General Property Trust

ABN: 58 071 755 609

Interim Financial Report
30 June 2020

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

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

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

CONTENTS

DIRECTORS' REPORT
For the half year ended 30 June 2020

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (the trust consolidated entity) for the half year ended 30 June 2020. The trust consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT or The Group).

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

1. OPERATING AND FINANCIAL REVIEW

Review of operations and operating result
While GPT commenced 2020 with solid momentum, the Group's performance for the six month period to 30 June 2020 has been impacted by the measures implemented in response to the COVID-19 pandemic. Mobility restrictions, isolation measures and requirements for some businesses to cease operations resulted in a significant reduction in foot traffic and sales across the Group's retail assets and most office tenants implemented work from home arrangements in line with government recommendations. Most logistics tenants continued to operate their facilities as supply chain movements remained essential, particularly for food, pharmaceuticals, and general consumables.

As part of the government response to the pandemic, a commercial tenancies Code of Conduct was developed and legislated in each state and territory requiring landlords to provide rent relief to qualifying tenants impacted by the government mandated measures. The Code of Conduct requires landlords to provide relief for a period of up to six months to qualifying tenants in the form of rent waivers and rent payment deferral. The relief is to reflect a proportionate sharing of the revenue impact experienced by the qualifying tenant as a result of COVID-19. At the end of the reporting period the negotiations to effect this relief were underway but remain incomplete. The Group has also agreed to provide relief to some tenants that are not eligible for assistance under the Code of Conduct but have been materially impacted by COVID-19.

In response to the high level of uncertainty and the unprecedented circumstances, the Group has reduced or deferred spending on non-essential and discretionary items across the business. The Rouse Hill retail expansion and the Melbourne Central office and retail development have been deferred until such time as market conditions are more favourable. In addition, the 2020 Short Term Incentive Compensation scheme and the 2020 – 2022 Long Term Incentive scheme were withdrawn.

The health and safety of our people, our customers and our communities has been paramount throughout the period. Additional resources and funds have been deployed to ensure we maintain safe environments across our portfolio and within our premises.

Funds from Operations (FFO) represents GPT's underlying earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature.

GPT delivered FFO of $244.5 million for the six months ended 30 June 2020, a decrease of 17.4 per cent on the prior comparable period. With the additional securities issued in 2019 as part of the equity raising, FFO per security decreased 23.3 per cent to 12.55 cents.

GPT's statutory net loss after tax is $519.1 million, a decrease of 247.2 per cent on the prior comparable period, predominantly due to negative property valuation movements of $711.3 million (Jun 2019: positive revaluation of $130.8 million) offset by a lower negative mark to market of financial instruments of $51.5 million (Jun 2019: negative of $82.3 million) driven by lower market swap interest rates.

The Group's rolling 12 month Total Return was negative 0.1 per cent (Jun 2019: positive 11.5 per cent) as a result of a reduction in NTA per stapled security of 28 cents to $5.52 for the six months to 30 June.

The Group's estimate of expected rent waivers and an estimate of loss for uncollected rent up to 30 June (COVID-19 allowances) is $86.6 million and has been expensed in FFO. Included in the result is government assistance from JobKeeper of $4.1 million and land tax relief of $0.3 million.

During the period, the Group also amended its distribution payout policy to align with free cashflow. Under the amended payout policy, GPT will target to distribute 95 to 105 per cent of free cashflow, defined as operating cashflow less maintenance and leasing capex and inventory movements. GPT's previous policy was to distribute 95 to 105 percent of Adjusted Funds from Operations (AFFO), defined as FFO less maintenance and leasing capex. Distributions will now be declared at the date the Directors sign the financial statements, rather than prior to the balance date.

DIRECTORS' REPORT
For the half year ended 30 June 2020

The reconciliation of FFO to net (loss) / profit after tax is set out below:

For the half year ended	30 Jun 20 $M	30 Jun 19 $M	Change %
Retail			
- Operations net income	**74.7**	158.0	
- Development net income	**4.5**	(0.7)	
	79.2	157.3	(49.7%)
Office			
- Operations net income	**139.4**	137.7	
- Development net income	**0.5**	1.0	
	139.9	138.7	0.9%
Logistics			
- Operations net income	**64.7**	56.9	
- Development net income	**(0.3)**	0.2	
	64.4	57.1	12.8%
Funds management net income	**24.2**	22.7	6.6%
Corporate management expenses	**(7.6)**	(14.4)	(47.2%)
Net finance costs	**(49.1)**	(59.5)	(17.5%)
Income tax expense	**(6.5)**	(6.0)	8.3%
Funds from Operations (FFO)	**244.5**	295.9	(17.4%)
Non-FFO items:			
Valuation (decrease) / increase	**(711.3)**	130.8	Lge
Financial instruments mark to market and net foreign exchange loss	**(51.5)**	(82.3)	(37.4%)
Other items	**(0.8)**	8.2	Lge
Net (loss) / profit for the half year after tax	**(519.1)**	352.6	Lge
FFO per ordinary stapled security (cents)	**12.55**	16.36	(23.3%)
Funds from Operations (FFO) (1)	**244.5**	295.9	(17.4%)
Maintenance capex	**(18.5)**	(30.8)	(39.9%)
Lease incentives	**(28.9)**	(23.0)	25.7%
Adjusted Funds from Operations (AFFO) (1)	**197.1**	242.1	(18.6%)
Distribution payable (2)	**-**	253.9	N/A
Distribution per ordinary stapled security (cents) (2)	**-**	13.11	N/A

(1) FFO and AFFO have been determined in accordance with the guidelines issued by the Property Council of Australia.
(2) A provision for distribution has not been recognised as at 30 June 2020 and the distribution declaration has been disclosed as a subsequent event.

Distribution
For the half year ended 30 June 2020, a distribution of 9.3 cents per security representing 99.6 per cent of free cashflow, was declared on 10 August 2020 and is expected to be paid on 28 August 2020. The distribution is 29.1 per cent lower than the 30 June 2019 distribution of 13.11 cents per security as a result of the COVID-19 impact on income and operating cashflows. For the half year ended 30 June 2019, the payout ratio was 104.9 per cent of AFFO under GPT's previous distribution policy.

DIRECTORS' REPORT

For the half year ended 30 June 2020

GPT metrics across its core portfolios are:

	Overall Portfolios	Retail Portfolio	Office Portfolio	Logistics Portfolio
Value of Portfolio	$14.41 billion (31 Dec 2019: $14.85 billion)	$5.70 billion portfolio including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (31 Dec 2019: $6.33 billion)	$6.07 billion portfolio including GPT's equity interest in the GPT Wholesale Office Fund (31 Dec 2019: $6.08 billion)	$2.64 billion portfolio (31 Dec 2019: $2.44 billion)
Occupancy	98.1% (31 Dec 2019: 96.5%)	98.0% (31 Dec 2019: 99.6%)	94.4% (31 Dec 2019: 98.3%)	99.8% (31 Dec 2019: 94.4%)
Weighted average lease expiry (WALE)	4.9 years (31 Dec 2019: 5.0 years)	3.8 years (31 Dec 2019: 3.9 years)	5.2 years (31 Dec 2019: 5.3 years)	6.9 years (31 Dec 2019: 7.3 years)
Structured rent reviews – calendar year		75% of specialty tenants subject to average increases of 4.7% (30 Jun 2019: 74% subject to average increases of 4.8%)	85% of tenants subject to average increases of 3.9% (30 Jun 2019: 85% subject to average increases of 3.9%)	93% of tenants subject to average increases of 3.1% (30 Jun 2019: 91% subject to average increases of 3.3%)
Weighted average capitalisation rate	5.00% (31 Dec 2019: 4.95%)	5.04% (31 Dec 2019: 4.89%)	4.85% (31 Dec 2019: 4.85%)	5.29% (31 Dec 2019: 5.40%)

Retail

(i) Operations net income

All assets in the Retail portfolio were independently valued as at 30 June resulting in a negative revaluation of $662.0 million (-10.5 per cent) including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The revaluation loss was predominantly driven by the independent valuers adjusting net income forecasts for the impact of government enforced restrictions due to COVID-19, the resulting Code of Conduct and expected rent waivers, and weaker economic conditions resulting in lower market rents and forecast rent growth rates.

Net income was down 52.7 per cent, primarily due to a reduction of 37.0 per cent in net property revenue. Management have engaged with qualifying tenants to provide rent relief and net income has reduced by $75.5 million for expected rent waivers and an estimate of loss for uncollected rent. Across 1,936 tenants in the managed portfolio, at the end of the period 355 rent relief arrangements had been agreed. In addition, arrangements are in the process of being negotiated with a further 1,217 tenants. Given the changed trading environment, proactive measures were taken to reduce property expenses, resulting in savings of 13.0 per cent over the prior comparable period.

Portfolio occupancy as at 30 June 2020 has reduced slightly to 98.0 per cent, down from 99.6 per cent in December 2019. The table below provides an overview of some of the key portfolio statistics for the period of January to June 2020:

Portfolio	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
Centre Sales Growth[1]	2.4%	3.7%	(21.3%)	(59.0%)	(35.6%)	(25.4%)
Monthly Traffic[1] as % of Prior Year	97.2%	97.5%	69.1%	26.1%	42.4%	60.4%
% of Stores Opened[2]	100%	100%	52%	36%	74%	91%
% of Rent Collected	94.8%	95.4%	80.0%	25.8%	26.4%	53.3%

[1] Excludes Sunshine Plaza (development impacted centre). Metrics compare the month to the same month in the prior year.

[2] As at the end of each month.

(ii) Development net income

Development net income was $4.5 million, being a favourable variance of $5.2 million to prior year due to the recognition of profits from the sale of the Rouse Hill Central Precinct super lot during the period. This sale is aligned with the strategic master planning of our land holdings at Rouse Hill. There were no transactions in the half year to 30 June 2019.

Office

(i) Operations net income

All assets in the Office portfolio were independently valued as at 30 June resulting in a negative revaluation of $105.0 million (-1.7 per cent), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). This revaluation loss was primarily driven by valuers revising leasing assumptions and adopting lower rent growth rates due to uncertainty resulting from COVID-19.

Office occupancy moderated to 94.4 per cent as a result of lease expiries in the second quarter of 2020. The portfolio has a WALE of 5.2 years.

Operations net income growth for the first half of 2020 was 1.2 per cent, as a result of annual fixed increases and portfolio composition changes, partially offset by lower occupancy and COVID-19 related allowances in the period. During the period, most office tenants implemented work from home arrangements however rent collection over the six month period to 30 June remained robust averaging 96.6 per cent.

Management have engaged with qualifying tenants to provide rent relief and has reduced net income by $9.6 million for expected rent waivers and an estimate of loss for uncollected rent . Across 688 tenants in the managed portfolio, at the end of the period 176 rent relief arrangements had been agreed, of which 123 relate to retail tenants. In addition, arrangements are in the process of being negotiated with a further 197 tenants.

(ii) Development net income
Development net income was $0.5 million as a result of lower development fees in the first half of 2020.

Construction is progressing on the new tower at 32 Smith Street, Parramatta, with the 26,400sqm development expected to be completed in January 2021. QBE has leased 51 per cent of the development, and overall the leasing commitment is 64 per cent, including terms agreed.

During the period the lobby upgrade at Melbourne Central Tower reached completion, and refurbishment projects at Queen & Collins, 550 Bourke Street, 530 Collins Street and 8 Exhibition Street are underway.

Logistics
(i) Operations net income
All assets in the Logistics portfolio were independently valued as at 30 June (excluding two assets acquired during the period) resulting in a net revaluation uplift of $55.7 million (2.3 per cent). This uplift is attributed to strong investor demand for quality logistics assets, which led to a firming of investment metrics, combined with positive leasing outcomes. The portfolio has a weighted average lease expiry of 6.9 years.

Operations net income increased 13.7 per cent on the prior period, as a result of development completions, acquisitions and positive leasing outcomes, partially offset by COVID-19 related allowances. Logistics occupancy increased to 99.8 per cent including a new 5 year lease at Yatala, Brisbane and a short term lease at Somerton, Melbourne. During the period three developments reached completion, at 2 Ironbark Close and 30 Ironbark Close at the Group's estate at Berrinba in Brisbane, along with 38A Pine Road at Yennora in Sydney. The acquisition of 1 Botero Place, Truganina along with 21-23 Wirraway Drive, Port Melbourne were also concluded. The total GLA of logistics assets in the portfolio has increased by 6.9% to 1,083,000 square metres at the end of the period.

Rent collection over the six month period to 30 June averaged 98.5 per cent. Management have engaged with qualifying tenants to provide rent relief and have reduced net income by $1.5 million for expected rent waivers and an estimate of loss for uncollected rent within the logistics portfolio.

(ii) Development net income
Development net income was negative $0.3 million as a result of lower development fees in the first half of 2020.

During the period the Group delivered three projects in Sydney and Brisbane totalling 40,000 square metres. These developments are all fully leased.

There are two projects underway across the portfolio. A 50,000 square metre fund-through development at Penrith, Sydney is due for completion in the second half of 2020, and is leased for a 10 year term. A 17,000 square metre speculative facility is also underway at Glendenning, Sydney and is due for completion in the first half of 2021.

The development pipeline, inclusive of land holdings and projects underway, has an expected end value on completion of approximately $1 billion.

Funds management

As at and for the half year ended 30 June 2020	GWOF	GWSCF	Total
Assets under management	$8.9b	$3.9b	$12.8b
Number of Assets	19	7	26
GPT Interest	21.90%	28.48%	
GPT Investment	$1,566.4m	$767.2m	$2,333.6m
One year Equity IRR (post-fees)	3.9%	(20.9%)	
Income from Funds	$34.7m	$6.3m	$41.0m
Funds Management fee income	$21.1m	$10.1m	$31.2m

GWOF
The fund delivered a one year equity IRR of 3.9 per cent. GWOF's total assets increased to $8.9 billion, up $0.1 billion from 31 December 2019. The management fee income earned from GWOF for the half year ended 30 June 2020 increased by $1.5 million as compared to 30 June 2019 due to the increase in the asset value of the portfolio.

As a result of GPT not participating in GWOF's Distribution Reinvestment Plan (DRP) of $47.5 million or equity raising of $281.6 million, GPT's ownership reduced to 21.90 per cent (Dec 2019: 22.93 per cent). Investor participation in GWOF's DRP has reduced from 41.9% at December 2019 to 11.4% at June 2020.

Due to the uncertainty created by COVID-19, GWOF has secured additional loan facilities of $180 million, extended bank loan maturity dates and reduced or deferred spending on non-essential capital expenditure.

As at 30 June 2020, GWOF's net gearing was 14.6 per cent, in the lower half of GWOF's target gearing range of 10 to 30 per cent. GWOF has $890 million of available liquidity held in cash and undrawn bank facilities, with no debt maturing until May 2022. GWOF maintains an A- (stable) credit rating from S&P.

GWSCF
The fund delivered a one year equity IRR of negative 20.9 per cent. GWSCF's total assets decreased to $3.9 billion, down $0.6 billion from 31 December 2019, primarily driven by asset devaluations and reduced income, both of which have been impacted by COVID-19. The management fee income earned from GWSCF for the half year ended 30 June 2020 decreased $0.8 million as compared to 30 June 2019 due to the decrease in the asset value of the portfolio.

GPT's ownership in GWSCF reduced slightly to 28.48 per cent (Dec 2019: 28.49 per cent).

Due to the temporary impact from COVID-19 on GWSCF income, the fund has secured covenant waivers from its lenders for the period up to and including 31 December 2020. In addition, GWSCF undertook further capital management initiatives including reduced or deferred spending on non-essential capital expenditure and reduced the March quarter distribution to nil and the June quarter distribution to $0.7 million.

DIRECTORS' REPORT
For the half year ended 30 June 2020

As at 30 June 2020, GWSCF's net gearing was 28.4 per cent, at the upper end of GWSCF's target gearing range of 10 to 30 per cent. GWSCF has $218 million of available liquidity held in cash and undrawn bank facilities, with no debt maturing until September 2022. GWSCF's credit rating with S&P is BBB+ (negative). The negative outlook by S&P is a result of the uncertainty created by COVID-19.

Management expenses
Total management and administration expenses of $29.9 million across all segments (Jun 2019: $33.6 million) and corporate overheads of $7.6 million (Jun 2019: $14.4 million) decreased due to a focus on reducing discretionary spend, withdrawal of the 2020 Short Term Incentive Compensation Scheme and the 2020 – 2022 Long Term Incentive Scheme and receiving JobKeeper assistance of $4.1 million up to 30 June from the Federal Government.

Financial position

	30 Jun 20 $M	31 Dec 19 $M	Change %
Portfolio assets			
Retail	**5,811.2**	6,429.4	(9.6%)
Office	**6,108.3**	6,126.9	(0.3%)
Logistics	**2,671.2**	2,470.2	8.1%
Total portfolio assets	**14,590.7**	15,026.5	(2.9%)
Financing and corporate assets	**1,081.9**	841.3	28.6%
Total assets	**15,672.6**	15,867.8	(1.2%)
Borrowings	**4,488.2**	3,897.5	15.2%
Other liabilities	**399.1**	643.7	(38.0%)
Total liabilities	**4,887.3**	4,541.2	7.6%
Net assets	**10,785.3**	11,326.6	(4.8%)
Total number of ordinary stapled securities (million)	**1,947.9**	1,947.9	-
NTA ($ per security) (1)	**5.52**	5.80	(4.8%)

(1) Includes all right-of-use assets of GPT Group.

Balance sheet
- All investment properties were independently revalued as at 30 June 2020 (excluding two logistics assets acquired during the period) by valuers with appropriate experience and expertise. The independent valuations contained material valuation uncertainty clauses given the impacts of COVID-19 and reduced levels of transactional evidence during the period. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.
- The independent valuations contain judgements relating to the impact of COVID-19, which generally include an estimate of rent concessions that may be required to be provided to tenants impacted by COVID-19 including requirements under the Code of Conduct. In addition, the independent valuations include a number of assumptions, estimates and judgements on the future performance of each property including market rents, growth rates, occupancy, capital expenditure and investment metrics. Total portfolio asset values decreased by 2.9 per cent.
- The Group's rolling 12 month Total Return was negative 0.1 per cent (Jun 2019: positive 11.5 per cent) as a result of a reduction in NTA per stapled security of 28 cents to $5.52 for the six months to 30 June.
- Total borrowings increased due to $299.2 million of cash drawn largely to fund acquisitions and development capital expenditure and $291.5 million of non-cash movements including fair value adjustments to the carrying value of foreign currency debt largely as a result of the reduction in US interest rates by 127 basis points and the reduction in AUD/USD from 70.1 cents to 68.6 cents. The Group remains 100% hedged on all foreign currency exposure.

Capital management

	30 Jun 20	30 Jun 19	Change
Cost of debt	**3.1%**	3.8%	Down by 70bps

	30 Jun 20	31 Dec 19	Change
Net gearing	**25.1%**	22.1%	Up by 300bps
Weighted average debt maturity	**7.8 years**	7.7 years	Up 0.1 years
Interest rate hedging	**94.7%**	82.0%	Up 12.7%
S&P / Moody's credit rating	**A stable / A2 stable**	A stable / A2 stable	Unchanged

GPT continues to maintain a strong focus on capital management.

Key matters for the half year include:
- Net gearing(1) increased to 25.1 per cent (31 December 2019: 22.1 per cent). This was a result of development capital expenditure and acquisitions, along with a decrease in asset valuations during the period.
- In February 2020, the Group issued A$300 million domestic medium term notes for a 12 year term at a margin of 160 basis points over 3 month BBSW.
- Weighted average cost of debt for the half year is 3.1 per cent, down from 3.8 per cent in the June 2019 half year.
- Mark to market movements on derivatives and borrowings has reduced net tangible assets by $54.3 million as a result of lower market swap interest rates.

(1) Calculated net of cash and the cross currency derivative positions hedging the foreign bonds, lease liabilities in relation to investment properties and excludes the right-of-use assets in relation to leases.

DIRECTORS' REPORT
For the half year ended 30 June 2020

Going concern
Due to the uncertainty created by COVID-19, GPT has performed additional procedures in relation to assessing going concern. GPT is of the opinion that it is able to meet its liabilities and commitments as and when they fall due for at least a period of 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:
- Available liquidity, through cash and undrawn facilities, of $1,219.2 million;
- Weighted average debt expiry of 7.8 years, with $4.7 million of debt due between the date of this report and 31 December 2021;
- Interest rate hedging level of 86 per cent over the next 12 months;
- Primary covenant gearing of 25.4 per cent, compared to a covenant level of 50.0 per cent;
- Interest cover ratio at 30 June 2020 of 6.0 times, compared to a covenant level of 2.0 times;
- Several scenarios have been evaluated assuming the impact of COVID-19 continues over differing time periods, stress testing operating cash flows and in all cases the Group expects to remain solvent; and
- Assessment of the financial position and analysis of GPT's covenants indicates that adequate levels of headroom remain for both the gearing and interest cover ratios in the scenarios prepared.

Cash flows
The cash balance as at 30 June 2020 decreased to $68.1 million (31 Dec 2019: $104.2 million). The following table shows the reconciliation from FFO to the cash flow from the operating activities:

For the year ended	**30 June 20 $M**	30 Jun 19 $M	Change %
FFO	**244.5**	295.9	(17.4%)
Less: non-cash items included in FFO	**(15.6)**	(18.1)	(13.8%)
(Less) / add: net movement in inventory	**(4.5)**	21.9	(120.5%)
Movements in working capital and reserves	**(20.3)**	(27.7)	(26.7%)
Net cash inflows from operating activities	**204.1**	272.0	(25.0%)
Add / (less): net movement in inventory	**4.5**	(21.9)	(120.5%)
Less: maintenance capex	**(15.3)**	(30.8)	(50.3%)
Less: lease incentives (excluding rent free)	**(11.3)**	(13.4)	(15.7%)
Free cash flow	**182.0**	205.9	(11.6%)

The reduction in free cashflow is largely driven by the impact of COVID-19 on operating cashflows.

The non-IFRS information included above has not been specifically reviewed in accordance with Australian Auditing Standards but has primarily been derived from note 1 and note 9 of the accompanying financial statements.

Prospects
The Group is well placed to manage the challenging market conditions and ongoing uncertainty with a strong balance sheet, low leverage, sufficient liquidity for a range of scenarios, a diversified portfolio of high quality assets and a resilient team. An unwavering commitment to the health and wellbeing of our people, our customers and those who visit our assets remains the Group's first priority.

As at 30 June 2020, the Group's net gearing was 25.1 per cent, at the low end of the Group's target gearing range of 25 to 35 per cent. The Group currently has $1.2 billion of available liquidity held in cash and undrawn bank facilities, with only $4.7 million of debt maturing through to December 2021. The Group maintains A (stable) / A2 (stable) credit ratings from S&P and Moody's respectively.

In light of the current operating environment, the Group has undertaken scenario analysis relating to the potential effects of the pandemic on its operations and earnings. The principal factors considered in this analysis are the duration of the pandemic; the quantum of financial relief extended to tenants; the recoverability of outstanding rent billings from tenants; and the change to both cyclical and structural trends. The near term outlook for the Group is influenced by these factors and management considers that it has applied its best judgement in outlining the Group's prospects in the current market conditions.

The Group continues to manage the risks of the business prudently, including risks related to COVID-19. Measures include:
- Segregation of teams and work from home arrangements implemented to manage risks to our people and our operations;
- Adopting best practice across our assets to manage social distancing, cleaning and sanitisation;
- Engaging with our tenants to finalise rent relief arrangements for the COVID-19 period;
- Proactively extending lease expiries where possible and ensuring lease proposals for vacant space are competitive and reflect the current environment;
- Increasing the frequency of independent valuations of assets;
- Regular cashflow monitoring and assessment of debtors collection;
- Engagement with the Group's supply chain and service providers to monitor key risks including potential impacts to development projects;
- Increased cyber training and testing; and
- Prioritising internal audit and assurance functions to align with the key business risks including COVID-19.

While all our assets have remained open, our retail assets have been most affected by the various measures implemented to slow the spread of the COVID-19 virus. As restrictions eased in June, most stores reopened and foot traffic across all our retail assets returned to approximately 95% of pre-pandemic levels with the exception of Melbourne Central which is located in Melbourne's central business district. These encouraging signs continued until restrictions in Victoria tightened in response to new COVID-19 outbreaks which has impacted a number of retail assets. Provided these outbreaks are contained and restrictions are again eased, we expect customer traffic will respond positively.

DIRECTORS' REPORT
For the half year ended 30 June 2020

Asset valuations, particularly in the retail sector, have been impacted by the effects of the pandemic on retailer operations. GPT continues to monitor changes in market conditions including long term interest rates and the influence these factors are having on asset valuations through its Valuation Committee and the use of a range of experienced independent valuation firms.

The Group is also monitoring the retail and workplace trends that have been adopted during the COVID-19 restriction periods and the potential for these trends to influence demand for space in the Group's portfolio. For example, there has been an acceleration of online shopping activity as a result of customer groups that previously shopped in bricks and mortar retail stores shifting their behaviour to online shopping, some of which is likely to be sustained beyond COVID-19. We also expect that higher levels of unemployment in the near term may dampen sales. Offsetting this, new supply is likely to be deferred for some time and stimulus measures along with low interest rates and less international travel should provide a level of support for the retail sector.

Our office assets have remained relatively resilient through the period. The requirement to work from home during the pandemic has accelerated the use of business technology for communication and virtual meetings. Employee surveys suggest that there has also been benefits to work-life balance and more effective use of time often spent commuting. It is likely that we will see a higher proportion of employees choosing to work from home for part of their working week in the future. However, we also expect that social distancing requirements will be with us for some time, and as a result workspace requirements per person may increase. Furthermore, we expect the continued need for businesses to have work environments that enable creativity and innovation, assist with shaping organisational culture and to help facilitate experiential training and development. Office rents and valuations have grown strongly over the last three years as vacancy rates fell to levels well below the long-term average. An increase in office supply over the next two years together with weaker demand and increased sublease space, is likely to result in a softening of effective rents, however the Group's office portfolio remains well positioned with a weighted average lease expiry of approximately five years.

Our Logistics assets continued to deliver strong results for the Group through the period. The growth in online shopping through the pandemic period and the likelihood that a portion of this will be sustained, coupled with ongoing urbanisation, is expected to underpin demand in the logistics sector as logistics operators and businesses look to improve their warehouse fulfillment capacity to meet customer demand. Vacancy rates remain low in the core eastern seaboard markets.

The various trends that may ultimately emerge will take some time to play out and we will need to continue monitoring these outcomes to assess the net impact on the Group's operations.

The Group has deferred its previously planned development expansions at the Rouse Hill Town Centre and Melbourne Central. These projects remain strategic opportunities for the Group and will be re-assessed when conditions are more favourable. While near term conditions require a prudent and measured approach, the Group's strategic objective to increase its portfolio weighting to the Logistics sectors remains in place. The Group has an extensive pipeline of development opportunities across its platform including the wholesale funds, providing growth opportunities as the economy recovers. The Group expects to complete its office development at 32 Smith Street, Parramatta in early 2021 and is continuing to execute on delivering its logistics development pipeline with ongoing demand from the acceleration of ecommerce, infrastructure investment and the rationalisation of supply chains to meet customer requirements.

Guidance for 2020
Given the unprecedented set of circumstances that continue to evolve in relation to COVID-19, and the uncertainty that this provides in terms of the outcomes and consequential economic and business impacts, the Group is not providing FFO or distribution guidance for 2020 at this time. GPT will continue to monitor the impacts and update the market in accordance with its continuous disclosure requirements.

Risk Management
GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing potential adverse effects. This commitment to integrated risk management is consistent with AS/NZS ISO 31000:2018: Risk Management.

GPT has an enterprise-wide Risk Management Framework which is overseen by the Board and which consists of the following key elements:

1. **Risk Policy** – The Risk Policy sets out GPT's approach to risk management. It is reviewed annually by the Sustainability and Risk Committee (a sub-committee of the GPT Board) and is available on the GPT website.
2. **Risk Appetite** – The Board sets GPT's risk appetite to align with the company's vision, purpose and strategy. The risk appetite is documented in the Group's Risk Appetite Statement, against which all key decisions are measured.
3. **Risk Governance** – The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.
4. **Risk Culture** – GPT is committed to maintaining a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities.
5. **Risk Management Processes** – GPT has robust processes in place for the identification, assessment, treatment and reporting of risk.

GPT has reviewed its Risk Management Framework to ensure it remains effective in the COVID-19 operating environment, where a large number of GPT employees are working remotely and certain operations are required to be performed differently. No change has been made to the structure of the framework, however changes have been made to the way it is implemented in order to ensure appropriate risk management at this time. These changes include enhancement of the risk governance structure to include a COVID-19 Response Team and a COVID-19 Working Group, increased frequency of Key Risk Dashboard reviews by the Leadership Team, and a review of the 2020 Audit Plan to align with revised key risks. GPT's Risk Appetite has also been reviewed by the Leadership Team and the Board to consider the impact of COVID-19.

The following table sets out GPT's material risks and opportunities and what we are doing to respond to them. The table also highlights the ways in which GPT has responded to the impact of COVID-19 on each of these risks and opportunities.

Risks and Opportunities	Our Response	COVID-19 Response
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• GPT's portfolio is diversified by sector and geography • Review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions • A disciplined investment approval process, including extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base with limited single tenant exposure • Experienced management, supplemented with external capabilities where appropriate • A structured program of investor engagement	• Scenario modelling of potential FFO outcomes • Increased crisis management training sessions associated with COVID-19 • Withdrawal of earnings and distribution guidance for 2020 due to uncertainty • Increased frequency of independent valuations of investment properties • Review of strategy and key risks by the Board and the Leadership Team • Established Board approved Limits of Authority in relation to Code of Conduct rent relief negotiations • Reduction of property operating expenses • Reduction of discretionary spending including management incentive programs
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined investment approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions • Experienced management capability • Limits on the proportion of the portfolio under development at any time • Limits on individual contractor exposure • Appropriate minimum leasing pre-commitments to be achieved prior to construction commencement	• Assessed key risks with developments in progress including costs, supply chain, and health and safety management • Deferral of the commencement of the Rouse Hill retail expansion and the Melbourne Central office and retail development until such time as market conditions are more favourable • Continued with logistics developments in Sydney and the 32 Smith Street, Parramatta office development
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Maximum gearing range of 25 to 35 per cent consistent with a stable investment grade "A category" credit rating • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within prescribed limits • Limits on currency exposure • Limits on exposure to counterparties	• Reduction and deferment of non-essential capital expenditure • Stress testing of loan covenants under various scenarios • Review of borrowing terms and conditions to ensure availability of liquidity • Amended distribution payout policy to align with free cashflow
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of its assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive Health and Safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences. Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	• Pandemic Response Guidelines, Business Continuity Plans and Crisis Management Plan enacted • COVID-19 safety initiatives implemented at GPT workplaces, including remote working, social distancing measures, the supply of masks to all employees and increased scope and frequency of cleaning • Implemented industry best practice health and safety initiatives for all assets • COVID-19 safety plans in place for all development sites

Risk and Opportunities	Our Response	COVID-19 Response
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	• Active adoption and promotion of GPT's Values • A comprehensive employee Code of Conduct (including consequences for non-compliance) • Employee Engagement Surveys every two years with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	• All employees supported to work flexibly • Waiver of capped carers leave to assist employees with schooling and home child care responsibilities • Increased frequency of communication by senior management to staff • Additional wellbeing and resilience sessions provided to employees
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment can affect our assets and business operations.	• An Environment & Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the Dow Jones Sustainability Index, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via the GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • Supply chain review, changes to the procurement process and amendment of standard contracts in response to Modern Slavery legislation	• Collaboration with suppliers to protect vulnerable workers in our supply chain during stand down periods by encouraging redeployment of workers and facilitating flexible working • Management of compliance with NABERS ratings given disruption to normal assessment processes
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and to respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• Technology risk management framework including third party risk management procedures around cyber security • Information Management policy, guidelines and standards • Privacy policy, guidelines and procedures • Compulsory cyber security awareness training twice a year • Annual security testing completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A comprehensive Cyber Security Incident Response Plan • A Disaster Recovery Plan including annual disaster recovery testing • Technology solutions in place to monitor GPT platforms and provide alerts to anomalous behaviour • Regular updates to technology hardware and software incorporating recommended security patches • External service providing security operations monitoring • Annual cyber risk assessments • An Information Security Risk and Compliance Committee which oversees the Information Security Policy and related policies • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework	• Remote access infrastructure, software and licensing scaled to meet full remote working requirements • Strengthened cyber security through additional training and testing, and increased focus from the Security Operations Centre on alerts aligned to remote working • Additional IT equipment made available to all employees to ensure effective remote working • System and process solution developed and implemented to ensure efficient, accurate and compliant implementation of the Code of Conduct

Risk and Opportunities	Our Response	COVID-19 Response
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal Committees such as a Continuous Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	• Early establishment of a supplementary governance structure to oversee GPT's response to COVID-19 • Responded to regulatory changes such as the Code of Conduct and changes to the requirements of the Foreign Investment Review Board, the Australian Securities and Investments Commission and the Australian Tax Office • Increased internal audit activities focussing on areas of greater uncertainty including investment property valuations, revenue recognition and expectations of debtors collection • Training programs adapted to focus on new or amended compliance requirements, and to address limitations in normal training delivery methods

2. TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE

Climate change is a global challenge. GPT recognises that changes to the environment can influence the operation of our business and our assets, and we are committed to identifying and managing climate change risks across our business.

As a market leading owner and manager of a $24.5 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of transparently identifying and managing the foreseeable climate-related risks and opportunities likely to impact on the property sector. These impacts are already starting to manifest, with the world seeing an increase in the frequency and intensity of extreme weather events as a consequence of climate change.

GPT has set a target for its operations across all its managed assets to be carbon neutral by 2024 (previously 2030).

In 2019, GPT undertook work to create a series of climate change disclosures aligned to the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations. The TCFD provides a framework for more effective climate-related financial disclosures, addressing four key areas: governance, strategy, risk management and metrics and targets.

A cross-functional reference group reports on these four key areas, identifies foreseeable risks and opportunities under three different climate change related scenarios and formulates GPT's ongoing climate change response plans.

GPT's detailed TCFD disclosure statement is available on our website: https://gpt.com.au/index.php/sustainability

In 2020, the Group will be progressing the integration of climate change risks and opportunities into GPT's business planning and operations, including additional disclosure of how this is being achieved.

Further analysis of climate scenarios will also be undertaken, with the results of this analysis to be reflected in the Group's strategic plans. GPT will also seek to put plans in place for each sector portfolio to achieve carbon neutrality.

The Group will continue to undertake analysis of climate change risks and opportunities, the results of which will be used to update the Group's risk registers and inform future management activities. In addition, the Group plans to adopt relevant metrics to monitor and measure progress in managing climate change risks and opportunities.

3. EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the fair value of the Group's investment properties and operating result. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

In July and August the Federal Government announced further fiscal stimulus measures including the extension of the JobKeeper and JobSeeker programs for a further six months through to March 2021. These stimulus measures will provide further support to businesses and individuals, and assist in offsetting the economic impacts of COVID-19. Given the revised eligibility requirements for the extended JobKeeper, GPT is not expecting to receive JobKeeper support beyond September 2020.

DIRECTORS' REPORT
For the half year ended 30 June 2020

On 9 July GPT received conditional offers of compensation totalling $103 million from Sydney Metro for three properties at Sydney Olympic Park as part of the compulsory acquisition process. The offers of compensation are in line with the 30 June book values. The Group continues to engage with Sydney Metro on an alternative direct proposal in addition to the compulsory acquisition process.

In late July we consulted with the independent valuers who undertook the valuations of the Group's investment properties to understand whether any events subsequent to balance date have changed their view of the 30 June 2020 valuations. The independent valuers considered the various transactions that had occurred in the market post 30 June and the status of COVID-19 allowances already made at 30 June, including considering the impact of the reintroduction of increased restrictions in Melbourne and the continuing uncertainty this may cause for the Group and our tenants. The independent valuers were of the opinion that allowances already made at 30 June are sufficient and there has been no changes to the valuations subsequent to balance date.

The Group has continued negotiations with tenants to provide rent relief in accordance with the Code of Conduct. Monitoring of these agreements indicates a similar trend to the agreements reached prior to 30 June. July rent collections have continued to improve since June with Retail 64%, Office 93% and Logistics 98%.

On 3 August 2020, the Victorian Government announced an initial six week period of stage four COVID-19 restrictions in Melbourne which creates further uncertainty in relation to valuations and income, given 36% of the Group's assets are located in Melbourne (Retail 45%, Office 32% and Logistics 25%).

On 10 August 2020, the Directors declared a distribution for the half year ended 30 June 2020 of 9.3 cents. The distribution is expected to be paid on 28 August 2020.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2020 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

4. DIRECTORS

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
Vickki McFadden (appointed 1 March 2018, Chairman from 2 May 2018)

(ii) Chief Executive Officer and Managing Director
Bob Johnston (appointed September 2015)

(iii) Non-Executive Directors
Gene Tilbrook (appointed May 2010)
Michelle Somerville (appointed December 2015)
Angus McNaughton (appointed November 2018)
Tracey Horton AO (appointed May 2019)
Mark Menhinnitt (appointed October 2019)
Robert Whitfield AM (appointed May 2020)

5. 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 14 and forms part of the Directors' Report.

6. ROUNDING

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
10 August 2020

Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

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

S. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
10 August 2020

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Half year ended 30 June 2020

	Note	30 Jun 20 $M	30 Jun 19 $M
Revenue			
Rent from investment properties		**316.2**	321.6
Property and fund management fees		**37.4**	40.0
Development revenue		**0.7**	33.7
Development management fees		**3.0**	1.8
		357.3	397.1
Other income			
Interest revenue		**0.9**	0.6
Gain on financial liability at amortised cost		**1.1**	1.3
		2.0	1.9
Total revenue and other income		**359.3**	399.0
Expenses			
Fair value loss / (gain) on investment properties		**411.6**	(135.8)
Share of after tax loss / (profit) of equity accounted investments		**188.6**	(111.1)
Property expenses and outgoings		**78.7**	85.2
Management and other administration costs		**22.7**	32.0
Development costs		**0.7**	33.0
Depreciation expense		**2.7**	1.0
Amortisation expense		**2.6**	2.3
Impairment expense / (reversal)		**1.0**	(11.1)
Impairment loss on trade and other receivables		**59.8**	0.7
Finance costs		**50.9**	60.4
Net loss on fair value movements of derivatives		**42.7**	72.0
Net impact of foreign currency borrowings and associated hedging loss		**9.9**	11.6
Total expenses		**871.9**	40.2
(Loss) / profit before income tax expense		**(512.6)**	358.8
Income tax expense		**6.5**	6.2
Net (loss) / profit for the half year		**(519.1)**	352.6
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve		**(4.1)**	(5.7)
Movement in fair value of cash flow hedges		**1.3**	5.6
Total other comprehensive income		**(2.8)**	(0.1)
Total comprehensive (loss) / income for the half year		**(521.9)**	352.5
Net (loss) / profit attributable to:			
- Securityholders of the Trust		**(540.6)**	332.7
- Securityholders of other entities stapled to the Trust		**21.5**	19.9
Total comprehensive (loss) / income attributable to:			
- Securityholders of the Trust		**(543.4)**	332.6
- Securityholders of other entities stapled to the Trust		**21.5**	19.9
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - (loss) / profit from continuing operations	5(a)	**(27.8)**	18.4
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) - (loss) / profit from continuing operations	5(b)	**(26.6)**	19.5

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Note	30 Jun 20 $M	31 Dec 19 $M
ASSETS			
Current assets			
Cash and cash equivalents		**68.1**	104.2
Trade receivables		**51.8**	46.9
Other receivables		**43.1**	48.4
Inventories		**6.4**	9.4
Derivative assets		**-**	7.1
Prepayments		**11.1**	7.8
Other assets		**27.3**	32.8
Current tax assets		**6.0**	2.2
		213.8	258.8
Assets classified as held for sale	2	**103.0**	-
Total current assets		**316.8**	258.8
Non-current assets			
Investment properties	2	**10,048.5**	10,327.5
Equity accounted investments	3	**4,286.3**	4,543.0
Intangible assets		**41.1**	35.3
Inventories		**84.8**	77.8
Property, plant and equipment		**10.1**	10.5
Derivative assets		**826.7**	530.8
Right-of-use asset		**47.6**	51.6
Deferred tax assets		**7.5**	20.5
Other assets		**3.2**	12.0
Total non-current assets		**15,355.8**	15,609.0
Total assets		**15,672.6**	15,867.8
LIABILITIES			
Current liabilities			
Payables		**158.4**	456.4
Borrowings	7	**148.7**	478.1
Derivative liabilities		**6.2**	2.7
Lease liabilities - other property leases		**7.2**	6.8
Provisions		**33.4**	27.3
Total current liabilities		**353.9**	971.3
Non-current liabilities			
Borrowings	7	**4,339.5**	3,419.4
Derivative liabilities		**141.2**	95.5
Lease liabilities - investment properties	2	**7.9**	6.4
Lease liabilities - other property leases		**43.7**	47.4
Provisions		**1.1**	1.2
Total non-current liabilities		**4,533.4**	3,569.9
Total liabilities		**4,887.3**	4,541.2
Net assets		**10,785.3**	11,326.6
EQUITY			
Securityholders of the Trust (parent entity)			
Contributed equity	4	**8,673.2**	8,673.2
Reserves		**(26.3)**	(23.5)
Retained earnings		**2,582.9**	3,123.5
Total equity of the Trust securityholders		**11,229.8**	11,773.2
Securityholders of other entities stapled to the Trust			
Contributed equity	4	**332.0**	332.0
Reserves		**17.9**	37.3
Accumulated losses		**(794.4)**	(815.9)
Total equity of other stapled securityholders		**(444.5)**	(446.6)
Total equity		**10,785.3**	11,326.6

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

THE GPT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Half year ended 30 June 2020

		General Property Trust				Other entities stapled to the General Property Trust				
		Contributed equity	Reserves	Retained earnings	Total	Contributed equity	Reserves	Accumulated losses	Total	Total equity
	Note	$M	$M	$M	$M	$M	$M	$M	$M	$M
Equity attributable to Securityholders										
At 1 January 2019		7,825.7	(33.5)	2,791.5	10,583.7	325.9	37.9	(843.7)	(479.9)	10,103.8
Movement in hedging reserve		-	(5.7)	-	(5.7)	-	-	-	-	(5.7)
Movement in fair value of cash flow hedges		-	5.6	-	5.6	-	-	-	-	5.6
Other comprehensive income for the half year		-	(0.1)	-	(0.1)	-	-	-	-	(0.1)
Profit for the half year		-	-	332.7	332.7	-	-	19.9	19.9	352.6
Total comprehensive income for the half year		-	(0.1)	332.7	332.6	-	-	19.9	19.9	352.5
Transactions with Securityholders in their capacity as Securityholders										
Issue of stapled securities	4	781.6	-	-	781.6	5.6	-	-	5.6	787.2
Movement in employee incentive scheme reserve net of tax		-	-	-	-	-	(5.8)	-	(5.8)	(5.8)
Purchase of treasury securities for employees		-	-	-	-	-	(4.8)	-	(4.8)	(4.8)
Distributions paid and payable	6	-	-	(253.9)	(253.9)	-	-	-	-	(253.9)
At 30 June 2019		8,607.3	(33.6)	2,870.3	11,444.0	331.5	27.3	(823.8)	(465.0)	10,979.0
Equity attributable to Securityholders										
At 1 January 2020		**8,673.2**	**(23.5)**	**3,123.5**	**11,773.2**	**332.0**	**37.3**	**(815.9)**	**(446.6)**	**11,326.6**
Movement in hedging reserve		**-**	**(4.1)**	**-**	**(4.1)**	**-**	**-**	**-**	**-**	**(4.1)**
Movement in fair value of cash flow hedges		**-**	**1.3**	**-**	**1.3**	**-**	**-**	**-**	**-**	**1.3**
Other comprehensive income for the half year		**-**	**(2.8)**	**-**	**(2.8)**	**-**	**-**	**-**	**-**	**(2.8)**
(Loss) / profit for the half year		**-**	**-**	**(540.6)**	**(540.6)**	**-**	**-**	**21.5**	**21.5**	**(519.1)**
Total comprehensive (loss) / profit for the half year		**-**	**(2.8)**	**(540.6)**	**(543.4)**	**-**	**-**	**21.5**	**21.5**	**(521.9)**
Transactions with Securityholders in their capacity as Securityholders										
Movement in employee incentive scheme reserve net of tax		**-**	**-**	**-**	**-**	**-**	**(15.3)**	**-**	**(15.3)**	**(15.3)**
Purchase of treasury securities for employees		**-**	**-**	**-**	**-**	**-**	**(4.1)**	**-**	**(4.1)**	**(4.1)**
At 30 June 2020		**8,673.2**	**(26.3)**	**2,582.9**	**11,229.8**	**332.0**	**17.9**	**(794.4)**	**(444.5)**	**10,785.3**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Half year ended 30 June 2020

	Note	**30 Jun 20 $M**	30 Jun 19 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**324.9**	401.9
Payments in the course of operations (inclusive of GST)		**(141.6)**	(160.7)
Proceeds from sale of inventories		**0.7**	33.7
Payments for inventories		**(5.0)**	(11.1)
Distributions received from equity accounted investments		**77.5**	80.6
Interest received		**1.0**	0.9
Income taxes paid		**(2.3)**	(6.5)
Finance costs paid		**(51.1)**	(66.8)
Net cash inflows from operating activities	9	**204.1**	272.0
Cash flows from investing activities			
Payments for acquisition of investment properties		**(78.8)**	(127.6)
Payments for operating capital expenditure on investment properties		**(31.9)**	(44.8)
Payments for development capital expenditure on investment properties		**(137.5)**	(131.2)
Proceeds from disposal of assets (net of transaction costs)		**-**	795.6
Payments for property, plant and equipment		**(2.3)**	(0.5)
Payments for intangibles		**(10.4)**	(2.9)
Investment in equity accounted investments		**(5.8)**	(1.8)
Net cash (outflows)/inflows from investing activities		**(266.7)**	486.8
Cash flows from financing activities			
Proceeds from issue of stapled securities net of transaction costs		**-**	788.0
Proceeds from borrowings		**1,276.9**	1,261.7
Repayment of borrowings		**(986.7)**	(2,438.6)
Repayment of principal elements of lease payments		**(3.3)**	(3.2)
Payment for termination and restructure of derivatives		**-**	(137.2)
Distributions paid to securityholders		**(260.4)**	(231.9)
Net cash inflows/(outflows) from financing activities		**26.5**	(761.2)
Net decrease in cash and cash equivalents		**(36.1)**	(2.4)
Cash and cash equivalents at the beginning of the half year		**104.2**	58.7
Cash and cash equivalents at the end of the half year		**68.1**	56.3

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2020

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

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

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

Note 1 - Result for the half year: focuses on results and performance of GPT.
Notes 2 to 3 - Operating assets and liabilities: provides information on the assets and liabilities used to generate GPT's trading performance.
Notes 4 to 8 - Capital structure: outlines how GPT manages its capital structure and various financial risks.
Notes 9 to 13 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

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

The COVID-19 pandemic has created heightened levels of economic uncertainty, resulting in management's judgements and estimates having a greater impact on the result for the period than would normally be the case.

GPT has assessed key judgements and estimates in light of COVID-19 and adjusted underlying assumptions accordingly.

Management have made significant assumptions relating to the levels of debt forgiveness (rent waivers) to be provided to tenants (including both SME tenants as defined by the commercial tenancy Code of Conduct, and other impacted tenants). While a significant number of agreements have been reached with tenants, the process of tenant negotiations remains substantially incomplete. Therefore, management have used their judgement to determine estimated amounts of rent waivers for the period to 30 June 2020. These have been reflected as a write-off of trade debtors. For remaining uncollected trade receivables at 30 June 2020, management have assessed that there is an increased level of risk associated with the collection of these balances due to the financial impacts of the pandemic on tenants. Management have therefore made material judgements in relation to the likelihood of collecting these amounts, which have been reflected in the estimated credit loss allowance for trade debtors. See note 12(d).

Future uncertainty caused by COVID-19 has also impacted estimates of future investment property income and investment property prices, resulting in significant impacts to the valuations of some investment properties. GPT has had all investment properties independently valued (excluding two logistics assets acquired during the period) by expert valuers who have included estimates of the impacts of COVID-19 in the valuations, both in the short term and any consequential impacts to the medium and long term on general market conditions. Management have reviewed the investment property valuations for both accuracy and the reasonableness of the assumptions used to determine fair value. A sensitivity analysis has been included in note 2(c), showing indicative movements in investment property valuations should certain key metrics differ from those assumed in the valuations.

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

Area of judgements and estimates	Assumptions underlying	Note
Lease liabilities	Lease term and incremental borrowing rate	2, 12
Investment properties*	Fair value	2
Investment in equity accounted investments	Assessment of control versus significant influence	3
IT development and software	Impairment trigger and recoverable amounts	12
Inventories	Lower of cost and net realisable value	12
Security based payments	Fair value	12
Trade receivables*	Measurement of expected credit loss	12

Items marked with (*) contain judgements and estimates which have been significantly impacted by COVID-19.

RESULT FOR THE HALF YEAR

1. SEGMENT INFORMATION

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

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed use) and management of predominantly regional and sub-regional shopping centres as well as GPT's equity investment in GPT Wholesale Shopping Centre Fund.
Office	Ownership, development (including mixed use) and management of prime CBD office properties with some associated retail space as well as GPT's equity investment in GPT Wholesale Office Fund.
Logistics	Ownership, development (including mixed use) and management of logistics assets.
Funds Management	Management of two Australian wholesale property funds in the retail and office sectors.
Corporate	Cash and other assets and borrowings and associated hedges plus resulting net finance costs, management operating costs and income tax expense.

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2020

(a) Segment financial information

30 June 2020

The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2020 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	116.2	137.5	80.4	-	-	**334.1**
Property expenses and outgoings	b(iii)	(45.3)	(29.8)	(15.0)	-	-	**(90.1)**
Income from Funds	b(iv)	6.3	34.7	-	-	-	**41.0**
Fee income		4.4	1.8	-	31.2	-	**37.4**
Management & administrative expenses	b(v)	(6.9)	(4.8)	(0.7)	(7.0)	(7.6)	**(27.0)**
Operations Net Income		**74.7**	**139.4**	**64.7**	**24.2**	**(7.6)**	**295.4**
Development management fees		1.2	1.8	-	-	-	**3.0**
Development revenue	b(vi)	4.6	-	0.7	-	-	**5.3**
Development costs	b(vii)	-	-	(0.7)	-	-	**(0.7)**
Development management expenses		(1.3)	(1.3)	(0.3)	-	-	**(2.9)**
Development Net Income		**4.5**	**0.5**	**(0.3)**	**-**	**-**	**4.7**
Interest income		-	-	-	-	0.9	**0.9**
Finance costs	b(viii)	-	-	-	-	(50.0)	**(50.0)**
Net Finance Costs		**-**	**-**	**-**	**-**	**(49.1)**	**(49.1)**
Segment Result Before Tax		**79.2**	**139.9**	**64.4**	**24.2**	**(56.7)**	**251.0**
Income tax expense	b(ix)	-	-	-	-	(6.5)	**(6.5)**
Funds from Operations (FFO)	b(i)	**79.2**	**139.9**	**64.4**	**24.2**	**(63.2)**	**244.5**

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

	Retail $M	Office $M	Logistics $M	Funds Management $M	Corporate $M	Total $M
Current Assets						
Current assets	-	-	119.4	-	197.4	**316.8**
Total Current Assets	**-**	**-**	**119.4**	**-**	**197.4**	**316.8**
Non-Current Assets						
Investment properties	4,913.0	2,595.8	2,539.7	-	-	**10,048.5**
Equity accounted investments	812.0	3,464.3	-	-	10.0	**4,286.3**
Inventories	76.0	-	8.8	-	-	**84.8**
Other non-current assets	10.2	48.2	3.3	-	874.5	**936.2**
Total Non-Current Assets	**5,811.2**	**6,108.3**	**2,551.8**	**-**	**884.5**	**15,355.8**
Total Assets	**5,811.2**	**6,108.3**	**2,671.2**	**-**	**1,081.9**	**15,672.6**
Current and non-current liabilities	7.9	24.6	31.8	-	4,823.0	**4,887.3**
Total Liabilities	**7.9**	**24.6**	**31.8**	**-**	**4,823.0**	**4,887.3**
Net Assets	**5,803.3**	**6,083.7**	**2,639.4**	**-**	**(3,741.1)**	**10,785.3**

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2020

30 June 2019
The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2019 is set out below:

Financial performance by segment

	Note	Retail	Office	Logistics	Funds Management	Corporate	Total
		$M	$M	$M	$M	$M	**$M**
Rent from investment properties	b(ii)	184.5	131.8	69.4	-	-	**385.7**
Property expenses and outgoings	b(iii)	(52.1)	(28.6)	(12.1)	-	-	**(92.8)**
Income from Funds	b(iv)	22.5	37.2	-	-	-	**59.7**
Fee income		7.4	2.0	0.1	30.5	-	**40.0**
Management & administrative expenses	b(v)	(4.3)	(4.7)	(0.5)	(7.8)	(14.4)	**(31.7)**
Operations Net Income		**158.0**	**137.7**	**56.9**	**22.7**	**(14.4)**	**360.9**
Development management fees		0.5	1.3	-	-	-	**1.8**
Development revenue	b(vi)	-	-	33.7	-	-	**33.7**
Development costs	b(vii)	(0.1)	-	(33.0)	-	-	**(33.1)**
Development management expenses	b(v)	(1.1)	(0.3)	(0.5)	-	-	**(1.9)**
Development Net Income		**(0.7)**	**1.0**	**0.2**	**-**	**-**	**0.5**
Interest income		-	-	-	-	0.6	**0.6**
Finance costs	b(viii)	-	-	-	-	(60.1)	**(60.1)**
Net Finance Costs		**-**	**-**	**-**	**-**	**(59.5)**	**(59.5)**
Segment Result Before Tax		**157.3**	**138.7**	**57.1**	**22.7**	**(73.9)**	**301.9**
Income tax expense	b(ix)	-	-	-	-	(6.0)	**(6.0)**
Funds from Operations (FFO)	b(i)	**157.3**	**138.7**	**57.1**	**22.7**	**(79.9)**	**295.9**

Reconciliation of segment assets and liabilities to the Statement of Financial Position – as at 31 December 2019

	Retail	Office	Logistics	Funds Management	Corporate	Total
Current Assets						
Current assets	-	-	13.7	-	245.1	**258.8**
Total Current Assets	**-**	**-**	**13.7**	**-**	**245.1**	**258.8**
Non-Current Assets						
Investment properties	5,356.6	2,532.5	2,438.4	-	-	**10,327.5**
Equity accounted investments	990.8	3,542.2	-	-	10.0	**4,543.0**
Inventories	71.8	-	6.0	-	-	**77.8**
Other non-current assets	10.2	52.2	12.1	-	586.2	**660.7**
Total Non-Current Assets	**6,429.4**	**6,126.9**	**2,456.5**	**-**	**596.2**	**15,609.0**
Total Assets	**6,429.4**	**6,126.9**	**2,470.2**	**-**	**841.3**	**15,867.8**
Current and non-current liabilities	6.4	25.9	31.9	-	4,477.0	**4,541.2**
Total Liabilities	**6.4**	**25.9**	**31.9**	**-**	**4,477.0**	**4,541.2**
Net Assets	**6,423.0**	**6,101.0**	**2,438.3**	**-**	**(3,635.7)**	**11,326.6**

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2020

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

	30 Jun 20 $M	30 Jun 19 $M
(i) FFO to Net (loss) / profit for the half year		
Segment result		
FFO	**244.5**	295.9
Adjustments		
Fair value (loss) / gain on investment properties	**(411.6)**	135.8
Fair value (loss) / gain and other adjustments to equity accounted investments	**(278.4)**	18.7
Amortisation of lease incentives and costs	**(26.6)**	(26.7)
Straightlining of rental income	**5.3**	3.0
Valuation (decrease) / increase	**(711.3)**	130.8
Net loss on fair value movement of derivatives	**(42.7)**	(72.0)
Net impact of foreign currency borrowings and associated hedging loss	**(9.9)**	(11.6)
Gain on financial liability at amortised cost	**1.1**	1.3
Financial instruments mark to market and net foreign exchange loss	**(51.5)**	(82.3)
Impairment (expense) / reversal	**(0.2)**	11.1
Other items	**(0.6)**	(2.9)
Total items	**(0.8)**	8.2
Consolidated Statement of Comprehensive Income		
Net (loss) / profit for the half year	**(519.1)**	352.6
(ii) Rent from investment properties		
Segment result		
Rent from investment properties	**334.1**	385.7
Less: share of rent from investment properties in equity accounted investments	**(55.6)**	(40.4)
Eliminations of intra-group lease payments	**(0.8)**	(0.7)
Adjustments		
Amortisation of lease incentives and costs	**(26.6)**	(26.7)
Straightlining of rental income	**5.3**	3.0
Impairment loss on trade and other receivables	**59.8**	0.7
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**316.2**	321.6
(iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	**(90.1)**	(92.8)
Less: share of property expenses and outgoings in equity accounted investments	**11.4**	7.6
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	**(78.7)**	(85.2)
(iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	**41.0**	59.7
Share of rent from investment properties in equity accounted investments	**55.6**	40.4
Share of property expenses and outgoings in equity accounted investments	**(11.4)**	(7.6)
Development revenue - equity accounted investments	**4.6**	-
Development costs - equity accounted investments	**-**	(0.1)
Adjustments		
Fair value (loss) / gain and other adjustments to equity accounted investments	**(278.4)**	18.7
Consolidated Statement of Comprehensive Income		
Share of after tax (loss) / profit of equity accounted investments	**(188.6)**	111.1
(v) Management and administration expenses		
Segment result		
Operations	**(27.0)**	(31.7)
Development	**(2.9)**	(1.9)
Eliminations of intra-group lease payments	**0.8**	0.7
Transfer to Finance costs - leases	**0.9**	0.3
Less: depreciation expense	**2.7**	1.0
Less: amortisation expense	**2.6**	-
Less: impairment expense	**0.8**	-
Adjustments		
Other	**(0.6)**	(0.4)
Consolidated Statement of Comprehensive Income		
Management and administration expenses	**(22.7)**	(32.0)

	30 Jun 20 $M	30 Jun 19 $M
(vi) Development revenue		
Segment result		
Development revenue	**5.3**	33.7
Less: share of after tax profit of equity accounted investments	**(4.6)**	-
Consolidated Statement of Comprehensive Income		
Development revenue	**0.7**	33.7
(vii) Development costs		
Segment result		
Development costs	**(0.7)**	(33.1)
Less: share of after tax loss of equity accounted investments	**-**	0.1
Consolidated Statement of Comprehensive Income		
Development costs	**(0.7)**	(33.0)
(viii) Finance costs		
Segment result		
Finance costs - borrowings	**(50.0)**	(60.1)
Finance costs - leases	**(0.9)**	(0.3)
Consolidated Statement of Comprehensive Income		
Finance costs	**(50.9)**	(60.4)
(ix) Income tax expense		
Segment result		
Income tax expense	**(6.5)**	(6.0)
Adjustment		
Tax impact of reconciling items from segment result to net profit for the half year	**-**	(0.2)
Consolidated Statement of Comprehensive Income		
Income tax expense	**(6.5)**	(6.2)

OPERATING ASSETS AND LIABILITIES

2. INVESTMENT PROPERTIES

Basis of Valuation
In line with the Valuation Policy, GPT independently values each asset (including investment property assets disclosed within equity accounted investments) at least annually. However, in light of the current economic environment, the Group independently valued all investment properties as at the reporting date, excluding two logistics assets acquired during the period.

These valuations were undertaken having regards to the following factors:

- The government legislated the Code of Conduct for commercial tenancies, in addition to implementing various health and other economic measures which have impacted GPTs properties, tenants and cash flows;
- Market based evidence for key valuation assumptions has been difficult to obtain, primarily due to the lack of relevant transaction activity in light of COVID-19. Independent valuers will analyse and then reflect transaction evidence in their key valuation assumptions, including capitalisation and discount rates, when the evidence becomes available. The fair value assessment of GPT's portfolio as at the reporting date includes an estimate of the impacts of COVID-19 using information available at the time of preparation of the financial statements, including the impact of rent relief estimated to be granted to tenants. Independent valuers have also adjusted a number of assumptions, including increasing allowances for incentives and lease up periods for current vacancies and near term lease expiries and lowering forecast market rental growth rates; and
- In the event that COVID-19 impacts are more severe or prolonged than anticipated, this may have a further adverse impact on the fair value of GPT's investment properties.

The independent valuations contained material valuation uncertainty clauses given the impacts of COVID-19 and reduced levels of transactional evidence during the period. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.

In late July we consulted with the independent valuers who undertook the valuations of the Group's investment properties to understand whether any events subsequent to balance date have changed their view of the 30 June 2020 valuations. The independent valuers considered the various transactions that had occurred in the market post 30 June and the status of COVID-19 allowances already made at 30 June, including considering the impact of the reintroduction of increased restrictions in Melbourne and the continuing uncertainty this may cause for the Group and our tenants. The independent valuers were of the opinion that allowances already made at 30 June are sufficient and there has been no changes to the valuations subsequent to balance date.

GPT provides factual information to the independent valuers, including passing rental information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment. Management have reviewed the investment property valuations for both accuracy and reasonableness of the assumptions used to determine fair value. The fair values, as assessed by the independent valuers, are shown in the following tables.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2020

(a) Investment properties

	Note	Investment properties 30 Jun 20 $M	Less lease liabilities 30 Jun 20 $M	Fair value 30 Jun 20 $M	Investment properties 31 Dec 19 $M	Less lease liabilities 31 Dec 19 $M	Fair value 31 Dec 19 $M
Retail	(i)	**4,913.0**	**(7.9)**	**4,905.1**	5,356.6	(6.4)	5,350.2
Office	(ii)	**2,411.3**	**-**	**2,411.3**	2,410.5	-	2,410.5
Logistics	(iii)	**2,343.4**	**-**	**2,343.4**	2,223.8	-	2,223.8
Properties under development	(iv)	**380.8**	**-**	**380.8**	336.6	-	336.6
Total investment properties	(vi)	**10,048.5**	**(7.9)**	**10,040.6**	10,327.5	(6.4)	10,321.1

	Ownership interest (1) %	Acquisition date	Investment properties 30 Jun 20 $M	Less lease liabilities 30 Jun 20 $M	Fair value 30 Jun 20 $M	Investment properties 31 Dec 19	Less lease liabilities 31 Dec 19	Fair value 31 Dec 19 $M	Latest independent valuation date	Valuer
(i) Retail										
Casuarina Square, NT	50.0	Oct 1973	**207.8**	**-**	**207.8**	248.0	-	248.0	Jun 2020	Urbis
Charlestown Square, NSW	100.0	Dec 1977 / Oct 2002 / Jul 2003	**865.0**	**-**	**865.0**	1,003.0	-	1,003.0	Jun 2020	CB Richard Ellis
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**358.3**	**-**	**358.3**	412.5	-	412.5	Jun 2020	Savills Australia
Melbourne Central, VIC - retail portion (2)	** 100.0	May 1999 / May 2001	**1,601.3**	**(5.8)**	**1,595.5**	1,622.4	(4.4)	1,618.0	Jun 2020	Jones Lang LaSalle
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**635.2**	**-**	**635.2**	680.2	-	680.2	Jun 2020	Colliers International
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Jun 1999 / Sep 2004	**589.9**	**(2.1)**	**587.8**	654.5	(2.0)	652.5	Jun 2020	CB Richard Ellis
Westfield Penrith, NSW	50.0	Jun 1971	**655.5**	**-**	**655.5**	736.0	-	736.0	Jun 2020	Savills Australia
Total Retail			**4,913.0**	**(7.9)**	**4,905.1**	5,356.6	(6.4)	5,350.2		
(ii) Office										
Australia Square, Sydney, NSW	50.0	Sep 1981	**576.5**	**-**	**576.5**	593.5	-	593.5	Jun 2020	CB Richard Ellis
60 Station Street, Parramatta, NSW	100.0	Sep 2018	**279.0**	**-**	**279.0**	282.0	-	282.0	Jun 2020	Colliers International
4 Murray Rose Avenue, Sydney Olympic Park, NSW	* 100.0	May 2002	**136.0**	**-**	**136.0**	131.5	-	131.5	Jun 2020	Colliers International
Melbourne Central, VIC - office portion (2)	100.0	May 1999 / May 2001	**714.0**	**-**	**714.0**	696.5	-	696.5	Jun 2020	Colliers International
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	**409.5**	**-**	**409.5**	404.0	-	404.0	Jun 2020	CB Richard Ellis
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**296.3**	**-**	**296.3**	303.0	-	303.0	Jun 2020	Colliers International
Total Office			**2,411.3**	**-**	**2,411.3**	2,410.5	-	2,410.5		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Melbourne Central: 69.2% Retail and 30.8% Office (31 Dec 2019: 70.0% Retail and 30.0% Office). Melbourne Central - Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street.

	Ownership interest [1] %	Acquisition date	Investment properties 30 Jun 20 $M	Less lease liabilities 30 Jun 20 $M	Fair value 30 Jun 20 $M	Investment properties 31 Dec 19	Less lease liabilities 31 Dec 19	Fair value 31 Dec 19 $M	Latest independent valuation date	Valuer
(iii) Logistics										
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**92.4**	**-**	**92.4**	91.5	-	91.5	Jun 2020	Knight Frank
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**40.5**	**-**	**40.5**	39.5	-	39.5	Jun 2020	Colliers International
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**70.0**	**-**	**70.0**	69.5	-	69.5	Jun 2020	CB Richard Ellis
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**118.5**	**-**	**118.5**	112.0	-	112.0	Jun 2020	Savills Australia
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**172.0**	**-**	**172.0**	162.0	-	162.0	Jun 2020	CB Richard Ellis
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**27.3**	**-**	**27.3**	26.0	-	26.0	Jun 2020	Jones Lang LaSalle
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	**117.3**	**-**	**117.3**	113.5	-	113.5	Jun 2020	Colliers International
57-87 & 89-99 Lockwood Rd, Erskine Park, NSW	100.0	Jul 2019	**107.2**	**-**	**107.2**	107.0	-	107.0	Jun 2020	M3 Property
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	**32.3**	**-**	**32.3**	32.0	-	32.0	Jun 2020	Jones Lang LaSalle
4 Holker Street, Newington, NSW	100.0	Mar 2006	**38.6**	**-**	**38.6**	37.7	-	37.7	Jun 2020	Knight Frank
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**41.3**	**-**	**41.3**	41.3	-	41.3	Jun 2020	Jones Lang LaSalle
Sydney Olympic Park Town Centre, NSW [2]	* 100.0	Jun 2010 - Apr 2013	**48.5**	**-**	**48.5**	137.5	-	137.5	Jun 2020	Colliers International
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	**29.8**	**-**	**29.8**	29.0	-	29.0	Jun 2020	Colliers International
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	**51.0**	**-**	**51.0**	62.8	-	62.8	Jun 2020	Colliers International
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**32.8**	**-**	**32.8**	31.3	-	31.3	Jun 2020	M3 Property
38 Pine Road, Yennora, NSW	100.0	Nov 2013	**68.4**	**-**	**68.4**	67.0	-	67.0	Jun 2020	Colliers International
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**42.5**	**-**	**42.5**	41.6	-	41.6	Jun 2020	Colliers International
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**47.5**	**-**	**47.5**	46.8	-	46.8	Jun 2020	Knight Frank
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**26.9**	**-**	**26.9**	26.6	-	26.6	Jun 2020	Knight Frank
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	**55.4**	**-**	**55.4**	52.0	-	52.0	Jun 2020	Colliers International
50 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	**71.1**	**-**	**71.1**	70.3	-	70.3	Jun 2020	Knight Frank
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	**24.8**	**-**	**24.8**	24.0	-	24.0	Jun 2020	M3 Property
64 Biloela Street, Villawood, NSW	100.0	May 2019	**40.3**	**-**	**40.3**	39.5	-	39.5	Jun 2020	M3 Property
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	**41.8**	**-**	**41.8**	41.5	-	41.5	Jun 2020	M3 Property
38A Pine Road, Yennora, NSW [3]	100.0	Nov 2013	**13.0**	**-**	**13.0**	-	-	-	Jun 2020	Colliers International
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	**110.0**	**-**	**110.0**	102.6	-	102.6	Jun 2020	Savills Australia
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**93.0**	**-**	**93.0**	90.8	-	90.8	Jun 2020	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**196.2**	**-**	**196.2**	195.2	-	195.2	Jun 2020	CB Richard Ellis
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	**79.1**	**-**	**79.1**	79.1	-	79.1	Jun 2020	Jones Lang LaSalle
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	**13.0**	**-**	**13.0**	12.9	-	12.9	Jun 2020	Savills Australia
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	**18.5**	**-**	**18.5**	18.4	-	18.4	Jun 2020	Savills Australia
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	**38.3**	**-**	**38.3**	34.7	-	34.7	Jun 2020	Jones Lang LaSalle
21-23 Wirraway Drive, Port Melbourne, VIC	100.0	Mar 2020	**32.4**	**-**	**32.4**	-	-	-	Mar 2020	Savills Australia
1 Botero Place, Truganina, VIC	100.0	May 2020	**42.2**	**-**	**42.2**	-	-	-	May 2020	Savills Australia
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	**50.1**	**-**	**50.1**	45.7	-	45.7	Jun 2020	Savills Australia
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	**125.5**	**-**	**125.5**	125.0	-	125.0	Jun 2020	Jones Lang LaSalle
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	**17.8**	**-**	**17.8**	17.5	-	17.5	Jun 2020	Jones Lang LaSalle
2 Ironbark Close, Wembley Business Park, Berrinba, QLD [3]	100.0	Jun 2015	**48.5**	**-**	**48.5**	-	-	-	Jun 2020	Savills Australia
30 Ironbark Close, Wembley Business Park, Berrinba, QLD [3]	100.0	Jun 2015	**27.6**	**-**	**27.6**	-	-	-	Jun 2020	Savills Australia
Total Logistics			**2,343.4**	**-**	**2,343.4**	2,223.8	-	2,223.8		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) GPT received an offer of compensation from Sydney Metro following commercial negotiation regarding the compulsory acquisition for three of GPT's properties at Sydney Olympic Park Town Centre. At 30 June 2020, these three assets have been classified as assets held for sale with a carrying value of $103.0 million based on the offer received.
(3) Following practical completion in March 2020, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.

	Ownership interest (1) %	Acquisition date	Investment properties 30 Jun 20 $M	Less lease liabilities 30 Jun 20 $M	Fair value 30 Jun 20 $M	Investment properties 31 Dec 19	Less lease liabilities 31 Dec 19	Fair value 31 Dec 19 $M	Latest independent valuation date	Valuer
(iv) Properties under development										
32 Smith, Parramatta, NSW	100.0	Mar 2017	**184.5**	**-**	**184.5**	122.0	-	122.0	Jun 2020	Colliers International
128 Andrews Road, Penrith, NSW	100.0	Jul 2019	**60.0**	**-**	**60.0**	24.1	-	24.1	Jun 2020	Colliers International
42 Cox Place, Glendenning, NSW	100.0	Dec 2019	**20.9**	**-**	**20.9**	16.7	-	16.7	Jun 2020	Knight Frank
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**7.9**	**-**	**7.9**	5.8	-	5.8	Jun 2020	Jones Lang LaSalle
2, 6 & 10 Prosperity Street, Truganina, VIC	100.0	Nov 2018	**11.4**	**-**	**11.4**	10.7	-	10.7	Jun 2020	Jones Lang LaSalle
66 & 67 Niton Drive, Truganina, VIC	100.0	Jul 2019	**36.4**	**-**	**36.4**	36.2	-	36.2	Jun 2020	Jones Lang LaSalle
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**38.8**	**-**	**38.8**	38.8	-	38.8	Jun 2020	CB Richard Ellis
2 Ironbark Close, Wembley Business Park, Berrinba, QLD (2)	100.0	Jun 2015	**-**	**-**	**-**	36.3	-	36.3	-	-
30 Ironbark Close, Wembley Business Park, Berrinba, QLD (2)	100.0	Jun 2015	**-**	**-**	**-**	16.1	-	16.1	-	-
Wembley Business Park, Stage 3 & 4, Berrinba, QLD	100.0	Jun 2015	**20.9**	**-**	**20.9**	19.2	-	19.2	Jun 2020	Savills Australia
38A Pine Road, Yennora, NSW (2)	100.0	Nov 2013	**-**	**-**	**-**	10.7	-	10.7	-	-
Total Properties under development			**380.8**	**-**	**380.8**	336.6	-	336.6		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) Following practical completion in March 2020, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.

(v) Investment properties held for sale

	Ownership interest (1) %	Acquisition date	Investment properties 30 Jun 20 $M	Less lease liabilities 30 Jun 20 $M	Fair value 30 Jun 20 $M	Investment properties 31 Dec 19	Less lease liabilities 31 Dec 19	Fair value 31 Dec 19 $M	Latest independent valuation date	Valuer
Sydney Olympic Park - Metro Assets (2)	* 100.0	Jul 2004 - Jul 2005	**103.0**	**-**	**103.0**	-	-	-	-	-
Total Properties held for sale			**103.0**	**-**	**103.0**	-	-	-		

(1) Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.
(2) GPT received an offer of compensation from Sydney Metro following commercial negotiation regarding the compulsory acquisition for three of GPT's properties at Sydney Olympic Park Town Centre. At 30 June 2020, these three assets have been classified as assets held for sale with a carrying value of $103.0 million based on the offer received.

(vi) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	30 Jun 20 $M	31 Dec 19 $M
Opening balance at the beginning of the half year	5,356.6	2,410.5	2,223.8	336.6	**10,327.5**	10,128.8
Additions - operating capital expenditure	9.3	2.5	3.4	-	**15.2**	51.4
Additions - development capital expenditure	11.9	16.5	5.8	98.7	**132.9**	269.1
Additions - interest capitalised (1)	0.3	0.3	-	4.3	**4.9**	9.5
Asset acquisitions	-	-	78.8	-	**78.8**	296.4
Transfers to assets held for sale	-	-	(103.0)	-	**(103.0)**	-
Transfers to / (from) properties under development	-	-	89.1	(89.1)	**-**	-
Transfer from inventory	-	-	-	-	**-**	39.6
Ground leases of investment properties	1.5	-	-	-	**1.5**	6.4
Disposals	-	-	-	-	**-**	(796.3)
Fair value adjustments	(464.0)	(19.0)	41.1	30.3	**(411.6)**	310.8
Lease incentives (includes rent free)	3.9	11.3	4.7	-	**19.9**	44.8
Leasing costs	1.4	1.5	0.8	-	**3.7**	8.2
Amortisation of lease incentives and costs	(8.5)	(13.4)	(4.7)	-	**(26.6)**	(47.8)
Straightlining of leases	0.6	1.1	3.6	-	**5.3**	6.6
Closing balance at the end of the half year	4,913.0	2,411.3	2,343.4	380.8	**10,048.5**	10,327.5

(1) A capitalisation interest rate of 3.1% (31 December 2019: 3.6%) has been applied when capitalising interest on qualifying assets.

(b) Fair value measurement, valuation techniques and inputs

A description of the valuation techniques and key inputs are included in the following table:

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 Jun 2020	Unobservable inputs 31 Dec 2019
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	$1,341 - $2,339	$1,330 - $2,423
			10 year average specialty market rental growth	2.3% - 3.0%	2.8% - 3.6%
			Adopted capitalisation rate	4.50% - 6.25%	4.25% - 6.00%
			Adopted terminal yield	4.75% - 6.50%	4.50% - 6.25%
			Adopted discount rate	6.00% - 7.00%	6.25% - 7.00%
			Lease incentives (gross)	7.3% - 15.0%	5.0% - 7.5%
			COVID-19 allowance (% of annual income)	11.2% - 37.4%	-
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$425 - $1,600	$425 - $1,620
			10 year average market rental growth	2.9% - 4.0%	3.3% - 4.3%
			Adopted capitalisation rate	4.39% - 5.75%	4.39% - 5.50%
			Adopted terminal yield	4.66% - 6.00%	4.63% - 5.75%
			Adopted discount rate	6.13% - 6.50%	6.25% - 6.75%
			Lease incentives (gross)	16.7% - 37.5%	15.0% - 37.5%
			COVID-19 allowance (% of annual income)	0 - 10.4%	-
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$70 - $530	$65 - $515
			10 year average market rental growth	2.7% - 3.2%	2.8% - 3.2%
			Adopted capitalisation rate	4.63% - 6.50%	4.63% - 7.00%
			Adopted terminal yield	4.88% - 6.75%	5.00% - 7.25%
			Adopted discount rate	6.25% - 7.13%	6.25% - 7.50%
			Lease incentives (net)	8.33% - 35.0%	10.0% - 30.0%
			COVID-19 allowance (% of annual income)	0 - 25.0%	-
Properties under development	Level 3	Income capitalisation method, or land rate	Net market rent (per sqm p.a.)	$84 - $655	$85 - $655
			Adopted capitalisation rate	5.00% - 5.13%	5.13% - 5.63%
			Adopted terminal yield	5.00% - 5.63%	5.50% - 6.00%
			Adopted discount rate	6.25% - 6.50%	6.50% - 6.63%
			Land rate (per sqm)	$217 - $400	$217 - $531
			Profit and risk factor	5.0% - 17.5%	5.0% - 15.0%

DCF method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure and reversions.
Gross market rent	A gross market rent is the estimated amount of rent for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion and does not include the building outgoings or cleaning costs paid by the tenant.
10 year average specialty market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in specialty tenancy rents. Specialty tenants are those tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence.
Land rate (per sqm)	The land rate is the market land value per sqm.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination of, or, one of the following: a rent free period, a fit-out contribution, a cash contribution or rental abatement.
COVID-19 allowance	The COVID-19 allowance reflects the anticipated prospective rent relief granted to tenants in accordance with the Code of Conduct principles.

(c) Sensitivity information – investment properties

Critical judgements are made by GPT in respect of the fair values of investment properties (including investment properties within equity accounted investments). Fair values are reviewed regularly by management with reference to independent property valuations, recent offers and market conditions, and using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below and in note 2(b).

An independent valuer will typically conduct both an income capitalisation valuation and a discounted cash flow (DCF) valuation for each asset, which informs a range of valuation outcomes. The valuer will then apply their expertise in determining an adopted value, which may include adopting one of these specific approaches or a mid-point of these two approaches.

Due to the reduction in both long term growth rates and lack of recent transaction evidence, in the current environment management have observed a higher prevalence of independent valuers adopting DCF valuations.

Given the higher prevalence of DCF based valuations, management have included a sensitivity table reflecting potential movements in key DCF valuation variables, being discount rate and the market income growth rate. In conducting the sensitivity analysis, management have selected sample of two assets for each portfolio, for which key metrics are typical of the portfolio to which they relate. For those assets, the independent valuer conducted the sensitivity analysis in the following tables. Results for individual assets may differ based on each asset’s particular attributes and market conditions.

(i) Retail valuation sensitivity

Discount Rate	-0.25%	+0.25%
Impact to valuation	2.0%	(2.0%)

10 Year Specialty Growth Rate	-0.25%	+0.25%
Impact to valuation	(1.7%)	1.7%

(ii) Office valuation sensitivity

Discount Rate	-0.25%	+0.25%
Impact to valuation	2.1%	(2.0%)

10 Year Growth Rate	-0.25%	+0.25%
Impact to valuation	(1.8%)	1.8%

(iii) Logistics valuation sensitivity

Discount Rate	-0.25%	+0.25%
Impact to valuation	1.9%	(1.8%)

10 Year Growth Rate	-0.25%	+0.25%
Impact to valuation	(1.7%)	1.8%

3. EQUITY ACCOUNTED INVESTMENTS

	Note	30 Jun 20 $M	31 Dec 19 $M
Investments in joint ventures	(i)	**1,419.0**	1,431.1
Investments in associates	(ii)	**2,867.3**	3,111.9
Total equity accounted investments		**4,286.3**	4,543.0

Details of equity accounted investments

Name	Principal Activity	Ownership Interest 30 Jun 20 %	Ownership Interest 31 Dec 19 %	30 Jun 20 $M	31 Dec 19 $M
(i) Joint ventures					
2 Park Street Trust [(1)]	Investment property	50.00	50.00	**798.7**	795.8
1 Farrer Place Trust [(1)]	Investment property	50.00	50.00	**575.5**	594.3
Horton Trust	Investment property	50.00	50.00	**28.9**	29.7
Lendlease GPT (Rouse Hill) Pty Limited [(1) (2)]	Property development	50.00	50.00	**15.9**	11.3
Erskine Park Joint Venture	Property development	50.00	50.00	**-**	-
Total investment in joint venture entities				**1,419.0**	1,431.1
(ii) Associates					
GPT Wholesale Office Fund [(1) (3)]	Investment property	21.90	22.93	**1,566.4**	1,610.6
GPT Wholesale Shopping Centre Fund [(1) (4)]	Investment property	28.48	28.49	**767.2**	949.8
GPT Funds Management Limited	Funds management	100.00	100.00	**10.0**	10.0
Darling Park Trust [(1)]	Investment property	41.67	41.67	**523.7**	541.5
DPT Operator Pty Limited [(1)]	Management	91.67	91.67	**-**	-
DPT Operator No.2 Pty Limited [(1)]	Management	91.67	91.67	**-**	-
Total investments in associates				**2,867.3**	3,111.9

(1) The entity has a 30 June balance date.
(2) GPT has a 50% interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning.
(3) Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) and equity raising which occurred during the half year.
(4) Ownership has decreased as a result of GPT not participating in the DRP during the half year.

For those joint ventures and associates with investment property as the principal activity refer to note 2 for details on key judgements and estimates relating to the valuation of these investment properties, including how COVID-19 impacts have been addressed.

For those joint ventures where the principal activity is property development refer to note 12 for details on key judgements and estimates.

CAPITAL STRUCTURE

4. EQUITY

	Number	Trust $M	Other entities stapled to the Trust $M	Total $M
Ordinary stapled securities				
Opening securities on issue at 1 January 2019	1,804,890,426	7,825.7	325.9	8,151.6
Securities issued - institutional placement	131,795,717	794.3	5.7	800.0
Transaction costs	-	(12.7)	(0.1)	(12.8)
Closing securities on issue and contributed equity at 30 June 2019	1,936,686,143	8,607.3	331.5	8,938.8
Opening securities on issue at 1 January 2020	**1,947,929,316**	**8,673.2**	**332.0**	**9,005.2**
Closing securities on issue and contributed equity at 30 June 2020	**1,947,929,316**	**8,673.2**	**332.0**	**9,005.2**

5. EARNINGS PER STAPLED SECURITY

	30 Jun 20 Cents Basic	30 Jun 20 Cents Diluted	30 Jun 19 Cents Basic	30 Jun 19 Cents Diluted
(a) Attributable to ordinary securityholders of the Trust				
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**(27.8)**	**(27.8)**	18.4	18.4
(b) Attributable to ordinary stapled securityholders of the GPT Group				
Total basic and diluted earnings per security attributable to stapled securityholders of the GPT Group	**(26.6)**	**(26.6)**	19.5	19.5

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

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	**$M**	**$M**	$M	$M
Basic and diluted earnings of the Trust	**(540.6)**	**(540.6)**	332.7	332.7
Basic and diluted earnings of the Company	**21.5**	**21.5**	19.9	19.9
Basic and diluted earnings of the GPT Group	**(519.1)**	**(519.1)**	352.6	352.6

(d) Weighted average number of ordinary securities	**Millions**	**Millions**	Millions	Millions
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,947.9**	**1,947.9**	1,808.5	1,808.5
Performance security rights at weighted average basis [(1)]		**-**		1.8
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		**1,947.9**		1,810.3

(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.

6. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT securityholders half yearly.

	Cents per stapled security	**Total amount $M**
Distributions paid / payable		
2020		
6 month period ended 30 June 2020 [(1)]	**-**	**-**
Total distributions paid / payable for the half year	**-**	**-**
2019		
6 month period ended 30 June 2019	13.11	253.9
Total distributions paid / payable for the half year	13.11	253.9

(1) For the half year ended 30 June 2020, a distribution of 9.3 cents per security representing 99.6 per cent of free cashflow, was declared on 10 August 2020 and is expected to be paid on 28 August 2020. The distribution is 29.1 per cent lower than the 30 June 2019 distribution of 13.11 cents per security as a result of the COVID-19 impact on income and operating cashflows. For the half year ended 30 June 2019, the payout ratio was 104.9 per cent of AFFO under GPT's previous distribution policy.

7. BORROWINGS

	30 Jun 20 $M	31 Dec 19 $M
Current borrowings at amortised cost - unsecured (1)	**144.0**	473.4
Current borrowings at amortised cost - secured	**4.7**	4.7
Current borrowings	**148.7**	478.1
Non-current borrowings at amortised cost - unsecured	**1,821.4**	1,192.4
Non-current borrowings at fair value through profit and loss - unsecured (2)	**2,429.9**	2,138.6
Non-current borrowings at amortised cost - secured	**88.2**	88.4
Non-current borrowings	**4,339.5**	3,419.4
Total borrowings (3) - carrying amount	**4,488.2**	3,897.5
Total borrowings (4) - fair value	**4,453.1**	3,994.1

(1) Represents GPT's commercial paper program which is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities.
(2) Cumulative fair value movements are shown in the table below.
(3) Including unamortised establishment costs, fair value and other adjustments.
(4) For the majority of the borrowings, the carrying amount is a reasonable approximation of fair value. Where material difference arises, the fair value is calculated using market observable inputs (level 2) and unobservable inputs (level 3). This excludes unamortised establishment costs.

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

When the terms of a financial liability are modified, AASB 9 *Financial Instruments* requires an entity to perform an assessment to determine whether the modified terms are substantially different from the existing financial liability. Where a modification is substantial, it will be accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Where the modification does not result in extinguishment, the difference between the existing carrying amount of the financial liability and the modified cash flows discounted at the original effective interest rate is recognised in the Consolidated Statement of Comprehensive Income as gain / loss on modification of financial liability. Management have assessed the modification of terms requirements within AASB 9 and have concluded that these do not have a material impact for the Group.

The following table outlines the cumulative amount of fair value movements that are included in the carrying amount of borrowings in the Consolidated Statement of Financial Position:

	30 Jun 20 $M	31 Dec 19 $M
Nominal amount	**1,715.7**	1,715.7
Unamortised borrowing costs	**(5.7)**	(6.0)
Amortised cost	**1,710.0**	1,709.7
Cumulative fair value movements	**719.9**	428.9
Carrying amount	**2,429.9**	2,138.6

Cross currency interest rate swaps hedging the above foreign currency borrowings have a carrying amount of $703.4 million (December 2019: $425.3 million) included within derivative assets on the Consolidated Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2020

The maturity profile of borrowings as at 30 June 2020 is provided in the following table:

	Total facility (1)(2)(3) $M	Used facility (1) $M	Unused facility (2)(3) $M
Due within one year	148.8	148.7	0.1
Due between one and five years	2,498.8	1,393.8	1,105.0
Due after five years	2,409.9	2,209.9	200.0
	5,057.5	**3,752.4**	**1,305.1**
Cash and cash equivalents			**68.1**
Total financing resources available at the end of the half year			**1,373.2**
Less: commercial paper (2)			**(144.0)**
Less: cash and cash equivalents held for the AFSL			**(10.0)**
Total financing resources available at the end of the half year			**1,219.2**

(1) Excluding unamortised establishment costs, fair value and other adjustments and $10.2 million bank guarantee facilities and its $2.2 million utilisation. This reflects the contractual cashflows payable on maturity of the borrowings taking into account historical exchange rates under cross currency interest rate swaps entered into to hedge the foreign currency borrowings.
(2) GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities and are therefore excluded from available liquidity.
(3) Including $100 million of forward starting facilities available to GPT.

Debt covenants

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

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

8. OTHER FAIR VALUE DISCLOSURES

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

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy (1)	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 Jun 2020	Unobservable inputs 31 Dec 2019
Derivative financial instruments	Level 2	DCF (adjusted for counterparty credit worthiness)	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable - all inputs are market observable inputs	
Foreign currency borrowings	Level 2	DCF	Interest rates Foreign exchange rates	Not applicable - all inputs are market observable inputs	

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

Counterparty credit worthiness	Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

OTHER DISCLOSURE ITEMS

9. CASH FLOW INFORMATION

Reconciliation of net (loss) / profit for the half year to net cash inflows from operating activities:

	30 Jun 20 $M	30 Jun 19 $M
Net (loss) / profit for the half year	**(519.1)**	352.6
Fair value loss / (gain) on investment properties	**411.6**	(135.8)
Fair value loss on derivatives	**42.7**	72.0
Net impact of foreign currency borrowings and associated hedging loss	**9.9**	11.6
Gain on financial liability at amortised cost	**(1.1)**	(1.3)
Impairment expense / (reversal)	**1.0**	(11.1)
Share of after tax loss / (profit) of equity accounted investments (net of distributions)	**262.7**	(32.4)
Depreciation and amortisation	**5.3**	3.3
Non-cash revenue / expense adjustments	**14.0**	17.9
Profit on sale of inventories	**(0.2)**	(0.7)
Proceeds from sale of inventories	**0.7**	33.7
Payment for inventories	**(5.0)**	(11.1)
Movements in working capital and reserves (net of impairment)	**(16.9)**	(28.9)
Other	**(1.5)**	2.2
Net cash inflows from operating activities	**204.1**	272.0

10. LEASE REVENUE

	30 Jun 2020				30 Jun 2019			
Segment Result	**Retail**	**Office**	**Logistics**	**Total**	Retail	Office	Logistics	Total
Lease revenue	**138.6**	**69.5**	**75.5**	**283.6**	145.9	76.7	64.3	286.9
Recovery of operating costs	**33.8**	**14.8**	**6.1**	**54.7**	38.7	15.3	5.1	59.1
Share of rent from investment properties in equity accounted investments	**0.6**	**55.0**	**-**	**55.6**	0.6	39.8	-	40.4
	173.0	**139.3**	**81.6**	**393.9**	185.2	131.8	69.4	386.4
Less:								
Share of rent from investment properties in equity accounted investments				**(55.6)**				(40.4)
Amortisation of lease incentives and costs				**(26.6)**				(26.7)
Straightlining of leases				**5.3**				3.0
Eliminations of intra-group lease payments				**(0.8)**				(0.7)
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**316.2**				321.6

Rent from investment properties
Rent from investment properties is recognised and measured in accordance with AASB 16 *Leases*. This revenue is recognised on a straight line basis for the minimum contract rent over the lease term. An asset is also recognised as a component of investment properties relating to fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, any costs are recognised on a straight line basis over the lease term. Contingent rental income is recognised as revenue in the period in which it is earned.

In addition to revenue generated directly from the lease, rent from investment properties includes non-lease revenue earned from tenants, predominately in relation to recovery of asset operating costs, which is recognised and measured under AASB 15 *Revenue from Contracts with Customers.*

Management have assessed if a rent waiver constitutes a lease modification under AASB 16 *Leases* and concluded that where rent waivers relate to periods after the execution of an agreement with the tenant, this constitutes a lease modification. Rent waivers relating to periods prior to the execution of an agreement are treated as write-offs under AASB 9 *Financial Instruments* where the rent waiver offsets a receivable from the tenant (see note 12(d)). Due to the timing of the execution of the agreements with tenants no rent waivers have been recognised as a modification as at 30 June 2020.

11. COMMITMENTS

(a) Capital expenditure commitments

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

	30 Jun 20 $M	31 Dec 19 $M
Retail	**29.5**	31.8
Office	**98.0**	86.1
Logistics	**22.1**	12.5
Properties under development	**117.7**	188.5
Corporate	**2.6**	3.7
Total capital expenditure commitments	**269.9**	322.6

(b) Capital commitments relating to equity accounted investments

GPT's share of equity accounted investments' capital commitments at balance date:

	30 Jun 20 $M	31 Dec 19 $M
Capital expenditure	**106.8**	133.0
Total joint ventures and associates' commitments	**106.8**	133.0

12. ACCOUNTING POLICIES, KEY JUDGEMENTS AND ESTIMATES

(a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*;
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis. GPT has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 7, GPT has access to $1,219.2 million in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. GPT is confident in the belief that that it will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current net assets over current liabilities of $37.1 million arises as a result of the inclusion of borrowings due within 12 months (refer to note 12(b) for further information on going concern);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies with adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded in the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2019 and any public announcements made by GPT during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules. Comparatives in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and notes to the financial statements have been restated to the current year presentation. There was no effect on the profit for the half year.

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

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

The interim financial report was approved by the Board of Directors on 10 August 2020.

(b) Going Concern

Due to the uncertainty created by COVID-19, GPT has performed additional procedures in relation to assessing going concern. GPT is of the opinion that it is able to meet its liabilities and commitments as and when they fall due for at least a period of 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $1,219.2 million;
- Weighted average debt expiry of 7.8 years, with $4.7 million of debt due between the date of this report and 31 December 2021;
- Interest rate hedging level of 86 per cent over the next 12 months;
- Primary covenant gearing of 25.4 per cent, compared to a covenant level of 50.0 per cent;
- Interest cover ratio at 30 June 2020 of 6.0 times, compared to a covenant level of 2.0 times;
- Several scenarios have been evaluated assuming the impact of COVID-19 continues over differing time periods, stress testing operating cash flows and in all cases the Group expects to remain solvent; and
- Assessment of the financial position and analysis of GPT's covenants indicates that adequate levels of headroom remain for both the gearing and interest cover ratios in the scenarios prepared.

(c) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2020 which have been adopted where applicable.

(d) Trade receivables

On 7 April 2020, the National Cabinet announced a mandatory commercial tenancy Code of Conduct. The Code of Conduct aims to help small and medium enterprise (SME) tenants with a turnover of less than $50 million, that qualify for the Federal Government's JobKeeper program, and are suffering financial stress or hardship. The Code of Conduct sets out principles to guide discussions between commercial landlords and SME tenants for temporary changes to leasing arrangements during the COVID-19 period and is legislated and regulated by the states and territories.

The application of the Code of Conduct requires GPT to engage with each of our SME tenants and provide cashflow support in a fair and proportionate manner during the COVID-19 period. Importantly, the Code of Conduct allows the Group to negotiate commercial outcomes on a case by case basis for those SMEs most impacted. This process has commenced but will take some time to conclude given the complexity of the application of the Code of Conduct and the number of tenants involved. GPT is also engaging with its non-SME tenants who have sought assistance but are not eligible under the Code of Conduct. Assistance provided to tenants under the Code of Conduct may take the form of rent waivers, rent payment deferral or a combination of the two.

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the 'expected credit loss' (ECL) model. GPT holds these financial assets in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Rent waivers and other write-offs

Debts which management have determined will be subject to a rent waiver, or are otherwise uncollectible have been written off as at 30 June 2020, in accordance with the requirements of AASB 9 *Financial Instruments*. A total of $32.9 million has been written off in the 6 months to 30 June 2020.

Estimated credit loss allowance

For remaining trade and other receivables balances which have not been written off, management have assessed whether these balances are "credit impaired", and recognised a loss allowance equal to the lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the trade receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to GPT in accordance with the contract and the cash flows that GPT expects to receive). A default on trade receivables is when the counterparty fails to make contractual payments when they fall due and management determines that the debt is uncollectible, or where management forgives all or part of the debt.

COVID-19 has resulted in GPT reviewing its methodology to determine an estimated lifetime ECL, with historical default percentages no longer the most appropriate means of predicting future default events. At 30 June 2020, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account the relative size of the tenant (including whether they are classified as an SME under the Code of Conduct), the industry in which the tenant operates, the type of tenancy (eg retail, office or logistics) as well as the current challenging economic conditions which have impacted the ability of tenants to pay amounts outstanding. The relative age of the debt and whether the debt has been deferred has also been taken into account.

This has resulted in an ECL allowance $28.4 million being recognised as at 30 June 2020. The remaining net balance of trade receivables (excluding accrued income and related party receivables) is $20.4 million.

(e) Revenue

Revenue from contracts with customers

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time. Management have assessed that there have been no significant changes to the recognition of revenue as a result of the COVID-19 pandemic.

Other revenue

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

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

Management have assessed that there have been no significant changes to the recognition of other revenue as a result of the COVID-19 pandemic.

(f) Government grants

The Group has received $2.8 million and has $1.3 million receivable under the Federal Government's JobKeeper program. The Group has also received $0.3 million in land tax relief. These have been accounted for as government grants under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The standard provides the option to present these amounts as income or as a reduction in expenses. GPT has elected to present these amounts as a reduction in expenses as this best reflects the underlying substance of the transaction for GPT.

(g) Leases

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If that rate cannot be determined, GPT's incremental borrowing rate is used. The incremental borrowing rate is calculated by interpolating or extrapolating secondary market yields on the Group's domestic medium term notes (MTNs) for a term equivalent to the lease. If there are no MTNs that mature within a reasonable proximity of the lease term, indicative pricing of where the Group can price a new debt capital market issue for a comparative term will be used in the calculation.

Lease liabilities are subsequently measured by:
- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability and any variable lease payments not included in the measurement of the lease liability are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in Finance costs in the Consolidated Statement of Comprehensive Income totalled $0.9 million for the half year.

There have been no changes to the lease term or incremental borrowing rate used for the measurement of lease liabilities as a result of the COVID-19 pandemic.

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability. The cost of the asset include:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration cost.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless they meet the definition of an investment property. Right-of-use assets which meet the definition of an investment property form part of the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property* (refer note 2 and following section on ground leases).

GPT determines the lease term as the non-cancellable period of a lease together with both:
- the periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

GPT tests right-of-use assets for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

GPT's right-of-use assets are all property leases.

Management have assessed the right-of-use assets for impairment indicators as a result of the COVID-19 pandemic and do not believe there are any indicators that suggest the assets may be impaired.

Ground Leases
A lease liability reflecting the leasehold arrangements of investment properties needs to be separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties will be adjusted (i.e. grossed up) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

There have been no changes to the incremental borrowing rate used for the measurement of lease liabilities as a result of the COVID-19 pandemic.

(h) IT development and software
Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits are capitalised. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straightline basis over the length of time over which the benefits are expected to be received, generally ranging from 5 to 10 years.

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

Management have reviewed the impairment indicators for the half year including the COVID-19 pandemic and have recorded an impairment where appropriate. Impairment has arisen as a result of capital management strategies employed as part of management's response to the COVID-19 pandemic where software development projects have either been cancelled or delayed. Management believe the carrying value reflects the recoverable amount.

(i) Inventories
Development properties held as inventory to be sold are stated at the lower of costs and net realisable value.

Cost
Cost includes the cost of acquisition, development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses.

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

Management have completed net realisable value assessments for each development for the half year taking into account the impacts of COVID-19 on these estimates including impacts on delivery timeframes and revenue assumptions, and has compared the results to the cost of each development. As a result during the half year to 30 June 2020 an impairment expense of $0.2 million was recognised.

(j) Share based payments

Fair value of performance rights issued under DSTI and LTI

The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee security scheme reserve in equity. For LTI, the fair value is measured at grant date. For DSTI, the fair value is measured at each reporting date until the performance rights are converted to securities. Total share based payment expense based on the fair value is recognised over the period from the grant date of the performance rights to the vesting date.

Fair value of the performance rights issued under LTI is determined using the Monte Carlo simulation and the Black Scholes methodologies. Fair value of the performance rights issued under DSTI is determined using the security price.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity.

Management have assessed the number of rights that are expected to vest for the 2018 and 2019 LTI plans in relation to non-market vesting conditions (Total Return) as a result of the impacts of the COVID-19 pandemic and determined that no rights are expected to vest. This has decreased from December 2019 where the 2018 plan was expected to vest at 100% and the 2019 plan was expected to vest at 50% for non-market conditions, resulting in the reversal of prior period amortisation in the current period.

(k) Changes in accounting estimates

During the half year there was a change in the estimated useful life of the property, plant and equipment assets related to the MLC Head Office fitout. As the MLC assets related to this fitout are no longer owned by the Group, management have determined that the end of the lease period, being 31 August 2025, is a more appropriate guide to determining the useful life for these assets. An adjustment has therefore been performed for all relevant assets to limit the useful life to 31 August 2025. This has resulted in an increase to depreciation of $1.7 million in the half year to 30 June 2020. The effect on depreciation in the following years is not expected to have a material impact on future results.

(l) New and amended accounting standards and interpretations commencing 1 January 2020

There are no significant changes to GPT's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2020.

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

There are no new standards or amendments to standards relevant to the Consolidated Entity.

13. EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the fair value of the Group's investment properties and operating result. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

In July and August the Federal Government announced further fiscal stimulus measures including the extension of the JobKeeper and JobSeeker programs for a further six months through to March 2021. These stimulus measures will provide further support to businesses and individuals, and assist in offsetting the economic impacts of COVID-19. Given the revised eligibility requirements for the extended JobKeeper, GPT is not expecting to receive JobKeeper support beyond September 2020.

On 9 July GPT received conditional offers of compensation totalling $103 million from Sydney Metro for three properties at Sydney Olympic Park as part of the compulsory acquisition process. The offers of compensation are in line with the 30 June book values. The Group continues to engage with Sydney Metro on an alternative direct proposal in addition to the compulsory acquisition process.

In late July we consulted with the independent valuers who undertook the valuations of the Group's investment properties to understand whether any events subsequent to balance date have changed their view of the 30 June 2020 valuations. The independent valuers considered the various transactions that had occurred in the market post 30 June and the status of COVID-19 allowances already made at 30 June, including considering the impact of the reintroduction of increased restrictions in Melbourne and the continuing uncertainty this may cause for the Group and our tenants. The independent valuers were of the opinion that allowances already made at 30 June are sufficient and there has been no changes to the valuations subsequent to balance date.

The Group has continued negotiations with tenants to provide rent relief in accordance with the Code of Conduct. Monitoring of these agreements indicates a similar trend to the agreements reached prior to 30 June. July rent collections have continued to improve since June with Retail 64%, Office 93% and Logistics 98%.

On 3 August 2020, the Victorian Government announced an initial six week period of stage four COVID-19 restrictions in Melbourne which creates further uncertainty in relation to valuations and income, given 36% of the Group's assets are located in Melbourne (Retail 45%, Office 32% and Logistics 25%).

On 10 August 2020, the Directors declared a distribution for the half year ended 30 June 2020 of 9.3 cents. The distribution is expected to be paid on 28 August 2020.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2020 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

DIRECTORS' DECLARATION

Half year ended 30 June 2020

In the Directors of the Responsible Entity's opinion:

(a) The consolidated financial statements and notes set out on pages 15 to 37 are in accordance with the *Corporations Act 2001*, including:
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of GPT's financial position at 30 June 2020 and of its performance for the half year ended on that date; and

(b) There are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 30 June 2020 of $37.1 million arises as a result of the inclusion of borrowings due within 12 months. GPT has access to cash and undrawn financing facilities of $1,219.2 million as set out in note 7 to the financial statements.

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT RE Limited

Sydney
10 August 2020

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

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of General Property Trust (the Registered Scheme) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors of the Responsible Entity's declaration for the GPT Group (the Group).

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

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 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 General Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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 General Property Trust is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date;

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

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the Registered Scheme for the half-year ended 30 June 2020 included on General Property Trust's website. The Registered Scheme's directors are responsible for the integrity of the General Property Trust website. 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 a conclusion 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 half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horl

Susan Horlin
Partner

Sydney
10 August 2020