Due after five years	815.4	815.4	-
	3,039.6	**2,593.2**	**446.4**
Cash and cash equivalents			**72.4**
Total financing resources available at the end of the year			**518.8**

(1) Excluding unamortised establishment costs and fair value adjustments.

Debt covenants
GPT's borrowings are subject to a range of covenants, according to the specific purpose and nature of the loans. Most bank facilities include one or more of the following covenants:
- a 50% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a minimum interest cover ratio of 2 times, being EBIT (Earnings before interest and taxes) 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. GPT performed a review of debt covenants as at 31 December 2014 and no breaches were identified.

15. FINANCIAL RISK MANAGEMENT

The GPT Board approve GPT’s treasury and risk management policy which:
- establishes a framework for the management of risks inherent to the capital structure,
- defines the role of GPT’s treasury, and
- sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange, interest rate and other derivative instruments.

(a) Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GPT’s primary interest rate risk arises from borrowings. The table below provides a summary of GPT’s gross interest rate risk exposure as at 31 December 2014 on interest bearing borrowings together with the net effect of interest rate risk management transactions. This excludes unamortised establishment costs and fair value adjustments.

	Gross exposure		Net exposure	
	2014 $M	2013 $M	2014 $M	2013 $M
Fixed rate interest-bearing borrowings	**1,390.4**	1,051.9	**2,175.0**	1,650.0
Floating rate interest-bearing borrowings	**1,202.8**	1,251.5	**418.2**	653.4
	2,593.2	2,303.4	**2,593.2**	2,303.4
Average fixed rate			**3.4%**	3.9%

Interest rate risk – sensitivity analysis

The impact on interest expense and interest revenue 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 derivatives).

A 1% increase or decrease is used for consistency of reporting interest rate risk across GPT and represents management's assessment of the potential change in interest rates.

	2014 (+1%) $M	**2014 (-1%) $M**	2013 (+1%) $M	2013 (-1%) $M
Impact on statement of comprehensive income				
Impact on interest revenue increase / (decrease)	**0.7**	**(0.7)**	0.3	(0.3)
Impact on interest expense (increase) / decrease	**(4.2)**	**4.2**	(6.5)	6.5

Hedging interest rate risk

Interest rate risk inherent in borrowings issued at floating rates is managed by entering into interest rate swaps that are used to convert floating interest rate borrowings to fixed interest rates, which reduces GPT's exposure to interest rate volatility.

The derivative financial instruments used to hedge interest rate risk which are presented in the statement of financial position comprise the following:

	31 Dec 14 $M	31 Dec 13 $M
Current derivative assets	**3.5**	-
Non-current derivative assets	**237.8**	132.7
Total derivative assets	**241.3**	132.7
Subject to master netting but not set off	**125.5**	38.8
Net derivative assets post set off	**115.8**	93.9
Current derivative liabilities	**4.4**	-
Non-current derivative liabilities	**139.9**	62.7
Total derivative liabilities	**144.3**	62.7
Subject to master netting but not set off	**125.5**	38.8
Net derivative liabilities post set off	**18.8**	23.9

All of the Group's derivatives were valued using market observable inputs (level 2) with the exception of a year on year inflation swap. For additional fair value disclosures refer to note 22.

Derivative financial assets and liabilities are not offset in the balance sheet. Agreements with derivative counterparties are based on the ISDA (International Swap Derivatives Association) Master Agreement, which in certain circumstances (such as default) confers a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the balance sheet, but have been presented separately.

Derivatives are carried in the statement of financial position at fair value and classified according to their contractual maturities. If they do not qualify for hedge accounting, changes in fair value are recognised in the statement of comprehensive income including gains or losses on maturity or close-out. Where derivatives qualify for hedge accounting and are designated in hedge relationships, the recognition of any gain or loss depends on the nature of the item being hedged.

GPT applies hedge accounting to borrowings denominated in foreign currencies only. GPT designates and documents the relationship between hedging instruments and hedged items and the proposed effectiveness of the risk management objective the hedge relationship addresses. On an ongoing basis, GPT documents its assessment of retrospective and prospective hedge effectiveness.

Hedge accounting is discontinued when the hedging instrument expires, is terminated, or is no longer in an effective hedge relationship.

(b) Liquidity risk

Liquidity risk is 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.

GPT manages liquidity risk by:

- maintaining sufficient cash,
- maintaining an adequate amount of committed credit facilities,
- maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period,
- minimising debt maturity concentration risk by spreading maturity dates of committed credit facilities and maintaining a minimum weighted average debt maturity of 4 years, and
- the ability to close out market positions.

The table below shows an analysis of the undiscounted contractual maturities of liabilities which forms part of GPT's assessment of liquidity risk.

	31 Dec 14 1 year or less $M	31 Dec 14 Over 1 year to 2 years $M	31 Dec 14 Over 2 years to 5 years $M	31 Dec 14 Over 5 years $M	31 Dec 14 Total $M	31 Dec 13 1 year or less $M	31 Dec 13 Over 1 year to 2 years $M	31 Dec 13 Over 2 years to 5 years $M	31 Dec 13 Over 5 years $M	31 Dec 13 Total $M
Liabilities										
Non-derivatives										
Payables	**338.8**	**-**	**-**	**-**	**338.8**	318.2	-	-	-	318.2
Borrowings	**7.0**	**681.8**	**1,089.0**	**815.4**	**2,593.2**	205.0	500.0	871.5	726.9	2,303.4
Projected interest cost on borrowings(1)	**120.9**	**100.6**	**223.4**	**350.9**	**795.8**	101.8	90.2	227.2	333.5	752.7
Derivatives										
Projected interest cost on derivative liabilities(1)(2)	**18.3**	**18.0**	**50.7**	**20.1**	**107.1**	18.6	11.3	7.5	-	37.4
Total liabilities	**485.0**	**800.4**	**1,363.1**	**1,186.4**	**3,834.9**	643.6	601.5	1,106.2	1,060.4	3,411.7
Less cash and cash equivalents	**72.4**	**-**	**-**	**-**	**72.4**	278.7	-	-	-	278.7
Total liquidity exposure	**412.6**	**800.4**	**1,363.1**	**1,186.4**	**3,762.5**	364.9	601.5	1,106.2	1,060.4	3,133.0

(1) Projection is based on the likely outcome of contracts given the interest rates, margins, forecast exchange rates and interest rate forward curves as at 31 December 2014 and 31 December 2013 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 (a) above. Projected interest on foreign currency borrowings is shown after the impact of associated hedging.
(2) In accordance with AASB 7, the future value of contractual cash flows of non-derivative and derivative liabilities only is to be included in liquidity risk disclosures. As derivatives are exchanges of cash flows, the positive cash flows from derivative assets have been disclosed separately to provide a more meaningful analysis of GPT's net liquidity exposure. The methodology used in calculating projected interest income on derivative assets is consistent with the above liquidity risk disclosures.

	31 Dec 14 1 year or less $M	31 Dec 14 Over 1 year to 2 years $M	31 Dec 14 Over 2 years to 5 years $M	31 Dec 14 Over 5 years $M	31 Dec 14 Total $M	31 Dec 13 1 year or less $M	31 Dec 13 Over 1 year to 2 years $M	31 Dec 13 Over 2 years to 5 years $M	31 Dec 13 Over 5 years $M	31 Dec 13 Total $M
Projected interest income on derivative assets	**15.5**	**12.5**	**24.3**	**60.4**	**112.7**	13.8	12.1	40.7	75.7	142.3
Net liquidity exposure	**397.1**	**787.9**	**1,338.8**	**1,126.0**	**3,649.8**	351.1	589.4	1,065.5	984.7	2,990.7

(c) Refinancing risk

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

As at 31 December 2014, GPT's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 14.

(d) 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 exchange rates. GPT's foreign exchange risk arises primarily from:

- 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.

The foreign exchange risk arising from borrowings denominated in foreign currency is managed with cross currency interest rate swaps which convert foreign currency exposures into Australian dollar exposures. Sensitivity to foreign exchange is deemed insignificant.

Foreign currency assets and liabilities

The following table shows the Australian dollar equivalents of amounts within the GPT's statement of financial position which are denominated in foreign currencies.

	Euros		United States Dollars		Hong Kong Dollars	
	31 Dec 14	31 Dec 13	**31 Dec 14**	31 Dec 13	**31 Dec 14**	31 Dec 13
	$M	$M	**$M**	$M	**$M**	$M
Assets						
Cash and cash equivalents	**1.4**	1.5	**0.2**	0.2	**-**	-
Interests in equity accounted investments	**-**	-	**0.2**	0.2	**-**	-
Interests in unlisted investments	**-**	-	**6.0**	4.4	**-**	-
Derivative financial instruments	**-**	-	**101.8**	8.2	**20.5**	2.3
Loans and receivables	**4.5**	11.4	**-**	-	**-**	-
	5.9	12.9	**108.2**	13.0	**20.5**	2.3
Liabilities						
Other liabilities	**0.3**	0.3	**-**	0.1	**-**	-
Borrowings at fair value (1)	**-**	-	**543.7**	254.6	**117.1**	96.8
	0.3	0.3	**543.7**	254.7	**117.1**	96.8

(1) Excluding unamortised establishment costs

(e) 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. GPT has exposure to credit risk on all financial assets included on the 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,
- investing and transacting derivatives with multiple counterparties that have a minimum long term credit rating of A- from S&P, or equivalent if an S&P rating is not available, minimising exposure to any one counterparty,
- providing loans as an investment into joint ventures, associates and third parties, only where GPT is comfortable with the underlying property exposure within that entity,
- regularly monitoring loans and receivables balances,
- regularly monitoring the performance of its associates, joint ventures and third parties, and
- obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year. A 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 collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 31 December 2014 is the carrying amounts of financial assets recognised on GPT's statement of financial position. For more information refer to note 4.

OTHER DISCLOSURE ITEMS

16. COMMITMENTS

(a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties contracted for at balance date are not recognised on the balance sheet.

	31 Dec 14	31 Dec 13
	$M	$M
Retail	**3.4**	25.8
Office	**61.4**	47.5
Logistics	**5.8**	0.1
Properties under development	**21.9**	216.2
Total capital expenditure commitments	**92.5**	289.6

(b) Operating lease commitments

Contracted non-cancellable future minimum lease payments expected to be payable are not recognised on the balance sheet.

	31 Dec 14	31 Dec 13
	$M	$M
Due within one year	**2.3**	2.6
Due between one and five years	**8.0**	9.8
Over five years	**1.5**	5.8
Total operating lease commitments	**11.8**	18.2

(c) Commitments relating to equity accounted investments

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

	31 Dec 14	31 Dec 13
	$M	$M
Capital expenditure	**38.2**	39.5
Total joint ventures and associates' commitments	**38.2**	39.5

17. CONTINGENT LIABILITIES

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

Highpoint Shopping Centre

Highpoint Property Group has the right to sell, via a put option that expires in 2016, between 8.33% and all of its interest in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre to the GPT Wholesale Shopping Centre Fund (GWSCF). The GPT Group would be required to acquire the interest if GWSCF does not acquire it and another party is not nominated to do so. The price would be determined by an independent market valuation process.

In 2014, the Highpoint Property Group exercised its option to put 8.33% of their interest to GWSCF and the Board of GWSCF agreed to acquire this interest. The settlement occurred in September 2014. After this transaction, Highpoint Property Group has a remaining interest of 25%.

18. SECURITY BASED PAYMENTS

GPT currently has three employee security schemes – the General Employee Security Ownership Plan (GESOP), Broad Based Employee Security Ownership Plan (BBESOP), Deferred Short Term Incentive Plan (DSTI) and Long Term Incentive (LTI) Scheme:

(a) GESOP

The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced the GESOP in March 2010 for individuals who do not participate in the LTI.

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

(b) BBESOP

Under the plan individuals who are not eligible to participate in any other employee security scheme may receive $1,000 worth of GPT securities if GPT achieves at least target level performance. Securities must be held for the earlier of 3 years or end of employment.

(c) DSTI

At the 2014 AGM, GPT securityholders approved a change to the way in which STIC is delivered to the senior executives, being 50% in cash and 50% in GPT stapled securities (a deferred component). The deferred component is initially awarded in the form of performance rights, with the rights converting to restricted GPT stapled securities to the extent the performance conditions are met. Half of the awarded stapled securities will vest one year after conversion with the remaining half vesting two years after conversion, subject to continued employment to the vesting dates.

(d) LTI

At the 2009 AGM, GPT securityholders approved the introduction of a more contemporary LTI plan based on performance rights. Any subsequent amendments to the LTI plan have been approved by GPT securityholders.

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

The Board determines those executives eligible to participate in the plan and, for each participating executive, grants a number of performance rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP) for the final quarter of the year preceding the plan launch.

Fair value of performance security rights issued under DSTI and LTI

The fair value of the security rights is recognised as an employee benefit expense with a corresponding increase in the employee security 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 at grant date has been independently determined using the Monte Carlo pricing models that take into account the following inputs:

	2014 LTI	DSTI
Security price at valuation date	$4.35	$4.35
Fair value of rights	$2.09	$3.92
Total Securityholder Return	34.5%	N/A
Grant dates	26 May 2014	9 May 2014
Expected vesting dates	31 Dec 2016	50% on 31 Dec 2015 50% on 31 Dec 2016
Security Price at the grant date	3.90	3.96
Expected life	3 years (2 years remaining)	50% - 1 year 50% - 2 years
Dividend yield	5.5%	5.5%
Risk free interest rate	2.2%	N/A
Volatilty [1]	17.6%	N/A

(1) The volatility is based on the historic volatility of the security.

(e) GPT Group deferred stapled security plan (DSSP)

Implemented in September 2008, the DSSP is the vehicle which holds the equity component of deferred short term incentive compensation.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

(f) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI (2)	Total
Rights outstanding at the beginning of the year	-	11,718,726	11,718,726
Rights granted during the year	1,954,009	4,654,462	6,608,471
Rights forfeited during the year	(81,876)	(2,269,642)	(2,351,518)
Rights exercised during the year	-	(96,726)	(96,726)
Rights converted to GPT stapled securities during the year [1]	-	(1,980,505)	(1,980,505)
Rights outstanding at the end of the year	1,872,133	12,026,315	13,898,448

(1) Rights under the 2011 LTI Plan were converted to GPT stapled securities on 14 February 2014 at the weighted average security price of $3.66.
(2) Rights outstanding at the end of the year under the LTI plans include 124,435 sign on rights granted to the employee.

	Number of stapled securities		
	GESOP	DSSP	Total
Securities outstanding at the beginning of the year	117,933	404,888	522,821
Securities granted during the year	80,921	-	80,921
Securities vested during the year	(121,830)	(120,573)	(242,403)
Securities outstanding at the end of the year	77,024	284,315	361,339

19. RELATED PARTY TRANSACTIONS

General Property Trust is the ultimate parent entity.

Equity interests in joint ventures and associates are set out in note 3. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 4.

Key management personnel
Key management personnel compensation was as follows.

	31 Dec 14	31 Dec 13
	$'000	$'000
Short term employee benefits	**7,266.6**	7,196.1
Post employment benefits	**170.2**	160.8
Long term incentive award accrual	**2,591.4**	3,180.9
Other long term benefits	**53.7**	250.0
Total key management personnel compensation	**10,081.9**	10,787.8

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 13 to 19 of the Directors' Report.

There have been no other transactions with key management personnel during the year.

Transactions with related parties

	31 Dec 14 $M	31 Dec 13 $M
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	**(5.8)**	(4.8)
Transactions with associates and joint ventures		
Revenue and Expenses		
Responsible Entity fees from associates	**35.2**	30.9
Property management fees	**12.6**	11.8
Development management fees from associates	**9.8**	6.8
Site Access Fee Paid	**(0.6)**	-
Management fees from associates	**3.5**	3.9
Distributions received/receivable from joint ventures	**48.4**	52.6
Distributions received/receivable from associates	**84.0**	74.9
Payroll costs recharged to associates	**8.0**	5.5
Other transactions		
Loans advanced to joint ventures	**(0.2)**	(3.1)
Loan repayments from joint ventures	**4.1**	1.0
Decrease in units in joint ventures	**-**	131.1
Increase in units in joint ventures	**(33.6)**	(4.7)
Increase in units in associates	**(254.5)**	(49.7)
Capital expenditures paid on behalf of associates	**2.7**	2.6

20. AUDITOR'S REMUNERATION

	31 Dec 14 $'000	31 Dec 13 $'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**1,084.5**	994.0
Total remuneration for audit services	**1,084.5**	994.0
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**235.2**	207.9
Total remuneration for other assurance services	**235.2**	207.9
Total remuneration for audit and assurance services	**1,319.7**	1,201.9
Non audit related services		
PricewaterhouseCoopers Australia		
Other Services	**43.1**	161.0
Taxation services	**18.1**	-
Total remuneration for non audit related services	**61.2**	161.0
Total auditor's remuneration	**1,380.9**	1,362.9

21. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 14	31 Dec 13
	$M	$M
Assets		
Current assets	**98.8**	455.9
Non-current assets	**9,843.6**	8,841.7
Total assets	**9,942.4**	9,297.6
Liabilities		
Current liabilities	**330.3**	513.2
Non-current liabilities	**2,835.0**	2,160.2
Total liabilities	**3,165.3**	2,673.4
Net assets	**6,777.1**	6,624.2
Equity		
Equity attributable to secutityholders of the parent entity		
Contributed equity	**7,587.6**	7,620.2
Reserves	**(11.6)**	(5.9)
Accumulated losses	**(798.9)**	(990.0)
Total equity	**6,777.1**	6,624.2
Profit attributable to members of the parent entity	**573.6**	591.9
Total comprehensive income for the year, net of tax, attributable to members of the parent entity	**573.6**	591.9
Capital expenditure commitments		
Retail	**1.1**	23.1
Office	**57.5**	39.1
Logistics	**5.8**	-
Properties under development	**21.2**	189.7
Total capital expenditure commitments	**85.6**	251.9

As at 31 December 2014, the Parent entity had a deficiency of current net assets of $231.5 million (2013: $57.3 million) arising as a result of the inclusion of the provision for distribution payable to stapled securityholders. The Parent has access to undrawn financing facilities of $443.0 million.

Parent entity financial information
The financial information for the parent entity of GPT, General Property Trust, has been prepared on the same basis as the consolidated financial statements, excepted as set out below.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are accounted for at cost in the financial statements of the parent entity. Distributions received are recognised in the parent entity’s profit or loss rather than being deducted from the carrying amount of these investments.

22. FAIR VALUE DISCLOSURES

The most significant categories of assets for which fair values are used are investment properties and financial instruments. Information about how those values are calculated, and other information required by the accounting standards, is provided below.

The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below.

(i) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy (1)	Valuation technique	Inputs used to measure fair value	Range of unobservable inputs 31 Dec 2014	Range of unobservable inputs 31 Dec 2013
Retail	Level 3	DCF and income capitalisation method	10 year average specialty market rental growth	3.0% - 4.6%	3.3% - 4.2%
			Adopted capitalisation rate	5.3% - 8.0% (2)	5.5% - 9.0%
			Adopted terminal yield	5.4% - 8.8%	5.8% - 9.5%
			Adopted discount rate	8.3% - 9.8%	8.5% - 10.25%
Office	Level 3	DCF and income capitalisation method	Net passing rent (per sqm p.a.)	$270 - $1,300	$436 - $1,095
			Net market rent (per sqm p.a.)	$380 - $1,345	$415 - $1,185
			10 year average market rental growth	3.0% - 4.1%	3.3% - 4.0%
			Adopted capitalisation rate	6.0% - 6.8%	6.5% - 7.3%
			Adopted terminal yield	6.1% - 6.9%	6.3% - 7.5%
			Adopted discount rate	8.0% - 8.5%	8.5% - 9.0%
			Lease incentives	27.5% - 34.5%	27.0% - 30.0%
Logistics	Level 3	DCF and income capitalisation method	Net passing rent (per sqm p.a.)	$60 - $603	$57 - $580
			Net market rent (per sqm p.a.)	$51 - $575	$52 - $580
			10 year average market rental growth	3.0% - 3.5%	3.0% - 3.5%
			Adopted capitalisation rate	6.0% - 9.0%	7.5% - 10.0%
			Adopted terminal yield	6.3% - 9.8%	7.8% - 10.5%
			Adopted discount rate	8.0% - 10.5%	9.0% - 10.5%
			Lease incentives	8.0% - 43.0%	2.0% - 20.0%
Properties under development	Level 3	Development feasibility	Net market rent (per sqm p.a.)	$80 - $430	$80 - $430
			10 year average market rental growth	2.0% - 3.3%	2.0% - 3.3%
			Adopted capitalisation rate	6.0% - 8.3%	7.0% - 8.3%
Derivative financial instruments	Level 1 - 2	DCF (adjusted for counterparty credit worthiness	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable - all inputs are market observable inputs	
	Level 3		CPI Volatility	Average CPI volatility over the past 7 years	
Other financial assets	Level 3	Recent arm's length transactions in non-active markets	Secuity price	Not applicable	

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

Discounted cash flow method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure reversions.
Development feasibility	Development feasibility is used to evaluate the residual land value of a property based on total development costs, revenue and an acceptable profit margin in line with risk of the development.
Net passing rent	Net passing rent is the contracted amount for which a property or space within a property is leased. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
10 year average specialty market rental growth	An average of a 10 year period of forecast annual percentage growth rates in Retail specialty tenancy rents. Specialty tenants are those tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in alignment with expected market movements.

Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence and the prior external valuation
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk The rate is determined with regards to market evidence and the prior external valuation.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination, or, one of the following; a rent free period, a fit-out contribution, a cash contribution or rental abatement.
Counterparty credit worthiness	Credit value adjustments: these are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments: these are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

(ii) Valuation process – investment properties
GPT's investment management team manages the semi-annual valuation process to ensure that investment properties are held at fair value in GPT's accounts and that GPT is compliant with applicable regulations (for example the Corporations Act and ASIC regulations), the GPT RE Constitution and Compliance Plan.

External valuations
GPT's external valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued.

The GPT RE Limited Compliance Plan requires an independent valuation at least once every calendar year for properties with a most recent book value of greater than $50 million. Properties under $50 million are independently valued on a three year rolling cycle.

In addition, independent valuations are also carried out in the event of the following:
- A variation between book value and internal tolerance check valuation of greater than or equal to 5% (higher or lower).
- A major development project.
- An opportunity to undertake a valuation in line with a joint owners' valuation.

Internal tolerance checks
Every six months, with the exception of properties already independently valued during the period, the investment management team prepares an internal tolerance check of the previous independent valuation. For the retail, office and logistics properties, a capitalisation and discounted cash flow valuation are produced using a capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuations. The adopted value is generally a mid-point of these two approaches.

The valuation of the properties under development is determined by a development feasibility analysis for each parcel of land within each asset. The development feasibility is prepared on an "as if complete" basis and is a combination of the income capitalisation method and (where appropriate), the discounted cash flow method. The cost to complete the development includes development costs, finance costs and an appropriate profit and risk margin. These costs are deducted from the "as if complete" valuation to determine the "as is" basis or current fair value.

The internal tolerance check valuations are presented to the GPT Audit and Risk Management Committee, who recommend the adopted valuation to the Board in accordance with GPT's internal valuation protocol. This is:
- If the internal tolerance check is within 5.0% of the current book value, then the current book value is retained as the fair value.
- If the internal tolerance check varies by more than 5.0% to the current book value (higher or lower), then an independent valuation will be obtained in the period and will be adopted as the fair value.

Highest and best use
Fair value for investment properties is calculated for the highest and best use whether or not current use reflects highest and best use. For all GPT investment properties current use equates to the highest and best use, with the exception of the following:
- 7 Figtree Drive, Sydney Olympic Park
- 6 Herb Elliott Avenue, Sydney Olympic Park
- 8 Herb Elliott Avenue, Sydney Olympic Park
- 18-24 Abbott Road, Seven Hills, NSW

The underlying zoning of 7 Figtree Drive and 6 and 8 Herb Elliott Avenue all located at Sydney Olympic Park, allow for mixed use development which would provide significantly higher floor space ratio than what is currently being achieved. These properties are currently being leased and any potential redevelopment is subject to the expiry of these leases. 18-24 Abbott Road, Seven Hills is currently operating as a foundry and manufacturing facility but has the potential to be developed as a bulky goods retail asset. The existing tenant vacates in 2015 and the facility will be demolished, with the resulting site area to be prepared for re-development.

(iii) Sensitivity information – investment properties

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Net passing rent Net market rent 10 year average specialty market rental growth 10 year average market rental growth	Increase	Decrease
Adopted capitalisation rate Adopted terminal yield Adopted discount rate Lease incentives	Decrease	Increase

Generally, if the assumption made for the adopted capitalisation rate changes, the adopted terminal yield will change in the same direction. The adopted capitalisation rate forms part of the income capitalisation approach and the adopted terminal yield forms part of the discounted cash flow approach. The mid-point of the two valuations is then adopted.

Income capitalisation approach
When calculating income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. If the net market rent increases but the capitalisation rate goes down (or vice versa), this may magnify the impact on fair value.

Discounted cash flow approach
When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship because the discount rate will determine the rate at which the terminal value is discounted to the present value.

In theory, an increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact on fair value, and vice versa. If both the discount rate and terminal yield moved in the same direction, the impact on fair value would be magnified.

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

	Unlisted equity securities $M	Derivative assets $M	Derivative liabilities $M	Total $M
Opening balance 1 January 2013	3.9	-	(87.2)	(83.3)
Fair value movements in comprehensive income				-
- Still held	0.6	-	11.8	12.4
- No longer held	-	-	(2.0)	(2.0)
Terminations	-	-	47.2	47.2
Transfers out of level 3 to level 2	-	-	9.6	9.6
Closing balance 31 December 2013	4.5	-	(20.6)	(16.1)
				-
Opening balance 1 January 2014	**4.5**	**-**	**(20.6)**	**(16.1)**
Fair value movements in comprehensive income				
- Still held	**1.5**	**-**	**(2.0)**	**(0.5)**
- No longer held	**-**	**-**	**-**	**-**
Terminations	**-**	**-**	**-**	**-**
Transfers out of level 3	**-**	**-**	**-**	**-**
Closing Balance 31 December 2014	**6.0**	**-**	**(22.6)**	**(16.6)**

Sensitivities
The table below summarises the impact of an increase/decrease in unlisted equity prices and interest rates on GPT's profit and on equity for the period. For level 3 unlisted equity securities, the analysis is based on the assumption that equity prices increase/decrease by 10%. For level 3 derivatives, the analysis is based on the assumption that interest rates increase/decrease by 1% with all other variables held constant, as interest rates are the only significant input.

		31 Dec 14 $M	31 Dec 13 $M
Fair value of level 3 unlisted equity securities		**6.0**	4.5
	10% increase in price per security gain / (loss)	**0.6**	0.5
	10% decrease in price per security (loss) / gain	**(0.6)**	(0.5)
Fair value of level 3 derivatives		**(22.6)**	(20.6)
	1% increase in interest rates gain	**6.9**	8.4
	1% decrease in interest rates (loss)	**(7.2)**	(8.8)

23. ACCOUNTING POLICIES

(a) Basis of preparation
The financial report has been prepared:
- In accordance with the requirements of the Trust's Constitution, Corporations Act 2001, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards.
- On a going concern basis in the belief that GPT will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities at 31 December 2014 of $183.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders, GPT has access to undrawn financing facilities of $518.8 million as set out in note 14.
- Under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the consolidated statement of comprehensive income.
- Using consistent accounting policies and adjustments are made to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures.
- In Australian dollars with all values rounded in the nearest million dollars, unless otherwise stated.

In accordance with AAS, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest and, in the consolidated entity column, represents the contributed equity of the Company. GPT has relied on class order 13/1050 and therefore continues to present consolidated financial statement of all the entities in a stapled group in one financial report.

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

The financial report was approved by the Board of Directors on 19 February 2015.

(b) Basis of consolidation
Controlled entities
The consolidated financial statements of GPT report the assets, liabilities and results of all controlled entities for the financial year.
Controlled entities are all entities over which GPT has control. GPT controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of controlled entities is accounted for using the acquisition method of accounting. All intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Associates
Associates are entities over which GPT has significant influence but not control, generally accompanying a shareholding of between 10% and 50% of the voting rights. The management considered if GPT controls its associates (GPT Wholesale Shopping Centre Fund, GPT Wholesale Office Fund and GPT Metro Office Fund) and concluded that it does not. The primary basis for conclusion was that other investors have substantive right to remove GPT as a responsible entity of the associates and therefore GPT has power over the associates' as an agent rather than a principal.

Investments in associates are accounted for using the equity method. Under this method, GPT's investment in associates is carried in the consolidated balance sheet at cost plus post acquisition changes in GPT's share of net assets. GPT's share of the associates' result is reflected in the consolidated statement of comprehensive income. 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.

Joint arrangements
Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. GPT has assessed the nature of its joint arrangements and determined to have both joint operations and joint ventures.

Joint operations
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 recognises its direct share of jointly held assets, liabilities, revenues and expenses in the consolidated financial statements under the appropriate headings. The investment properties that are directly owned as tenants in common are disclosed in note 2.

Joint ventures
Investments in joint ventures are accounted for in the consolidated balance sheet using the equity method which is the same method adopted for associates.

Significant accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

(c) Other accounting policies
(i) Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional currency').

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.

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.

(ii) 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.

(d) New and amended accounting standards and interpretations adopted from 1 January 2014

All new and amended Australian Accounting Standards and interpretations mandatory as at 1 January 2014 to GPT have been adopted, including:

Reference	Description
Interpretation 21 *Accounting for Levies*	The interpretation confirms what the obligating event is and when a liability is recognised for land tax and car park levy. As a result of this change of accounting policy, the prior year comparatives have been restated. The following table summarises the impact of the change on GPT's balance sheet:

	As previously reported $M	Change $M	As restated $M
Current asset – Loans and receivables	88.6	10.4	99.0
Total current assets	383.0	10.4	393.4
Total assets	**9,421.8**	**10.4**	**9,432.2**
Current liabilities – Provisions	13.9	10.4	24.3
Total current liabilities	537.1	10.4	547.5
Total liabilities	**2,707.0**	**10.4**	**2,717.4**
Net assets	**6,714.8**	**-**	**6,714.8**

Reference	Description
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	This amendment removes the requirement to include individual key management personnel disclosures in the notes to the financial statements. Whilst this information has been removed from the financial statements, GPT continues to disclose this information in the Remuneration Report.
AASB 2012-3 *Offsetting Financial Assets and Financial* Liabilities	The amendment clarifies that the right of set off must be available today and must be legally enforceable in the normal course of business as well as in the event of default, insolvency or bankruptcy. This is consistent with GPT's existing accounting policy therefore there was no change to GPT's financial statements.
AASB 2013-4 *Novation of derivatives and hedge accounting*	The amendment allows the continuation of hedge accounting provided specific conditions are met. This is consistent with GPT's existing accounting policy therefore there was no change to GPT's financial statements.

(e) New accounting standards and interpretations issued but not yet applied
The following standards and amendments to standards are relevant to GPT and the potential effects have not yet been fully determined.

Reference	Description	Application of Standard
AASB 15 *Revenue from Contracts with Customers* and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	AASB 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract–based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.	1 January 2017

AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The new hedging rules align hedge accounting more closely with the reporting entity's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss can now be presented in other comprehensive income. The new standard also introduces expanded disclosure requirements and changes in presentation.	1 January 2018

24. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2015, GPT announced to the market that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325 million fully underwritten institutional placement (placement) and a non-underwritten security purchase plan for a maximum of $50.0 million. The placement was completed on 22 January 2015 at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015. 76.8 million securities were issued under the placement on 29 January 2015.

Other than above, the Directors are not aware of any matter or circumstance occurring since 31 December 2014 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

DIRECTORS' DECLARATION

Year ended 31 December 2014

In the directors of the Responsible Entity's opinion:

(a) the financial statements and notes set out on pages 21 to 55 are in accordance with the Corporations Act 2001, including:
- complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of GPT's financial position as at 31 December 2014 and of its performance for the financial year ended on that date; and

(b) the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 23 to the financial statements.

(c) there are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 31 December 2014 of $183.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders, GPT has access to undrawn financing facilities of $518.8 million as set out in note 14.

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

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

Rob Ferguson
Chairman

GPT RE Limited

Michael Cameron
Chief Executive Officer and Managing Director

Sydney
19 February 2015

Independent auditor's report to the members 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 consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Trust and its controlled entities (the consolidated entity). The consolidated entity comprises both the Trust and the entities it controlled at year's end or from time to time during the financial year, including GPT Management Holdings Limited and its controlled entities.

Directors of GPT RE Limited's (the responsible entity) responsibility for the financial report

The directors of 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 of responsible entity 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 23, 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to 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 consolidated 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.

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

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 the 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 2014 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*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 23.

Report on the Remuneration Report

We have audited the remuneration report included in pages 13 to 19 of the directors' report for the year ended 31 December 2014. The directors of the responsible entity 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 the Trust for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
19 February 2015