GPT Management Holdings Limited
ABN: 67 113 510 188

Interim Financial Report
30 June 2014

This interim financial report covers both GPT Management Holdings Limited as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities. The interim financial report is presented in Australian currency.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2013 and any public announcements made by GPT Management Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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DIRECTORS' REPORT

For the half year ended 30 June 2014

The Directors of GPT Management Holdings Limited (the Company) present their report on the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities for the half year ended 30 June 2014. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group). The Company is stapled to the General Property Trust and the GPT Group financial statements include the results of the stapled entity as a whole.

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

Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Chief Executive Officer and Managing Director

Michael Cameron

(iii) Non-Executive Directors

Brendan Crotty
Eileen Doyle
Eric Goodwin
Anne McDonald
Gene Tilbrook

Principal Activities

During the half year, the Company continued its strategy to simplify the business and focus on high quality Australian retail, office and logistics & business park assets.

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2013 and are:

- property management of income producing retail, office and logistics assets;
- development of retail, office and logistics assets;
- funds management; and
- management and administration of the General Property Trust.

The GPT Group

The shares of GPT Management Holdings Limited are quoted on the Australian Securities Exchange under the stapled entity code 'GPT' and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited (Company). The unit and share are stapled together and cannot be traded separately. The Trust and the Company are entities that form the GPT Group. Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT
For the half year ended 30 June 2014

Review of operations
The net profit of the consolidated entity for the half year ended 30 June 2014 should be read in conjunction with the interim financial report of the GPT Group.

The net profit for the half year ended 30 June 2014 is $29.0 million (Jun 2013: $13.6 million).

	30 Jun 14 $'000	30 Jun 13 $'000	Change %
Fund management fees	**29,167**	29,045	0%
Property management fees	**17,673**	15,448	14%
Development management fees	**8,836**	7,247	22%
Other income	**39,681**	26,393	50%
Expenses	**(57,826)**	(59,598)	(3%)
Profit from continuing operations before income tax expense	**37,531**	18,535	102%
Income tax expense	**(4,107)**	(1,611)	155%
Profit after income tax expense for continuing operations	**33,424**	16,924	97%
Loss from discontinued operations	**(4,440)**	(3,348)	33%
Net profit for the half year	**28,984**	13,576	113%

The increase in profit after tax compared with June 2013 is largely the result of an increase in revaluation on borrowings and delivery of lower overall expenses via ongoing expense discipline.

Property Management
In the second half of 2013, the consolidated entity internalised the property management function of the MLC Centre in Sydney and eight assets held by GPT Wholesale Office Fund (GWOF). The property management function of these assets had been previously outsourced to Jones Lang LaSalle (JLL). The internalisation was undertaken to reinforce GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes.

As a result, property management fees have increased by $2.2 million compared with prior period.

Development Management
The development – logistics business unit continued to grow during the half year. The consolidated entity entered into a 50/50 joint operating agreement with Metroplex to deliver a $350 million industrial business park in the Brisbane suburb of Wacol. The consolidated entity has purchased a half share of the Metroplex site for $36 million, which includes 58 hectares of developable land.

Development management fees increased by $1.6 million compared with the prior period, as a result of additional development fee income from the pre-lease developments at Erskine Park and Sydney Olympic Park.

Other Income
Other income has increased by $13.3 million in 2014 due to the revaluation of financial arrangements required under Australian Accounting Standards (AAS). This is due to an increase in loans in 2014. Further, there has been an increase in share of profits generated by the Chullora joint arrangement which acquired a site at Chullora for development and sale in June 2013.

Expenses
The consolidated entity continues to focus on operational efficiency with expenses declining by 3% to $57.8 million (Jun 2013: $59.6 million). The primary driver for the decrease is optimisation initiatives on system and process improvements.

Discontinued Operations
On 8 April 2014, the consolidated entity completed the divestment of the B&B GPT Alliance I LLC for nil consideration, resulting in a loss on sale of $1.8 million.

Equity – on market buy back
On 24 April 2014, GPT announced the extension of the on market buy back for an additional 12 months until May 2015. During the six months ended 30 June 2014, GPT has acquired 11.4 million GPT stapled securities for a total consideration of $41.0 million of which the Company's share is $0.3 million

Dividends
The Directors have not declared any dividends for the half year ended 30 June 2014 (Jun 2013: nil).

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT
For the half year ended 30 June 2014

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

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

The EEO Act 2006 requires GPT to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities and to report publicly on the assessments undertaken; including what action GPT intends to take as a result. As required under this act, GPT is registered with the Department of Resources, Energy and Tourism as a participant entity. GPT has collated energy data and identified energy opportunities for the 1 July 2013 to 30 June 2014 period to ensure that the Energy Efficiency Opportunities data is made available in a public report on the GPT website by the required date of 31 December 2014.

The NGER Act 2007 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 for submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2014.

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

Events subsequent to the end of the half year
The Directors are not aware of any matter or circumstance occurring since 30 June 2014 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

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

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 6.

Signed in accordance with a resolution of the Directors.

Rob Ferguson
Chairman

Michael Cameron
Managing Director and Chief Executive Officer

Sydney
7 August 2014

Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 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 review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GPT Management Holdings Limited and the entities it controlled during the period.

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
7 August 2014

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GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 30 June 2014

	Note	30 Jun 14 $'000	30 Jun 13 $'000
Revenue			
Fund management fees		**29,167**	29,045
Property management fees		**17,673**	15,448
Development management fees		**8,836**	7,247
		55,676	51,740
Other income			
Share of after tax profit of equity accounted investments		**1,454**	-
Interest revenue		**322**	336
Revaluation of financial arrangements		**37,905**	26,057
		39,681	26,393
Total revenue and other income		**95,357**	78,133
Expenses			
Remuneration expenses		**34,832**	38,647
Property expenses and outgoings		**3,460**	2,309
Repairs and maintenance		**1,561**	1,510
Professional fees		**1,190**	790
Depreciation and amortisation expense		**4,318**	3,654
Finance costs		**8,815**	9,205
Other expenses		**3,650**	3,483
Total expenses		**57,826**	59,598
Profit from continuing operations before income tax expense		**37,531**	18,535
Income tax expense		**(4,107)**	(1,611)
Profit after income tax expense for continuing operations		**33,424**	16,924
Loss from discontinued operations		**(4,440)**	(3,348)
Net profit for the half year		**28,984**	13,576
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments		**1,673**	200
Total comprehensive income for the half year		**30,657**	13,776
Net profit attributable to:			
- Members of the Company		**28,984**	13,576
- Non-controlling interest		**-**	-
Total comprehensive income attributable to:			
- Members of the Company		**30,657**	13,776
- Non-controlling interest		**-**	-
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	9	**1.98**	0.96
Basic and diluted loss per share (cents per share) from discontinued operations	9	**(0.26)**	(0.19)
Basic and diluted earnings per share (cents per share) - Total	9	**1.72**	0.77

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Note	30 Jun 14 $'000	31 Dec 13 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		**38,957**	22,118
Loans and receivables		**20,682**	18,835
Prepayments		**707**	933
		60,346	41,886
Assets held for sale	6	**191**	238
Total Current Assets		**60,537**	42,124
Non-Current Assets			
Intangible assets	3	**47,473**	50,651
Property, plant & equipment	4	**12,593**	12,582
Inventories		**40,524**	-
Investments in Equity Accounted Investments	5	**86**	86
Loans and receivables		**13,397**	13,397
Deferred tax assets		**22,019**	25,021
Deferred acquisition costs		**3,533**	-
Other assets		**5,842**	6,330
Total Non-Current Assets		**145,467**	108,067
Total Assets		**206,004**	150,191
LIABILITIES			
Current Liabilities			
Payables		**19,681**	31,919
Provisions		**20,473**	26,356
Total Current Liabilities		**40,154**	58,275
Non-Current Liabilities			
Provisions		**5,958**	4,389
Other liabilities		**7,582**	7,879
Borrowings	7	**40,020**	-
Total Non-Current Liabilities		**53,560**	12,268
Total Liabilities		**93,714**	70,543
Net Assets		**112,290**	79,648
EQUITY			
Contributed equity	8	**319,315**	319,562
Reserves		**39,302**	35,397
Accumulated losses		**(251,175)**	(280,159)
Total equity attributable to Company members		**107,442**	74,800
Non-controlling interests		**4,848**	4,848
Total Equity		**112,290**	79,648

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 30 June 2014

	Attributable to Company members				Attributable to non-controlling interests				
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Balance at 1 January 2013	321,812	49,759	(275,190)	96,381	22,060	-	(17,212)	4,848	101,229
Movement in foreign currency translation reserve	-	200	-	200	-	-	-	-	200
Net profit recognised directly in equity	-	200	-	200	-	-	-	-	200
Profit for the half year	-	-	13,576	13,576	-	-	-	-	13,576
Total comprehensive income for the half year	-	200	13,576	13,776	-	-	-	-	13,776
Transactions with Securityholders in their capacity as Securityholders:									
On-market purchase of GPT stapled securities	(707)	-	-	(707)	-	-	-	-	(707)
Security issued	32	-	-	32	-	-	-	-	32
Movement in treasury stock reserve	-	100	-	100	-	-	-	-	100
Movement in employee incentive security scheme reserve	-	(2,684)	-	(2,684)	-	-	-	-	(2,684)
Balance at 30 June 2013	321,137	47,375	(261,614)	106,898	22,060	-	(17,212)	4,848	111,746
Balance at 1 January 2014	**319,562**	**35,397**	**(280,159)**	**74,800**	**22,060**	**-**	**(17,212)**	**4,848**	**79,648**
Movement in foreign currency translation reserve	**-**	**1,673**	**-**	**1,673**	**-**	**-**	**-**	**-**	**1,673**
Net profit recognised directly in equity	**-**	**1,673**	**-**	**1,673**	**-**	**-**	**-**	**-**	**1,673**
Profit for the half year	**-**	**-**	**28,984**	**28,984**	**-**	**-**	**-**	**-**	**28,984**
Total comprehensive income for the half year	**-**	**1,673**	**28,984**	**30,657**	**-**	**-**	**-**	**-**	**30,657**
Transactions with Securityholders in their capacity as Securityholders:									
On-market purchase of GPT stapled securities	**(287)**	**-**	**-**	**(287)**	**-**	**-**	**-**	**-**	**(287)**
Securities issued	**40**	**-**	**-**	**40**					**40**
Movement in treasury stock reserve	**-**	**29**	**-**	**29**	**-**	**-**	**-**	**-**	**29**
Movement in employee incentive security scheme reserve	**-**	**2,203**	**-**	**2,203**	**-**	**-**	**-**	**-**	**2,203**
Balance at 30 June 2014	**319,315**	**39,302**	**(251,175)**	**107,442**	**22,060**	**-**	**(17,212)**	**4,848**	**112,290**

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOW
for the half year ended 30 June 2014

	Note	30 Jun 14 $'000	30 Jun 13 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**50,842**	65,998
Cash payments in the course of operations (inclusive of GST)		**(34,356)**	(57,171)
Cash payments for inventory	12 (a)(i)	**(40,524)**	
Distributions and dividends received		**2,145**	324
Interest received		**715**	241
Finance costs		**(32)**	-
Net cash (outflow)/inflow from operating activities	12 (a)	**(21,210)**	9,392
Cash flows from investing activities			
Payments for property, plant and equipment		**(735)**	(703)
Payments for intangibles		**(949)**	(2,729)
Payments for costs to sell on assets held for sale		**-**	(203)
Net cash outflow from investing activities		**(1,684)**	(3,635)
Cash flows from financing activities			
Payments for buy-back of ordinary stapled securities		**(287)**	(707)
Proceeds from borrowings		**40,020**	-
Net cash inflow/(outflow) from financing activities		**39,733**	(707)
Net increase in cash and cash equivalents		**16,839**	5,050
Cash and cash equivalents at the beginning of the half year		**22,118**	19,990
		38,957	25,040
Less: cash balance classified as held for sale		**-**	-
Cash and cash equivalents at the end of the half year	12 (b)	**38,957**	25,040

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

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

1. Summary of significant accounting policies

(a) Basis of preparation
This general purpose financial report for the interim half year reporting period ended 30 June 2014 has been prepared in accordance with GPT Management Holdings Limited's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2013 and any public announcements made by GPT Management Holdings Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report complies with Australian Accounting Standards. The interim financial report was approved by the Board of Directors on 7 August 2014.

(b) Significant accounting policies
The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of those set out below. There are no significant changes to the consolidated entity's financial performance, financial position or accounting principles as a result of the application of the new and amended standards and interpretations, mandatory for annual reporting periods beginning on or after 1 January 2014.

Where applicable, certain comparative figures are restated in order to comply with the current period presentation of the financial report.

Newly adopted accounting policies

Inventories
During the year, GPT adopted AASB 102 Inventories in relation to development properties held for sale. Development properties held for sale are carried at the lower of cost and net realisable value

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

Net realisable value
Net realisable value is determined on the basis of forecasted sale prices for development properties held for sale in the ordinary course of business. Marketing, selling and distribution costs are estimated and deducted to establish net realisable value. The amount of any reversal of write-down of inventories arising from a change in the circumstances that gave rise to the original write down is recognised as a reduction in the impairment of inventories recognised as an expense in the Consolidated Statement of Comprehensive Income.

Deferred acquisition costs
Deferred acquisition costs associated with the property management business are costs that are directly related to and incremental to earning property management fee income. These costs are recorded as an asset and are amortised in the income statement on the same basis as the recognition of property management fee revenue.

New accounting standards and interpretations issued but not yet applied
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 2012-6 Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 2018)
AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation. The consolidated entity does not expect a significant impact from its application.

IFRS 15 Revenue from Contracts with Customers (effective for annual reporting periods on or after 1 January 2017)
The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer so the notion of control replaces the existing notion of risks and rewards. 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, relevant disclosures. The consolidated entity is in the process of assessing any implications of the new standard to its operations and financial result once the AASB equivalent is issued.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

1. Summary of significant accounting policies (continued)

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

The new key estimates and assumptions at June 2014 that have a significant risk of causing a material adjustment within the next financial period to the carrying amounts of assets and liabilities recognised in these financial statements are:

Share based payment transactions
The Company measures the cost of cash settled securities allocated to employees by reference to the fair value of the equity instruments at the reporting date. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation. The accounting estimates and assumptions relating to cash settled share-based payments will impact the carrying amounts of liabilities within the period and the share based payment expense.

The reason for the change in accounting policy from equity settled to cash settled share based payments is to more accurately reflect the stapled structure of the Group and composition of stapled securities vested. The change has resulted in $17.6 million being reclassed from reserves to provisions in the December 2013 comparative and $0.3 million expensed through the profit and loss in the current period due to the requirement to revalue the liability to employees each reporting period.

(c) Rounding of amounts
The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts shown in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

2. Segment reporting

Financial Performance by Segment
The Chief Operating Decision Maker has been identified as the Board of Directors which is accountable for the strategic decision making within the consolidated entity. Management of the consolidated entity has determined that the consolidated entity now operates in a single segment based on the information provided to the Board of Directors.

The amounts provided to the Board of Directors in respect of financial performance are measured in a manner consistent with that of the interim financial report.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

3. Intangibles

	30 Jun 14 $'000	31 Dec 13 $'000
Management rights		
At cost	**55,795**	55,509
less: accumulated amortisation and impairment	**(44,233)**	(43,904)
Total management rights	**11,562**	11,605
IT development and software		
At cost	**58,031**	58,023
less: accumulated amortisation and impairment	**(22,120)**	(18,977)
Total IT development and software	**35,911**	39,046
Total intangible assets	**47,473**	50,651

Reconciliations

Reconciliations of the carrying amount for each class of intangibles at the beginning and end of the financial half year are set out below:

	Management rights $'000	Computer software $'000	Total $'000
Year ended 31 December 2013			
Opening carrying value	11,259	38,655	49,914
Additions	700	6,546	7,246
Amortisation	(354)	(6,155)	(6,509)
Closing carrying value	11,605	39,046	50,651
Year ended 30 June 2014			
Opening carrying value	**11,605**	**39,046**	**50,651**
Additions	**146**	**596**	**742**
Transfers	**140**	**(588)**	**(448)**
Amortisation	**(329)**	**(3,143)**	**(3,472)**
Closing carrying value	**11,562**	**35,911**	**47,473**

Management rights

The management rights include asset and property management rights of retail shopping centres. The rights are amortised over the useful life, which range from 3 years to indefinite.

IT development and software

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

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

4. Property, plant and equipment

	30 Jun 14 $'000	31 Dec 13 $'000
Computers		
At cost	**8,894**	8,893
less: accumulated depreciation and impairment	**(6,904)**	(6,419)
Total computers	**1,990**	2,474
Office, fixtures and fittings		
At cost	**14,246**	13,390
less: accumulated depreciation and impairment	**(3,643)**	(3,282)
Total office, fixtures and fittings	**10,603**	10,108
Total property, plant and equipment	**12,593**	12,582

Reconciliations

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Year ended 31 December 2013			
Opening carrying value	3,113	7,629	10,742
Additions	2,079	3,249	5,328
Disposals	(869)	-	(869)
Depreciation charge	(1,849)	(770)	(2,619)
Closing carrying value	2,474	10,108	12,582
Year ended 30 June 2014			
Opening carrying value	**2,474**	**10,108**	**12,582**
Additions	**1**	**408**	**409**
Transfers	**-**	**448**	**448**
Depreciation charge	**(485)**	**(361)**	**(846)**
Closing carrying value	**1,990**	**10,603**	**12,593**

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

5. Equity accounted investments

	Note	30 Jun 14 $'000	31 Dec 13 $'000
Investments in joint ventures	(a)	**84**	84
Investments in associates	(b)	**2**	2
Total equity accounted investments		**86**	86

Name	Principal Activity	Ownership Interest 2014 %	Ownership Interest 2013 %	30 Jun 14 $'000	31 Dec 13 $'000
(a) Joint Ventures					
Entities incorporated in Australia					
DPT Operator Pty Limited	Managing property	**50.00**	50.00	**84**	84
Total investment in joint ventures				**84**	84
(b) Associates					
Entities incorporated in Australia					
Lend Lease GPT (Rouse Hill) Pty Limited	Investment property	**26.00**	26.00	**-**	-
Chullora Trust 1	Property development	**50.00**	50.00	**2**	2
Total investments in associates				**2**	2

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

	Discontinued Operations US Senior Housing 30 Jun 14 $'000	31 Dec 13 $'000
Investments in associates and joint ventures	**191**	238
Total Assets held for sale	**191**	238

Investments in associates and joint ventures comprise of a 95% investment in B-VII Operations Holding Co. LLC held at $0.2 million.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

7. Borrowings

	Note	30 Jun 14 $'000	31 Dec 13 $'000
Non-Current - secured			
Bank facility - Metroplex	(a)	**17,920**	-
Related party borrowings from GPT Trust	(b)	**22,100**	-
Total non-current borrowings* - secured		**40,020**	**-**

* Net of unamortised establishment costs

	Note	Used facility $'000	Facility limit $'000	Unused facility $'000	Maturity Date
Secured					
Bank facility - Metroplex	(a)	12,000	12,000	-	21-May-17
Bank facility - Metroplex	(a)	6,000	9,500	3,500	21-Nov-15
Related party borrowings from GPT Trust	(b)	10,100	10,100	-	06-May-23
Related party borrowings from GPT Trust	(b)	12,000	12,000	-	20-May-19
Total Borrowings *		**40,100**	**43,600**	**3,500**	
Cash and cash equivalents				38,957	
Total financing resources available at the end of the half year				**42,457**	

* Excluding unamortised establishment costs

Secured borrowings

(a) Bank facilities – secured
During the half year, the consolidated entity together with a joint arrangement partner entered into a bilateral facility totalling $43.0 million (50% share of facility limit: $21.5 million) in connection with the development of Metroplex at Westgate business park in Wacol, Brisbane. The facility is split into three tranches, the first tranche maturing in May 2017 and the remaining two tranches maturing in November 2015. The facility is secured against the asset and is non-recourse to the rest of the Group.

Debt covenants
The consolidated entity's external borrowings are subject to a Loan to Value (LVR) covenant. A breach of the covenant for individual facilities may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. The consolidated entity performed a review of debt covenants as at 30 June 2014 and no breaches were identified.

(b) Related party borrowings – secured
During the half year the following non-current, secured borrowings were provided from GPT Trust and its subsidiaries and drawn as at 30 June 2014:

- a new loan facility to GPT Management Holdings Limited of AUD $10,100,000 was drawn to $10,100,000. This facility expires on 6 May 2023.
- a new loan facility to GPT Development Pty Limited of AUD $12,000,000 was drawn to $12,000,000. This facility expires on 20 May 2019.

Related party borrowings – non-secured
The following non-current, unsecured borrowings were provided by GPT Trust and its subsidiaries and drawn as at 30 June 2014:

- a loan facility to GPT Management Holdings Limited of AUD $550,000,000 was drawn to $373,511,288 (Dec 2013: $344,094,406). This facility expires on 31 December 2015.
- a loan facility to GPT Property Management Ltd of AUD $50,000,000 was drawn to $34,637,259 (Dec 2013: $34,637,259). This facility expires on 31 December 2015.
- a loan facility to GPT International Pty Limited of AUD $120,000,000 was drawn to $102,042,484 (Dec 2013: $102,042,484). This facility expires on 12 June 2017.
- a loan facility to Voyages Hotels & Resorts of AUD $70,000,000 was drawn to $70,000,000 (Dec 2013: $70,000,000). This facility expires on 24 December 2019.

These loans have been revalued to nil (Dec 2013: $nil) based on a forecast cash flow for amounts payable. As a result a revaluation adjustment of $37.9 million for both continuing and discontinued operations has been recognised in the Consolidated Statement of Comprehensive Income (Jun 2013: $26.06 million).

8. Contributed equity

		Note	Number	$'000
Ordinary stapled securities				
1 January 2013	Opening securities on issue		1,766,785,075	321,812
18 February 2013	Securities issued		1,946,654	32
1 January 2013 to 31 December 2013	On market buy back		(73,843,091)	(2,282)
31 December 2013	Closing securities on issue		1,694,888,638	319,562
1 January 2014	Opening securities on issue		1,694,888,638	319,562
14 February 2014	Securities issued	(a)	1,980,505	40
1 January 2014 to 30 June 2014	On market buy back	(b)	(11,408,188)	(287)
30 June 2014	**Closing securities on issue**		1,685,460,955	319,315

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

(b) On-market buy-back
On 24 April 2014, GPT announced the extension of the on market buy back for an additional 12 months until May 2015. During the six month period ended 30 June 2014, GPT has acquired 11.4 million GPT stapled securities for a total consideration of $41.0 million of which the Company's share is $0.3 million.

9. Earnings per share

`	**30 Jun 14 Cents**	30 Jun 13 Cents
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share - profit from continuing operations	1.98	0.96
Basic and diluted earnings per share - loss from discontinued operations	(0.26)	(0.19)
Total basic and diluted earnings per share	1.72	0.77

(b) Weighted average number of ordinary stapled securities	**Number of shares '000s**	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	**1,687,194**	1,766,374
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)	**958**	1,392
Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share	**1,688,152**	1,767,766

(c) The profit used in the calculation of the basic and diluted earnings per share are as follows:

Profit reconciliation - basic and diluted	**30 Jun 14 $'000**	30 Jun 13 $'000
Profit from continuing operations	**33,424**	16,924
Loss from discontinued operations	**(4,440)**	(3,348)
	28,984	13,576

(d) Information concerning the classification of securities
Performance Rights
6,444,492 Performance Rights (Jun 2013: 4,037,816) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2014. Cumulatively, 11,718,726 Performance Rights have been issued up until 30 June 2014. However, only 957,848 Performance Rights are considered dilutive. As such, only 957,848 Performance Rights have been included in the determination of diluted earnings per security. No Performance Rights have been included in the determination of basic earnings per share.

10. Dividends paid and payable

No dividends have been paid or declared for the half year (Jun 2013: nil).

11. Fair value measurement of financial instruments

The consolidated entity recognises the liability to employees at fair value on a recurring basis.

(a) Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:
- 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 process); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The liability to employees is measured and recognised at fair value, it has been classified as level 3 within the fair value hierarchy.

The following table presents the carrying amounts and fair value of interest-bearing borrowings and the liability to employees. The fair value of fixed rate interest-bearing borrowings is estimated by discontinuing the future contractual cash flows at the current market interest rate curve. The fair value of the liability to employees is estimated by reference to the fair value of the equity instruments at the reporting date.

	Carrying amount 30 Jun 14 $'000	Fair value 30 Jun 14 $'000
Bank facilities	18,000	18,000
Related party borrowings	22,100	22,181
Total interest-bearing borrowings[1]	**40,100**	**40,181**
Liability to employees	12,979	12,979

[1] excluding unamortised establishment costs

(b) Valuation techniques used to derive level 3 fair value

The consolidated entity holds the liability to employees which is classified as level 3. The fair value of the liability to employees is driven by dividend yield and volatility of share prices of selected constituents of the ASX 200 A-REIT Index. The fair value is determined internally using Monte-Carlo simulation.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in the liability to employees for recurring fair value measurements.

	Liability to employees $'000
Opening balance 1 January 2014	17,592
Share based payment expense	(3,928)
Fair value adjustment	(685)
Closing balance 30 June 2014	12,979

The following table summarises the impact of an increase/decrease in dividend yield and volatility of share price of selected constituents of the ASX 200 A-REIT Index on the consolidated entity's profit and equity for the period. For the level 3 liability to employees, the analysis is based on the assumption that dividend yield increases/decreases by 1% with all other variables held constant and the volatility of share price of selected constituents of the ASX 200 A-REIT Index increases/decreases by 10% with all other variables held constant, as these are considered the only significant inputs.

	30 Jun 14 $'000
Fair value of level 3 liability to employees	12,979
1% increase in dividend yield - gain/(loss)	(119)
1% decrease in dividend yield - gain/(loss)	119
10% increase in volatility of share price of selected constituents of the ASX 200 A-REIT Index - gain/(loss)	152
10% decrease in volatility of share price of selected constituents of the ASX 200 A-REIT Index - gain/(loss)	(152)

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2014

12. Notes to the consolidated statement of cash flow

		30 Jun 14	30 Jun 13
		$'000	$'000
(a) Reconciliation of profit after income tax expense to net cash inflow from operating activities			
Net profit for the half year		**28,984**	13,576
Interest received		**389**	(104)
Net foreign currency exchange losses		**(47)**	8
Net loss on disposal of assets		**1,813**	-
Employee incentive security scheme expenses		**3,910**	1,619
Depreciation and amortisation expense		**4,318**	3,654
Intercompany finance costs		**10,461**	10,963
Lease incentive amortisation		**191**	180
Revaluation on borrowings		**(37,905)**	(26,057)
Increase in inventory	(i)	**(40,524)**	-
Decrease in operating assets		**79**	17,457
Increase/(decrease) in operating liabilities		**7,121**	(11,904)
Net cash (outflow)/inflow from operating activities		**(21,210)**	9,392

(i) This line of the Consolidated Statement of Cash Flow represents payments for the development property held for sale as part of the consolidated entity's share in the Metroplex development at Westgate.

(b) Reconciliation of cash

	30 Jun 14	30 Jun 13
	$'000	$'000
Cash at bank	**38,957**	25,040
Total cash and cash equivalents at the end of the half year	**38,957**	25,040

13. Commitments

(a) Capital expenditure commitments
At 30 June 2014, the consolidated entity has commitments principally relating to the development of inventory which have been approved but not recognised as liabilities in the Consolidated Statement of Financial Position, as set out below:

	30 Jun 14	31 Dec 13
	$'000	$'000
Due within one year	**1,524**	-
Due between one and five years	**-**	-
Over five years	**-**	-
Total capital expenditure commitments	**1,524**	-

(b) Operating lease commitments
At 30 June 2014, the consolidated entity has future minimum rentals payable under non-cancellable operating leases as follows:

	30 Jun 14	31 Dec 13
	$'000	$'000
Due within one year	**4,416**	4,340
Due between one and five years	**17,578**	17,442
Over five years	**7,021**	9,336
Total operating lease commitments	**29,015**	31,118

The Company has entered into commercial leases on office equipment and office premises.

13. Commitments (continued)

(c) Share of joint ventures and associates' commitments
At 30 June 2014, the consolidated entity's share of its associates and joint ventures' capital expenditure commitments which have been approved but not provided for are set out below:

	30 Jun 14	31 Dec 13
	$'000	$'000
Capital expenditure commitments	**-**	3,209
Operating lease commitments	**-**	-
Other commitments	**-**	-
Total joint venture and associates' commitments	**-**	3,209

There are no contingent liabilities in the consolidated entity's joint venture entities and associates at 30 June 2014 and 31 December 2013 respectively.

14. Contingent assets and liabilities

There are no material contingent assets or liabilities at reporting date.

15. Events subsequent to the reporting date

The Directors are not aware of any matter or circumstance occurring since 30 June 2014 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

DIRECTORS' DECLARATION

In the Directors of GPT Management Holdings Limited's opinion:

(a) the financial report and notes set out on pages 7 to 20 are in accordance with the Corporations Act 2001, including:

- complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half year ended on that date; and

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

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

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

Rob Ferguson
Chairman

Michael Cameron
Managing Director and Chief Executive Officer

GPT Management Holdings Limited
Sydney
7 August 2014

Independent auditor's review report to the members of GPT Management Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GPT Management Holdings Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the company and its controlled entities (the consolidated entity). The consolidated entity comprises both the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GPT Management Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date;

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year ended 30 June 2014 included on GPT Group's web site. The company's directors are responsible for the integrity of the GPT Group's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
7 August 2014