GPT Management Holdings Limited
ABN: 67 113 510 188

Interim Financial Report
30 June 2015

This financial report covers both GPT Management Holdings Limited (the Company) as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

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 2015

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2015. The Consolidated Entity is stapled to the General Property Trust and the GPT Group (GPT or the 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 the MLC Centre, Level 51, 19 Martin Place, Sydney NSW 2000.

1. OPERATING AND FINANCIAL REVIEW

Review of operations
The Consolidated Entity's financial performance for the half year ended 30 June 2015 is summarised below.

The net profit after tax for the half year ended 30 June 2015 is $22.9 million (Jun 2014: $29.0 million).

	30 Jun 15 $'000	30 Jun 14 $'000	Change %
Fund management fees	35,685	29,167	22%
Property management fees	21,047	17,673	19%
Development management fees and revenue	25,734	8,836	191%
Management costs recharged	17,760	15,601	14%
Other income	20,711	39,681	(48%)
Expenses	(89,805)	(73,427)	22%
Profit from continuing operations before income tax expense	31,132	37,531	(17%)
Income tax expense	(6,461)	(4,107)	57%
Profit after income tax expense for continuing operations	24,671	33,424	(26%)
Loss from discontinued operations	(1,764)	(4,440)	(60%)
Net profit for the half year	22,907	28,984	(21%)

Consolidated Entity result
The decrease in profit after tax compared with 2014 is largely as a result of a decrease in the revaluation of financial arrangements offset with an increase in development revenue earned on the 3 Murray Rose development, increased fund management fees, development management fees and property management fees due to the internalisation of 7 assets during 2014. Expenses have also increased with the development of 3 Murray Rose and management of the newly internalised assets.

Funds Management
GPT
The responsible entity fees earned from GPT have increased in 2015 due to higher expenses in the Consolidated Entity, resulting in higher fees charged to GPT.

GWOF
GPT Wholesale Office Fund's (GWOF) assets under management have grown to $5.5 billion, up $0.7 billion over 12 months. The management fee earned on GWOF increased by $2.8 million in the current period compared to the previous corresponding period in 2014 due to the acquisition of 4 assets in Melbourne and strong upward revaluations across the portfolio.

GWSCF
GPT Wholesale Shopping Centre Fund's (GWSCF) assets under management have grown to $3.9 billion, up $0.4 billion over 12 months. The management fee earned on GWSCF increased by $1.9 million in the current period compared to the previous corresponding period in 2014 due to a higher asset base as a result of acquisitions and strong upward revaluations.

GMF
GPT successfully listed GPT Metro Office Fund (GMF) on the Australian Securities Exchange on 24 October 2014. The management fee on GMF was substantially higher this period as it was the first full reporting period since the fund was launched.

Asset Management
The Asset Management team is integral to GPT's core business strategy of owning and actively managing quality Australian property assets, as well as delivering great customer experiences and performance outcomes. The team currently undertakes property management activities for 61 assets across the retail, office and logistics sectors. The Asset Management function also includes GPT's initiatives, such as Space & Co. and Liquidspace and the sustainability function for The Group.

Property management fees have increased to $21.0 million (Jun 2014: $17.7 million).

Development
Retail & major projects:
The Development – Retail & Major Project team is currently focused on the master planning of development opportunities within its $2.7 billion retail and office development pipeline. This includes the repositioning of the iconic MLC Centre, expansions of Rouse Hill and the proposed redevelopment of Casuarina Square. The $120 million pipeline project at Macarthur Square met conditions precedent in July 2015 and is expected to commence in the third quarter of 2015. The team is also managing capital projects for the GPT Trust, GPT related entities and external parties with an estimated cost of some $160 million including 580 George Street, Charlestown Square, MLC Centre and Highpoint.

Logistics:
The Development Logistics Business unit contributed to the Consolidated Entity's earnings for the first half of 2015 with the successful completion of 3 Murray Rose at Sydney Olympic Park which was acquired by GMF. Acquisition activity in the first half of 2015 included settling on 23.2 hectares of land at Berrinba in Queensland which has been earmarked for Logistics development.

DIRECTORS' REPORT

For the half year ended 30 June 2015

Total development management fees and revenue:
The development management fees and revenue have increased to $25.7 million due to the 3 Murray Rose development revenue earned in 2015.

Management costs recharged
Management costs recharged have increased by $2.2 million in 2015 due to higher expenses, and hence higher recharges, associated with the expansion of property management across the newly internalised assets.

Other income
Other income has decreased by $19.0 million in 2015 due to the revaluation of financial arrangements required under accounting standards. This is primarily due to movements in loans in 2015.

Expenses
The Consolidated Entity continues to focus on operational efficiency. Expenses increased by $16.4 million in 2015. The primary drivers for the increase are the development costs associated with the 3 Murray Rose development and expenses associated with the expansion of property management across the newly internalised assets.

Dividends
The Directors have not declared any dividends for the half year ended 30 June 2015 (Jun 2014: nil).

Financial position

	30 Jun 15	31 Dec 14	Change
	$'000	$'000	%
Total Current Assets	86,606	90,613	(4%)
Total Non-Current Assets	219,335	156,126	40%
Total Assets	305,941	246,739	24%
Current Liabilities	59,807	79,887	(25%)
Non-Current Liabilities	90,191	46,088	96%
Total Liabilities	149,998	125,975	19%
Net Assets	155,943	120,764	29%

Total assets increased by 24% to $305.9 million (Dec 2014: $246.7 million) primarily due to the acquisition of land parcels at Rouse Hill and Berrinba.

Total liabilities increased by 19% to $150.0 million (Dec 2014: $126.0 million) due to increased borrowings to fund the acquisition of land parcels at Rouse Hill and Berrinba.

Capital management
The Consolidated Entity has an external loan relating to the Metroplex joint venture.

The Consolidated Entity has non-current, related party borrowings from GPT Trust and its subsidiaries. Under Australian Accounting Standards, the loans entered into prior to 2014 have been revalued to nil (Jun 2014: nil) based on a forecast cash flow for amounts payable.

Equity raising:
On 21 January 2015, GPT announced to the market that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325.0 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325.0 million institutional placement and a $50.0 million security purchase plan. The institutional placement and the security purchase plan were completed on 22 January and 3 March respectively, at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015, being the last trading day prior to the announcement of the equity raising. As a result, a total of 88.7 million stapled securities were issued.

On market buy back:
On 22 April 2015, GPT announced the extension of the on market buy back for an additional 12 months until May 2016.

Cash flows
The cash balance as at 30 June 2015 decreased to $48.5 million (Dec 2014: $50.4 million).

Operating activities:
Cash outflows from operating activities have increased in 2015 due to payments for remuneration expenses and inventory.

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

	30 Jun 15	30 Jun 14	Change
	$'000	$'000	%
Net profit for the half year	22,907	28,984	(21%)
Add back: non-cash expenses included in net profit	16,881	20,646	(18%)
Less: non-cash revenue items	(19,782)	(37,516)	(47%)
Timing difference	(63,375)	(33,324)	90%
Cash flow from operating activities	(43,369)	(21,210)	104%

Investing activities:
There has been higher cash outflow from investing activities in 2015 due to higher payments for property, plant and equipment and intangible assets.

Financing activities:
There has been higher cash inflow from financing activities in 2015 due to proceeds from the issue of securities.

Prospects
The Consolidated Entity's prospects are incorporated with those of the Group. The Group prospects relevant to the Consolidated Entity are set out below.

(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, utilising 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.
- Adopting a customer centric approach in providing property solutions to customers.
- Targeting a Total Return of greater than 9.0% over the long-term.

Funds management
GPT has a strong Funds Management platform, which has experienced significant growth over the past two years, with both the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund delivering competitive returns over the 12 months to 30 June 2015. The Funds Management team will continue to actively manage the existing portfolios, with new acquisitions and divestments based on meeting the relevant investment objectives of the respective funds. Future growth in the business unit will come from a combination of the growth in existing funds and launching new products.

(ii) Guidance for 2015
In 2015, GPT is targeting to deliver an increase in FFO per ordinary security of between 5% and 6%. Achieving this target is subject to risks detailed in the section following.

Risks and Opportunities
The Consolidated Entity 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 the Consolidated Entity's commitment to integrated risk management. The Consolidated Entity recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk. The Consolidated Entity'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 table below shows the key inherent risks faced by the Consolidated Entity and the strategies which the Consolidated Entity uses to manage them:

Level	Risk Description	Strategic Impact	Mitigation
Operational performance	Investments do not perform in line with forecast	• Management fees are lower than target	• 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
	Expenses are not controlled and kept in line with forecast	• Expenses are higher than target	• Regular forecasting and monitoring of expenses
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 • Management fees are lower than target	• Strategy communicates multiple pathways to successful growth in funds under management
Capital management	Availability of cost of funding	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • Failure to continue as a going concern	• Access to external and related party funding
	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 by the GPT Group
Health and safety	Risk of incidents, causing injury to 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

DIRECTORS' REPORT
For the half year ended 30 June 2015

2. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2015 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 the subsequent financial years.

3. DIRECTORS

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

(i) Chairman - Non-Executive Director
Rob Ferguson

(ii) Chief Executive Officer and Managing Director
Michael Cameron

(iii) Non-Executive Directors
Brendan Crotty
Eileen Doyle
Eric Goodwin (retired on 5 May 2015)
Anne McDonald
Gene Tilbrook
Lim Swe Guan (appointed on 23 March 2015)

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the Directors' Report.

The directors' report is signed in accordance with a resolution of the directors of GPT Management Holdings Limited.

Rob Ferguson
Chairman

Michael Cameron
Chief Executive Officer and Managing Director

Sydney
13 August 2015

Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2015, 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
13 August2015

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half year ended 30 June 2015

	Note	30 Jun 15 $'000	30 Jun 14 $'000
Revenue			
Fund management fees		**35,685**	29,167
Property management fees		**21,047**	17,673
Development management fees		**9,669**	8,836
Development revenue		**16,065**	-
Mangement costs recharged		**17,760**	15,601
		100,226	71,277
Other income			
Share of after tax profit of equity accounted investments		**1,564**	1,454
Interest revenue		**666**	322
Net profit on disposal of assets		**31**	-
Reversal of prior year impairment expense		**9,050**	-
Revaluation of financial arrangements		**9,400**	37,905
		20,711	39,681
Total revenue and other income		**120,937**	110,958
Expenses			
Remuneration expenses		**54,336**	50,433
Property expenses and outgoings		**3,425**	3,460
Development expenses		**9,532**	-
Repairs and maintenance		**1,776**	1,561
Professional fees		**2,155**	1,190
Depreciation and amortisation expense		**4,477**	4,318
Finance costs		**10,948**	8,815
Other expenses		**3,156**	3,650
Total expenses		**89,805**	73,427
Profit from continuing operations before income tax expense		**31,132**	37,531
Income tax expense		**(6,461)**	(4,107)
Profit after income tax expense for continuing operations		**24,671**	33,424
Loss from discontinued operations		**(1,764)**	(4,440)
Net profit for the half year		**22,907**	28,984
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments		**6**	1,673
Revaluation of available for sale financial asset		**8,495**	-
Total comprehensive income for the half year		**31,408**	30,657
Net profit attributable to:			
- Members of the Company		**17,929**	28,984
- Non-controlling interest		**4,978**	-
Total comprehensive income attributable to:			
- Members of the Company		**26,430**	30,657
- Non-controlling interest		**4,978**	-
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	2(a)	**1.12**	1.98
Basic and diluted loss per share (cents per share) from discontinued operations	2(a)	**(0.10)**	(0.26)
Basic and diluted earnings per share (cents per share) - Total	2(a)	**1.02**	1.72

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 2015

	Note	30 Jun 15 $'000	31 Dec 14 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	**48,452**	50,414
Loans and receivables		**36,900**	38,800
Prepayments		**1,021**	1,179
		86,373	90,393
Assets held for sale		**233**	220
Total Current Assets		**86,606**	90,613
Non-Current Assets			
Intangible assets	4	**42,534**	43,561
Property, plant & equipment	6	**14,326**	14,434
Inventories	5	**90,838**	43,647
Investments in equity accounted Investments	3	**1,411**	89
Loans and receivables		**22,447**	13,397
Deferred tax assets		**25,898**	32,452
Deferred acquisition costs		**2,832**	3,159
Other assets	7	**19,049**	5,387
Total Non-Current Assets		**219,335**	156,126
Total Assets		**305,941**	246,739
LIABILITIES			
Current Liabilities			
Payables		**34,611**	43,057
Provisions		**17,388**	29,888
Borrowings	10	**7,808**	6,942
Total Current Liabilities		**59,807**	79,887
Non-Current Liabilities			
Provisions		**10,045**	4,810
Other liabilities		**6,856**	7,231
Borrowings	10	**73,290**	34,047
Total Non-Current Liabilities		**90,191**	46,088
Total Liabilities		**149,998**	125,975
Net Assets		**155,943**	120,764
EQUITY			
Contributed equity	8	**324,153**	319,315
Reserves		**47,983**	40,549
Accumulated losses		**(226,019)**	(243,948)
Total equity attributable to Company members		**146,117**	115,916
Non-controlling interests		**9,826**	4,848
Total Equity		**155,943**	120,764

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

Half year ended 30 June 2015

	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 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
Other comprehensive income for the half year	-	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 securities buy-back	(287)	-	-	(287)	-	-	-	-	(287)
New issue of securities	40	-	-	40	-	-	-	-	40
Movement in employee incentive security scheme reserve net of tax	-	2,232	-	2,232	-	-	-	-	2,232
Balance at 30 June 2014	319,315	39,302	(251,175)	107,442	22,060	-	(17,212)	4,848	112,290
Balance at 1 January 2015	**319,315**	**40,549**	**(243,948)**	**115,916**	**22,060**	**-**	**(17,212)**	**4,848**	**120,764**
Revaluation of available for sale financial asset	**-**	**8,495**	**-**	**8,495**	**-**	**-**	**-**	**-**	**8,495**
Movement in foreign currency translation reserve	**-**	**6**	**-**	**6**	**-**	**-**	**-**	**-**	**6**
Other comprehensive income for the half year	**-**	**8,501**	**-**	**8,501**	**-**	**-**	**-**	**-**	**8,501**
Profit for the half year	**-**	**-**	**17,929**	**17,929**	**-**	**-**	**4,978**	**4,978**	**22,907**
Total comprehensive income for the half year	**-**	**8,501**	**17,929**	**26,430**	**-**	**-**	**4,978**	**4,978**	**31,408**
Transactions with Securityholders in their capacity as Securityholders:									
New issue of securities	**4,838**	**-**	**-**	**4,838**					**4,838**
Movement in employee incentive security scheme reserve net of tax	**-**	**(1,067)**	**-**	**(1,067)**	**-**	**-**	**-**	**-**	**(1,067)**
Balance at 30 June 2015	**324,153**	**47,983**	**(226,019)**	**146,117**	**22,060**	**-**	**(12,234)**	**9,826**	**155,943**

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

Half year ended 30 June 2015

	Note	30 Jun 15 $'000	30 Jun 14 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**49,461**	50,842
Cash payments in the course of operations (inclusive of GST)		**(69,466)**	(34,356)
Cash payments for inventory	9	**(47,191)**	(40,524)
Cash receipts from development activities		**32,820**	-
Cash payments from development activities		**(10,346)**	-
Distributions and dividends received		**747**	2,145
Interest received		**670**	715
Finance costs		**(64)**	(32)
Net cash outflow from operating activities	9	**(43,369)**	(21,210)
Cash flows from investing activities			
Payments for property, plant and equipment		**(144)**	(735)
Payments for intangibles		**(2,968)**	(949)
Net cash outflow from investing activities		**(3,112)**	(1,684)
Cash flows from financing activities			
Proceeds from issue of securities net of transaction costs		**4,688**	-
Purchase of securities for the employee incentive scheme		**(278)**	-
Payments for buy-back of ordinary stapled securities		**-**	(287)
Proceeds from borrowings		**40,109**	40,020
Net cash inflow from financing activities		**44,519**	39,733
Net (decrease) / increase in cash and cash equivalents		**(1,962)**	16,839
Cash and cash equivalents at the beginning of the year		**50,414**	22,118
		48,452	38,957
Less: cash balance classified as held for sale		**-**	-
Cash and cash equivalents at the end of the half year	9	**48,452**	38,957

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2015

These are the consolidated financial statements of the Consolidated Entity, consisting of GPT Management Holdings Limited and its controlled entities.

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

The notes are organised into the following sections:

Note 1 to 2 - Results for the half year: focuses on results and performance of the Consolidated Entity.
Note 3 to 7 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.
Note 8 to 11 - Capital structure: outlines how the Consolidated Entity manages its capital structure and financial risks.
Note 12 to 16 - Other disclosure items: provides information on items that the Directors do not consider significant in understanding the financial statements of the Consolidated Entity, however must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements and estimates
In applying the Consolidated Entity's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events. The significant judgements made and the key sources of estimates for this half year end were the same as those applied to the last annual financial report for the year ended 31 December 2014.

RESULTS FOR THE HALF YEAR

1. SEGMENT INFORMATION

The Consolidated Entity operates in a single segment. The chief operating decision maker monitors the performance of the business in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

2. EARNINGS / (LOSS) PER SHARE

	30 Jun 15 Cents	30 Jun 14 Cents
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share - profit from continuing operations	1.12	1.98
Basic and diluted loss per share - loss from discontinued operations	(0.10)	(0.26)
Total basic and diluted earnings per share	1.02	1.72

(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	**1,759,629**	1,687,194
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)(1)	**2,510**	958
Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share	**1,762,139**	1,688,152

(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 15 $'000**	30 Jun 14 $'000
Profit from continuing operations	**19,693**	33,424
Loss from discontinued operations	**(1,764)**	(4,440)
Profit attributed to external non-controlling interest	**4,978**	-
	22,907	28,984

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

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

OPERATING ASSETS AND LIABILITIES

3. EQUITY ACCOUNTED INVESTMENTS

	Note	30 Jun 15 $'000	31 Dec 14 $'000
Investments in joint venture entities	(a)	**1,411**	89
Total equity accounted investments		**1,411**	89

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest 2015 %	2014 %	30 Jun 15 $'000	31 Dec 14 $'000
Entities incorporated in Australia					
DPT Operator Pty Limited [1]	Managing property	**50.00**	50.00	**86**	85
Lend Lease GPT (Rouse Hill) Pty Limited [1] [2]	Property development	**50.00**	50.00	**1,321**	-
Chullora Trust 1	Property development	**50.00**	50.00	**2**	2
Erskine Park Trust	Property development	**50.00**	50.00	**2**	2
Total investment in joint venture entities				**1,411**	89

(1) These entities have a 30 June balance date.
(2) The Consolidated Entity has a 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.

There are no contingent liabilities in the Consolidated Entity's joint venture entities at 30 June 2015 and 31 December 2014 respectively.

4. INTANGIBLES

	30 Jun 15 $'000	31 Dec 14 $'000
Management rights		
At cost	**55,761**	55,706
less: accumulated amortisation and impairment	**(44,644)**	(44,468)
Total management rights	**11,117**	11,238
IT development and software		
At cost	**59,713**	57,483
less: accumulated amortisation and impairment	**(28,296)**	(25,160)
Total IT development and software	**31,417**	32,323
Total intangible assets	**42,534**	43,561

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

	Management rights $'000	Computer software $'000	Total $'000
Year ended 31 December 2014			
Opening carrying value	11,605	39,046	50,651
Additions	197	2,746	2,943
Transfers	-	(3,286)	(3,286)
Amortisation	(564)	(6,183)	(6,747)
Closing carrying value	11,238	32,323	43,561
Half year ended 30 June 2015			
Opening carrying value	**11,238**	**32,323**	**43,561**
Additions	**55**	**3,144**	**3,199**
Transfers	**-**	**(914)**	**(914)**
Amortisation	**(176)**	**(3,136)**	**(3,312)**
Closing carrying value	**11,117**	**31,417**	**42,534**

5. INVENTORIES

	30 Jun 15 $'000	31 Dec 14 $'000
Development properties held for resale	**90,838**	43,647
Total inventories	**90,838**	43,647

During the half year period, the Consolidated Entity has acquired land parcels adjacent to the Rouse Hill Town Centre from Lend Lease GPT (Rouse Hill) Pty Limited for $18.3 million in April 2015 and two land parcels located on Wembley Road in Berrinba from Logan City Council for $23.2 million in June 2015.

Development properties held for resale are stated at the lower of cost and net realisable value. No impairment expense has been recognised for the half year ended 30 June 2015.

6. PROPERTY, PLANT AND EQUIPMENT

	30 Jun 15 $'000	31 Dec 14 $'000
Computers		
At cost	**13,351**	11,975
less: accumulated depreciation and impairment	**(8,185)**	(7,539)
Total computers	**5,166**	4,436
Office, fixtures and fittings		
At cost	**13,743**	14,062
less: accumulated depreciation and impairment	**(4,583)**	(4,064)
Total office, fixtures and fittings	**9,160**	9,998
Total property, plant and equipment	**14,326**	14,434

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Year ended 31 December 2014			
Opening carrying value	2,474	10,108	12,582
Additions	193	275	468
Transfers	2,889	397	3,286
Depreciation charge	(1,120)	(782)	(1,902)
Closing carrying value	4,436	9,998	14,434
Half year ended 30 June 2015			
Opening carrying value	**4,436**	**9,998**	**14,434**
Additions	**143**	**-**	**143**
Transfers	**1,233**	**(319)**	**914**
Depreciation charge	**(646)**	**(519)**	**(1,165)**
Closing carrying value	**5,166**	**9,160**	**14,326**

7. OTHER ASSETS

	30 Jun 15 $'000	31 Dec 14 $'000
Available for sale financial asset	**8,495**	-
Lease incentive asset	**4,932**	5,387
Investment in financial asset	**5,622**	-
	19,049	5,387

CAPITAL STRUCTURE

8. EQUITY

		Note	Number	$'000
Ordinary stapled securities				
1 Jan 2014	Opening securities on issue		1,694,888,638	319,562
14 Feb 2014	Securities issued		1,980,505	40
Jan-Dec 2014	On market buy back		(11,408,188)	(287)
30 Jun 2014	Closing securities on issue		1,685,460,955	319,315
1 Jan 2015	Opening securities on issue		1,685,460,955	319,315
29 Jan 2015	Securities issued - institutional placement	(1)	76,832,152	4,093
	Transaction costs		-	(70)
23 Feb 2015	Securities issued - Long Term Incentive Plan		2,169,649	81
9 Mar 2015	Securities issued - Security Purchase Plan	(1)	11,820,458	665
18 Mar 2015	Securities issued - Deferred Short Term Incentive Plan		1,236,353	65
19 Mar 2015	Securities issued - Broad Based Employee Security Ownership Plan		59,514	4
30 June 2015	**Closing securities on issue**		**1,777,579,081**	**324,153**

Ordinary 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 – institutional placement and security purchase plan
Equity raising comprised a $325.0 million institutional placement and a $50.0 million security purchase plan, of which the Consolidated Entity's share is $4.8 million. The funding was used to fund the redemption of GPT exchangeable securities.

9. CASH AND CASH EQUIVALENTS

	30 Jun 15 $'000	30 Jun 14 $'000
Cash and cash equivalents	**48,452**	38,957
Total cash and cash equivalents at the end of the half year	**48,452**	38,957

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

		30 Jun 15 $'000	30 Jun 14 $'000
Net profit for the half year		**22,907**	28,984
Share of after tax profit of equity accounted investments		**(1,332)**	-
Reversal of prior year impairment expense		**(9,050)**	-
Interest received		**-**	389
Net foreign currency exchange gains		**(2)**	(47)
Net loss on disposal of assets		**-**	1,813
Employee incentive security scheme expenses		**(464)**	3,910
Depreciation and amortisation expense		**4,477**	4,318
Amortisation of deferred acquisition costs		**327**	-
Intercompany finance costs		**12,464**	10,461
Lease incentive amortisation		**79**	191
Revaluation on borrowings		**(9,400)**	(37,905)
Increase in inventory	(1)	**(47,191)**	(40,524)
(Increase) / decrease in operating assets		**(8,845)**	79
(Decrease) / increase in operating liabilities		**(7,339)**	7,121
Net cash outflow from operating activities		**(43,369)**	(21,210)

(1) This represents payment for land parcels adjacent to the Rouse Hill Town Centre acquired in April 2015 and two land parcels located on Wembley Road in Berrinba acquired in June 2015 (Jun 14: Metroplex development at Westgate).

10. BORROWINGS

	30 Jun 15 Carrying amount(1) $'000	30 Jun 15 Fair value(2) $'000	31 Dec 14 Carrying amount(1) $'000	31 Dec 14 Fair value(2) $'000
Current borrowings - secured	**7,808**	**7,808**	6,942	6,942
Current borrowings	**7,808**	**7,808**	6,942	6,942
Non-current borrowings - secured	**11,965**	**12,000**	11,947	12,000
Related party borrowings from GPT Trust	**61,325**	**61,701**	22,100	22,497
Non-current borrowings	**73,290**	**73,701**	34,047	34,497
Total borrowings	**81,098**	**81,509**	40,989	41,439

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

The following unsecured borrowings are provided by GPT Trust and its subsidiaries and have been revalued to nil (Dec 2014: $nil) based on a forecast cash flow for amounts payable. As a result a revaluation adjustment of $9.4 million for both continuing and discontinued operations has been recognised in the Consolidated Statement of Comprehensive Income (Jun 2014: $37.9 million):

- Loan facility to GPT Management Holdings Limited of AUD $550,000,000 was drawn to $373,511,287 (Dec 2014: $373,511,287). This facility expires on 31 December 2015.
- Loan facility to GPT Property Management Ltd of AUD $50,000,000 was drawn to $34,637,259 (Dec 2014: $34,637,259). This facility expires on 31 December 2015.
- Loan facility to GPT International Pty Limited of AUD $120,000,000 was drawn to $102,042,484 (Dec 2014: $102,042,484). This facility expires on 12 June 2017.
- Loan facility to Voyages Hotels & Resorts of AUD $70,000,000 was drawn to $70,000,000 (Dec 2014: $70,000,000). This facility expires on 24 December 2019.

Interest on the above loans of $11,107,695 is not capitalised but is included in the revaluation of the loans.

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

The maturity profile of borrowings is provided below:

	Total facility(1) $'000	Used facility(1) $'000	Unused facility $'000
Due within one year	609,500	416,037	193,463
Due between one and five years	272,224	235,267	36,957
Due after five years	10,100	10,100	-
	891,824	**661,404**	**230,420**
Cash and cash equivalents			**48,452**
Total financing resources available at the end of the half year			**278,872**

(1) Excluding unamortised establishment costs. Includes $80,000 in bank guarantees issued and unsecured borrowings provided by GPT Trust and its subsidiaries which have been revalued to nil.

11. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the half year (2014: nil).

OTHER DISCLOSURE ITEMS

12. COMMITMENTS

(a) Capital expenditure commitments
There are no capital expenditure commitments arising from the purchase of property, plant and equipment and other investments, which have been approved but not recognised as liabilities in the Consolidated Statement of Financial Position at 30 June 2015 (Dec 2014: nil).

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2015

(b) Operating lease commitments
Contracted non-cancellable future minimum lease payments on office premises and equipment expected to be payable but not recognised in the Consolidated Statement of Financial Position:

	30 Jun 15	31 Dec 14
	$'000	$'000
Due within one year	**4,309**	4,454
Due between one and five years	**18,071**	17,722
Over five years	**2,234**	4,642
Total operating lease commitments	**24,614**	26,818

13. CONTINGENT LIABILITIES

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.

As part of the sale agreement of 818 Bourke Street, Melbourne, GPT Funds Management 2 Pty Limited as a trustee of the 818 Bourke Street Trust (the vendor) has provided vendor warranties to Challenger FM Nominees Pty Limited (the purchaser) for a maximum amount of $5 million valid during twelve months after the settlement date, being 31 October 2014. In conjunction with the sale agreement GPT Management Holdings Limited guaranteed to the purchaser compliance with all the vendor's obligations and payment of the guaranteed amount up to $5 million.

As part of the sale agreement of Quad 2 and 3, Sydney Olympic Park between GPT Platform Limited a trustee of GPT Metro Office Fund and GPT RE Limited a trustee of General Property Trust, GPT Management Holdings Limited (the lessee) has entered into a lease agreement with GPT Platform Limited (the lessor). Under the agreement during the period of maximum 2 years commencing on 14 August 2014 in the event of any vacant space at Quad 2 and 3 the lessor will grant $1 million to the lessee, and the lessee will accept the grant of a lease of the vacant space.

GPT Management Holdings Limited has provided guarantees over GPT RE Limited as responsible entity of the General Property Trust's obligations under the note purchase and guarantee agreements in relation to US Private Placement issuances totalling US$425 million.

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

14. FAIR VALUE DISCLOSURES – FINANCIAL INSTRUMENTS

(a) Fair value measurement, valuation techniques and inputs

Class of asset	Fair value hierarchy(1)	Valuation technique	Inputs used to measure fair value	Unobservable inputs
Available for sale financial asset	Level 3	Discounted cash flow	Discount rate Foreign currency exchange rate	30%

(1) Level 3 – inputs for the asset are not based on observable market data

The available for sale asset has moved from a nil opening balance at 1 January 2015 to $8.5 million at 30 June 2015 due to movement in fair value.

Discounted cash flow approach
The available for sale financial asset has been valued using a discounted cash flow methodology. The expected future cash flow is converted into Australian dollars and discounted over a three year period.

(b) Sensitivities
The table below summarises the impact of a 5% increase/decrease in the discount rate, with all other variables held constant and a 1% increase/decrease in foreign exchange rate with all other variables held constant.

	30 Jun 15
	$'000
Fair value of level 3 available for sale financial asset	**8,495**
5% increase in discount rate - gain / (loss)	**(1,708)**
5% decrease in discount rate - gain / (loss)	**2,233**
1% increase in foreign exchange rate (AUD / EUR) - gain / (loss)	**(84)**
1% decrease in foreign exchange rate (AUD / EUR) - gain / (loss)	**86**

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2015

15. ACCOUNTING POLICIES

(a) Basis of preparation
The financial report has been prepared:

- in accordance with the requirements of the Company's constitution, Corporations Act 2001 and Accounting Standard AASB 134 Interim Financial Reporting.
- on a going concern basis in the belief that the Consolidated Entity 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.
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the consolidated statement of comprehensive income.
- using consistent accounting policies and adjustments 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 thousand dollars, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by GPT during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The interim financial report was approved by the Board of Directors on 13 August 2015

(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 the available for sale financial assets accounting policy and new amended standards and interpretations commencing 1 January 2015 which are to be adopted when applicable.

Available for sale financial assets
Available for sale financial assets are recognised at fair value. Gains/losses arising from changes in the fair value of the carrying amount of available for sale financial assets that are monetary securities denominated in a foreign currency are recognised in other comprehensive income.

New and amended accounting standards and interpretations commencing 1 January 2015
There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2015.

(c) New accounting standards and interpretations issued but not yet applied
The following standards and amendments to standards are relevant to the Consolidated Entity.

Reference	Description	Application of Standard
AASB 15 *Revenue from Contracts with Customers*	AASB 15 will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures. The Consolidated Entity is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.	1 January 2017
AASB 9 *Financial Instruments*	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. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. The Consolidated Entity is in the process of assessing any implications of this new standard to its operation and financial results and the potential effects have not been fully determined.	1 January 2018

16. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2015 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 the subsequent financial years.

DIRECTORS' DECLARATION

Half year ended 30 June 2015

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

(a) the financial statements and notes set out on pages 8 to 18 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 the Consolidated Entity's financial position as at 30 June 2015 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 15 to the financial statements.

(c) there are reasonable grounds to believe that the Consolidated Entity 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 as required by Section 295A of the Corporations Act 2001.

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

Rob Ferguson
Chairman

Michael Cameron
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
13 August 2015

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 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow 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 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 consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, 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 the company is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 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*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
13 August 2015