Interim Report 2022

The GPT Group

Introduction

Welcome to The GPT Group 2022 Interim Report.

GPT acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognise their ongoing connection to land, waters and community. We pay our respects to First Nations Elders past, present and emerging.

The GPT Group (GPT) is a stapled entity comprised of the 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 the General Property Trust. GPT Management Holdings is a company limited by shares, incorporated and domiciled in Australia. GPT RE Limited is a wholly owned entity of GPT Management Holdings Limited.

In this report references to 'GPT', 'Group', 'we', 'us' and 'our' refer to The GPT Group, unless otherwise stated. Information in this Interim Report is stated as at 30 June 2022 unless otherwise indicated. All values are expressed in Australian currency unless otherwise indicated. Key statistics for the Retail, Office and Logistics divisions include The GPT Group's investment interest in the GPT Wholesale Shopping Centre Fund (GWSCF), the GPT Wholesale Office Fund (GWOF), and the GPT QuadReal Logistics Trust (GQLT) respectively.

2022 First half highlights

$326.5m
FUNDS FROM OPERATIONS (FFO)
(30 June 2021: $302.3m)

97.5%
PORTFOLIO OCCUPANCY
(31 December 2021: 97.7%)

$8.1b
ESTIMATED END VALUE OF DEVELOPMENT PIPELINE
(31 December 2021: $6.4b)

12.70¢
DISTRIBUTION PER SECURITY
(30 June 2021: 13.30¢)

10.8%
12 MONTH TOTAL RETURN
(30 June 2021: 10.2%)

82%
EMISSIONS REDUCTION SINCE 2005
(31 December 2021: 82%)

Reporting suite

The Group 2022 Interim Report forms part of our reporting suite. Further information is available in our broader reporting suite, which includes:

RESULTS PRESENTATION AND DATA PACK
A summary of GPT's operating and financial performance and key developments in our business and portfolio, accompanied by a data supplement released every six months.

PROPERTY COMPENDIUM
Consolidated information about the assets in the Group's property portfolio, published every six months.

INTEGRATED ANNUAL REPORT
A summary of the value created by GPT's business activities together with the annual financial statements for the Group.

CORPORATE GOVERNANCE STATEMENT
An annual statement of how GPT addresses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

SUSTAINABILITY REPORT
A detailed report of our sustainability policies, priorities and progress along with future targets, released annually.

CLIMATE DISCLOSURE STATEMENT
An annual statement of the steps we are taking to identify, assess and manage climate change risks and opportunities, prepared in accordance with the TCFD recommendations.

MODERN SLAVERY STATEMENT
A summary of the actions taken during the year and those proposed to be taken in the future, to assess and address modern slavery risks in our business.

About GPT

GPT is a vertically integrated diversified property group that owns and actively manages a $27.4 billion portfolio of high quality Australian office, logistics and retail assets. The Group utilises its real estate management platform to enhance returns through property development and funds management.

Listed on the Australian Securities Exchange (ASX) since 1971, today The GPT Group is a constituent of the S&P/ASX 50 Index with a substantial investor base of more than 31,000 securityholders.

Our vision

To be the most respected property company in Australia in the eyes of our investors, people, customers and communities.

Our purpose

To create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way.

Our values

Each day, our core values guide our people as they work to deliver on our purpose.

Safety First – Everyone, Always
We care about people above everything else.

Deliver Today, Create Tomorrow
We focus on the present and the future to deliver consistent, dependable performance.

Value Differences, Play as a Team
We embrace our diverse backgrounds, experiences and perspectives, working together for the best outcome.

Raise the Bar
We think big, take initiative, share ideas and challenge the status quo.

Speak Up
We are courageous and speak up about things that matter.

25 Niton Drive, Truganina

Group Performance

Review of Operations and Operating Result

The Group delivered a solid result in the first half of 2022, despite the ongoing impacts of the global COVID-19 pandemic and the uncertain economic environment driven by high inflation and rising interest rates. All three business segments reported increased Funds From Operations on the prior corresponding period. This was partially offset by higher corporate and financing costs.

Notwithstanding the effects of COVID-19, retail sales across the portfolio were generally well above 2019 pre-pandemic levels with the only exception being our CBD located asset at Melbourne Central where customer visitation has not fully recovered. High occupancy was retained across the Retail portfolio and leasing spreads continued to improve, with lease structures consisting of fixed base rents and annual fixed increases. Our prime grade Office portfolio occupancy improved compared with June 2021 reflecting the lease up of developments at 32 Smith and Queen & Collins and was in-line with December 2021 occupancy. Low levels of physical occupancy in part due to the Omicron outbreak and unfavourable weather conditions, led to subdued leasing activity in the March 2022 quarter, with activity increasing in the June 2022 quarter as the operating environment improved. Ongoing structural tailwinds in Logistics generated solid tenant demand, maintaining high occupancy and driving strong rental outcomes across our Logistics portfolio.

During the half we continued to execute on our strategic objectives. We increased our investment in the Logistics sector, completing two developments with a further four projects underway. Our Logistics partnership with QuadReal is well progressed, with half of the $2 billion target committed. Logistics currently represents 28 per cent of the Group's diversified property portfolio. Our Office development pipeline grew by 22 per cent to $5.5 billion [1]. The GPT Wholesale Office Fund's development at 51 Flinders Lane is underway and during the period a development site was secured for the Fund in the North Sydney CBD. Mixed-use development schemes are progressing at Rouse Hill Town Centre and Highpoint Shopping Centre. The sale of a non-core retail asset, Casuarina Square, owned jointly by GPT and the GPT Wholesale Shopping Centre Fund was completed in March 2022. Funds Management growth remains a key focus for the Group and in April 2022, UniSuper selected GPT to manage its $2.8 billion portfolio of real estate investments. The transition to GPT management is expected to complete in September 2022.

The Group's gearing at 30 June 2022 of 27.3 per cent remains below the mid-point of our stated range of 25 - 35 per cent.

Funds From Operations (FFO)

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 $326.5 million for the half year ended 30 June 2022, up 8.0 per cent on the prior corresponding period (30 June 2021: $302.3 million). FFO per security increased 9.0 per cent to 17.04 cents, reflecting the reduction in securities due to the on-market buyback in the prior period.

Each segment's operational financial performance is detailed from page 6. The Group FFO result includes corporate management expenses of $28.3 million (30 June 2021: $23.4 million). Total management expenses including the segments is $43.5 million (30 June 2021: $39.8 million). The increase in expenses is mainly due to higher cloud based technology and one-off reorganisation costs.

Finance costs from borrowings increased to $54.2 million (30 June 2021: $44.5 million). This was due to an increase in borrowings of approximately $0.9 billion since 30 June 2021.

GPT's statutory net profit after tax was $529.7 million, as compared to $760.5 million in the prior corresponding period, predominantly due to lower positive investment property valuation movements of $219.5 million (30 June 2021: $471.7 million).

The Group's 12 month Total Return was 10.8 per cent (30 June 2021: 10.2 per cent) predominantly as a result of investment property revaluation gains driving the increase in NTA per stapled security to $6.26 plus the FFO yield of 5.2 per cent (30 June 2021: 5.7 per cent).

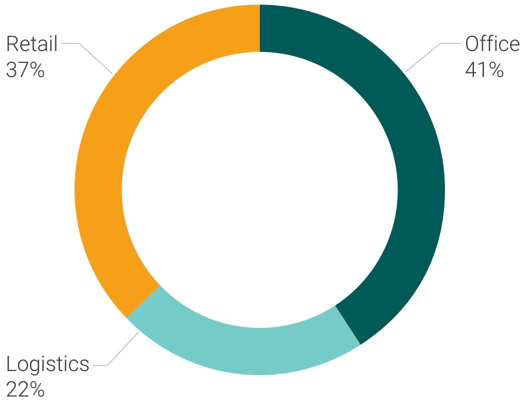
Distribution

The Group targets to distribute 95 to 105 per cent of free cash flow, defined as operating cash flow less maintenance and leasing capex and inventory movements.

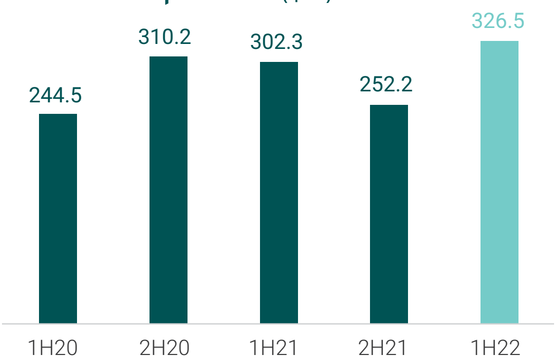
Distributions to stapled securityholders relating to the half year ended 30 June 2022 are $243.3 million (30 June 2021: $254.8 million), representing an interim distribution of 12.7 cents per ordinary stapled security, a decrease of 4.5 per cent on 2021 (30 June 2021: 13.3 cents). The payout ratio for the half year ended 30 June 2022 is 100 per cent of free cash flow. The decrease in distribution is due to lower free cash flow as a result of higher maintenance capex and lease incentives.

1. Includes GPT and GWOF opportunities.

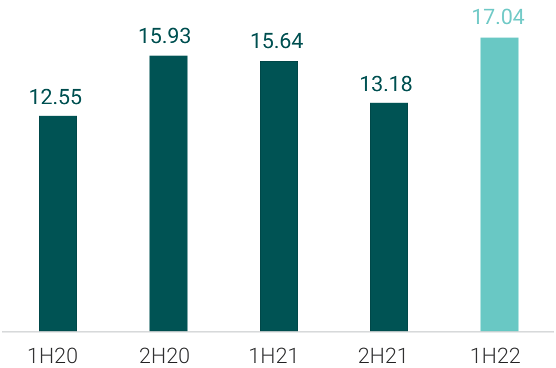
Group Funds From Operations (FFO) earnings composition 1H 2022



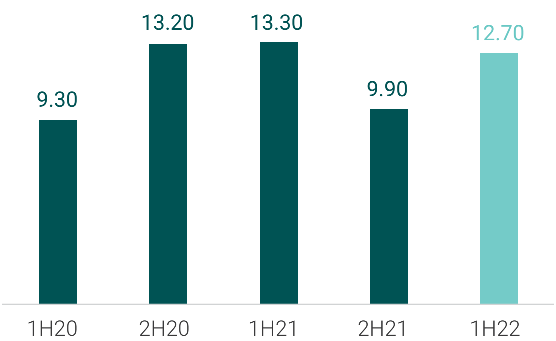
Funds From Operations ($M)



FFO per ordinary stapled security (cents)



Distribution per ordinary stapled security (cents)



Financial Result

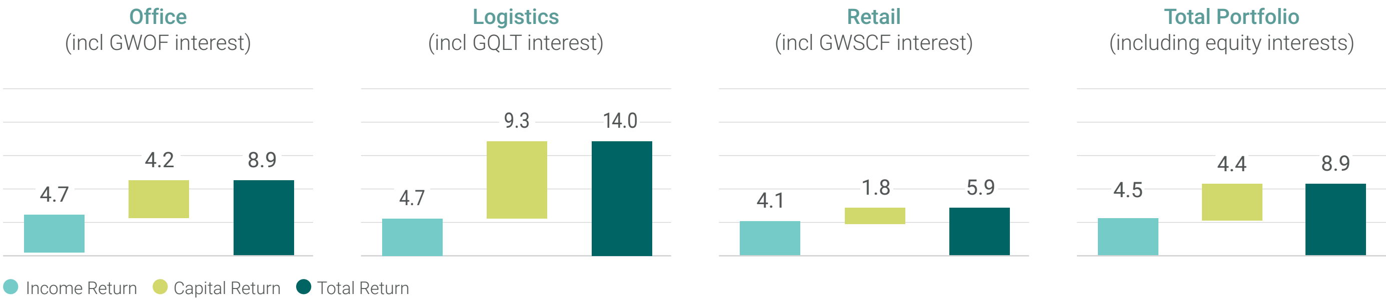
For the half year ended	30 Jun 22 $M	30 Jun 21 $M	Change %
Retail			
– Operations net income	144.8	141.0	
– Funds management net income	5.8	5.8	
– Development net income	0.2	(0.2)	
	150.8	146.6	2.9%
Office			
– Operations net income	148.0	133.3	
– Funds management net income	20.7	18.3	
– Development net income	0.9	1.2	
	169.6	152.8	11.0%
Logistics			
– Operations net income	90.7	73.5	
– Funds management net income	1.0	(0.2)	
– Development net income	0.5	2.0	
	92.2	75.3	22.4%
Corporate management expenses	(28.3)	(23.4)	20.9%
Net finance costs	(54.1)	(44.3)	22.1%
Income tax expense	(3.7)	(4.7)	(21.3%)
Funds from Operations (FFO)	**326.5**	**302.3**	**8.0%**
Non-FFO items:			
Valuation increase	219.5	471.7	(53.5%)
Financial instruments mark to market, net foreign exchange movements and other items	(16.3)	(13.5)	20.7%
Net profit for the half year after tax	**529.7**	**760.5**	**(30.3%)**
FFO per ordinary stapled security (cents)	**17.04**	**15.64**	**9.0%**
Funds from Operations (FFO)	**326.5**	**302.3**	**8.0%**
Maintenance capex	(14.8)	(12.9)	14.7%
Lease incentives	(41.1)	(23.1)	77.9%
Adjusted Funds from Operations (AFFO)	**270.6**	**266.3**	**1.6%**
Distributions[1]	243.3	254.8	(4.5%)
Distribution per ordinary stapled security (cents)	12.70	13.30	(4.5%)

1. Distribution is based on free cash flow.

Group Performance CONTINUED

Unlevered Total Return (%)

The unlevered Total Return at the investment portfolio level for the 12 months to 30 June 2022 was 8.9 per cent with each portfolio's performance detailed in the following chart.



Financial Position

	30 Jun 22 $M	31 Dec 21 $M	Change %
Portfolio assets			
Retail	5,698.5	5,750.2	(0.9%)
Office	6,238.5	6,170.0	1.1%
Logistics	4,764.8	4,539.9	5.0%
Total portfolio assets	**16,701.8**	**16,460.1**	**1.5%**
Financing and corporate assets	616.1	719.6	(14.4%)
Total assets	**17,317.9**	**17,179.7**	**0.8%**
Borrowings	4,907.3	5,139.3	(4.5%)
Other liabilities	399.9	367.1	8.9%
Total liabilities	**5,307.2**	**5,506.4**	**(3.6%)**
Net assets	**12,010.7**	**11,673.3**	**2.9%**
Total number of ordinary stapled securities (million)	1,915.6	1,915.6	–
NTA ($ per security) [1]	**6.26**	**6.09**	**2.8%**

1. Includes all right-of-use assets of the GPT Group.

Balance sheet

- The Group independently valued 70.6 per cent (by value) of investment properties as at 30 June 2022. Valuations were conducted by valuers with appropriate experience and expertise.
- The independent valuations contain judgements relating to the ongoing impact of COVID-19 in addition to a number of assumptions, estimates and judgements on the future performance of each property including market rents and growth rates, occupancy, capital expenditure and investment metrics. Total portfolio assets increased by 1.5 per cent in the half year ended 30 June 2022 due to positive property valuation movements and investment in developments, offset by the divestment of Casuarina Square.
- Total borrowings decreased by $232.0 million, largely due to the divestment of Casuarina Square.

Capital management

GPT continues to maintain a strong focus on capital management.

Key matters for the period include:

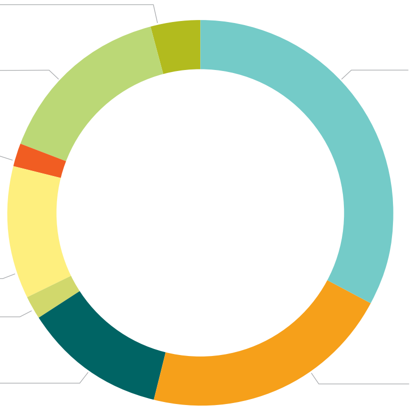
» Net gearing decreased to 27.3 per cent (31 December 2021: 28.2 per cent). This was a result of net asset divestment and an increase in asset valuations during the period.

» Weighted average cost of debt for the half year was 2.5 per cent, up from 2.4 per cent for the year to 31 December 2021.

» Mark to market movements on derivatives and borrowings has decreased net tangible assets by $20.1 million.

As at	30 Jun 22	31 Dec 21	Change
Net gearing	27.3%	28.2%	Down 90bps
Weighted average debt maturity	6.3 years	6.3 years	Unchanged
Interest rate hedging	65%	69%	Down 400bps
S&P/Moody's credit rating	A (negative)/ A2 (stable)	A (negative)/ A2 (stable)	Unchanged

Sources of funds



Going concern

GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 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 $1,124.0 million (after allowing for refinancing of $517.9 million of outstanding commercial paper) as at 30 June 2022;

» Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2023;

» Primary covenant gearing of 27.5 per cent, compared to a covenant level of 50.0 per cent; and

» Interest cover ratio at 30 June 2022 of 7.1 times, compared to a covenant level of 2.0 times.

Cash flows

The cash balance as at June 2022 decreased to $49.0 million (31 December 2021: $61.5 million). The following table shows the reconciliation from FFO to the cash flow from operating activities and free cash flow:

For the half year ended	30 Jun 22 $M	30 Jun 21 $M	Change %
FFO	**326.5**	**302.3**	**8.0%**
Less: non-cash items included in FFO	(13.6)	(18.7)	27.3%
(Less)/add: net movement in inventory	(10.7)	7.3	N/A
Movements in working capital and reserves	(30.4)	(1.9)	Large
Net cash inflows from operating activities	**271.8**	**289.0**	**(6.0%)**
Add/(less): net movement in inventory	10.7	(7.3)	N/A
Less: maintenance capex and lease incentives (excluding rent free)	(39.2)	(26.6)	(47.4%)
Free cash flow	**243.3**	**255.1**	**(4.6%)**

The decrease in free cash flow is a result of lower operating cash flows caused by movements in working capital and higher maintenance capex and lease incentives.

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

Office

$6.2b

OFFICE PORTFOLIO VALUE[1]
(31 December 2021: $6.1b)

92.0%

OFFICE PORTFOLIO OCCUPANCY
(31 December 2021: 92.9%)

4.7 years

OFFICE PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY
(31 December 2021: 5.0 years)

4.77%

OFFICE PORTFOLIO WEIGHTED AVERAGE CAPITALISATION RATE
(31 December 2021: 4.77%)

8.9%

OFFICE PORTFOLIO 12 MONTH TOTAL RETURN
(30 June 2021: 7.6%)

$5.5b

ESTIMATED END VALUE OF OFFICE DEVELOPMENT PIPELINE[2]

Performance

Operations net income

The Office portfolio achieved a net revaluation uplift of $6.8 million (0.1 per cent) in the first half of 2022 (30 June 2021: net revaluation of $121.2 million), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). The largest revaluations were recorded at Australia Square (50 per cent) of $15.0 million, 181 William & 550 Bourke Streets (50 per cent) of $5.7 million and 32 Smith of $4.4 million, which was offset by a devaluation at 60 Station Street of $19.9 million.

Office occupancy as at June 2022 is 92.0 per cent and the portfolio WALE is 4.7 years.

Operations net income for the period ending 30 June 2022 increased 11.0 per cent, as a result of the acquisition of 62 Northbourne Avenue, Canberra in November 2021 and the lease up of the Queen & Collins and 32 Smith developments that reached practical completion last year. Comparable income growth for the portfolio was 5.0 per cent.

During the period, leasing activity and office attendance was impacted by the disruption caused by the Omicron variant of COVID-19 and severe weather across Queensland and New South Wales.

With elevated levels of vacancy in the office market, leasing remains competitive. The Group's differentiated space offerings appeal to a broad range of tenants and allows the Group to satisfy tenants' evolving office space needs. The Group invests in high quality Office assets, being 100 per cent prime grade, which are benefiting from greater tenant demand compared to secondary assets.

Management is concluding rent relief arrangements, predominantly for retail tenants in Victoria and New South Wales. This has reduced net income by $0.6 million for processed and expected rent waivers and estimated loss for uncollected rent for the six months to 30 June 2022. The cash collection rate for the period was 100%.

Funds Management

Office Funds Management income increased to $20.7 million, as a result of GWOF's growth during the period from $9.3 billion in gross asset value in June 2021 to $10.1 billion in June 2022, driven by investment property revaluations and acquisitions.

Development

During the period, GWOF secured rights to acquire two adjacent properties at 153 and 157 Walker Street in North Sydney. The properties are strategically located in close proximity to the under construction Victoria Cross metro station and the North Sydney train station. 157 Walker Street settled in June 2022 and 153 Walker Street has a deferred settlement due to occur in 2024. The Fund is working to secure Development Approval for a prime grade tower of over 45,000 sqm (dependent on planning outcomes).

GWOF's development of 51 Flinders Lane in Melbourne is underway, with completion expected in late 2025. The project will incorporate 28,300sqm of prime office space targeting high quality boutique occupiers in the popular east end of the CBD.

Master planning is also progressing for other projects in the pipeline, including Cockle Bay Park in Sydney, 81 & 91 George Street, Parramatta, 300 Lonsdale Street, Melbourne and Skygarden in Brisbane.

1. Includes GPT's interest in GWOF.
2. Includes GPT and GWOF opportunities.

Logistics

Performance

Operations net income

The Logistics portfolio recorded a net revaluation uplift of $115.4 million (2.6 per cent) in the first half of 2022 (30 June 2021: $314.7 million) with the increase largely driven by leasing outcomes achieved and uplift in market rents.

Operations net income growth of 23.4 per cent has been delivered as a result of development completions and assets acquired over the last year. Comparable income growth for the half was 2.4 per cent. Logistics occupancy as at June 2022 is 98.7 per cent and the portfolio has a WALE of 6.2 years.

The Group continued to execute its Logistics growth strategy, with the portfolio value now totalling $4.6 billion.

During the period two fund-through acquisitions held in the GPT QuadReal Logistics Trust (GQLT) reached completion. In Brisbane, a 12,500sqm facility at 18 Gorrick Court, Bundamba reached completion in May, and is leased to Saab for a 6 year term. In Melbourne, a 70,100sqm facility at 1 Hurst Drive, Tarneit reached completion in June and is leased to e-commerce retailer vidaXL for a 10 year term. An additional fund-through acquisition in the south-east Melbourne market of Keysborough is expected to reach completion in the second half and is fully leased.

Funds Management

Funds Management income increased to $1.0 million, as a result of the Group's growing partnership with QuadReal. The GQLT was formed to create a prime Australian logistics portfolio and the target commitment increased during the period from $1 billion to $2 billion of which GPT's share is 50.1 per cent.

Half of the $2 billion target has been committed through securing land banks and developing the pipeline of opportunities over time. To 30 June 2022, $0.3 billion of capital has been deployed.

Development

The GQLT's development at 100 Metroplex Place, Wacol in Brisbane reached practical completion in June. The 17,100sqm development was fully leased from completion to Bulk Group and Mainfreight, and has a WALE of 4.9 years.

In early July, the Group completed a facility in Truganina in Melbourne at our Foundation Estate, and the 10,700sqm facility has been 100 per cent leased to Calibre Furniture for a 7 year term.

GPT has two developments that are expected to reach completion in the second half. In Truganina Stages 4 and 5 of our Gateway Logistics Hub are progressing well, with 100 per cent of the space leased to two occupiers.

In Brisbane, the final stage of our Wembley Business Park estate at Berrinba is underway. 15,100sqm of the 21,800sqm warehouse has been leased to JB Hi-Fi, who are relocating into the new development from their existing facility in the estate. The remainder of the development and the back-fill space being vacated by JB Hi-Fi are being marketed to prospective tenants.

The Group continues to focus on replenishing the landbank to maintain a pipeline of future development opportunities, and in July 2022 the GQLT acquired 35.2 hectares in Epping, in Melbourne's North, with settlement to occur in 2023.

$4.6b
LOGISTICS PORTFOLIO VALUE[1]
(31 December 2021: $4.4b)

98.7%
LOGISTICS PORTFOLIO OCCUPANCY
(31 December 2021: 98.8%)

6.2 years
LOGISTICS PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY
(31 December 2021: 6.5 years)

4.09%
LOGISTICS PORTFOLIO WEIGHTED AVERAGE CAPITALISATION RATE
(31 December 2021: 4.11%)

14.0%
LOGISTICS PORTFOLIO 12 MONTH TOTAL RETURN
(30 June 2021: 15.1%)

$1.9b
ESTIMATED END VALUE OF LOGISTICS DEVELOPMENT PIPELINE[2]

1. Includes GPT's interest in the GQLT.
2. Includes GPT and GQLT opportunities.

Retail

$5.6b

RETAIL PORTFOLIO VALUE
(31 December 2021: $5.6 billion)

99.3%

RETAIL PORTFOLIO OCCUPANCY
(31 December 2021: 99.1%)

3.9 years

RETAIL PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY
(31 December 2021: 3.9 years)

4.98%

RETAIL PORTFOLIO WEIGHTED AVERAGE CAPITALISATION RATE
(31 December 2021: 5.03%)

5.9%

RETAIL PORTFOLIO 12 MONTH TOTAL RETURN
(30 June 2021: 2.1%)

$0.7b

ESTIMATED END VALUE OF RETAIL DEVELOPMENT PIPELINE[1]

Performance

Operations net income

The Retail portfolio achieved a net revaluation uplift of $97.3 million (1.8 per cent) in the first half of 2022 (30 June 2021: $35.8 million), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The weighted average capitalisation rate firmed slightly to 4.98 per cent (31 December 2021: 5.03 per cent) as a result of an uplift in the quality of the portfolio composition post the divestment of Casuarina Square in March.

Operations net income was $144.8 million, reflecting an increase of 2.7 per cent compared to June 2021. This result was impacted by rental relief given to eligible tenants due to the extension of the Code of Conduct in NSW and Victoria to March 2022 in relation to the Omicron COVID-19 outbreak.

Despite the impacts from COVID-19 the portfolio remains resilient with high occupancy of 99.3 per cent (31 December 2021: 99.1 per cent).

The Group completed 405 leasing deals during the period, with average fixed annual rental increases of 4.4 per cent (31 December 2021: 4.3 per cent) and an average lease term of 4.6 years (31 December 2021: 4.3 years). Leasing spreads improved to negative 4.9 per cent (31 December 2021: negative 8.5 per cent).

Total centre sales were up 11.5 per cent for the first half of 2022, and total specialty sales were up 11.6 per cent. Total centre sales were also up 2.9 per cent on the first half of pre-pandemic 2019. Sales growth in all retail categories was positive for the first half of 2022 driven by a resurgence in discretionary spending, particularly in Fashion, Dining, Health and Beauty. Cinemas were up 89.3 per cent due to the ability to now trade without COVID restrictions.

The recovery of Melbourne Central, our largest retail investment property and one of the leading retail destinations in Australia, is progressing well with the centre benefiting from the return of students to the Melbourne CBD. The asset continues to be in strong demand by retailers, with a number of new flagship stores and experience concepts.

Funds Management

Retail Funds Management income was stable at $5.8 million with reductions in the gross asset value of GWSCF post the Wollongong and Casuarina asset divestments being offset by revaluation gains and capital expenditure. Funds Management growth continues to be a key focus and in April 2022, UniSuper selected GPT to manage its $2.8 billion portfolio of real estate investments, which are predominantly Retail assets. The transition of the management of the UniSuper mandate to GPT is expected to complete in September 2022.

Development

The Group is focussed on maximising use and value from landholdings adjacent to the Retail assets and continues to advance mixed-use opportunities primarily at Rouse Hill Town Centre and Highpoint Shopping Centre. The expansion of the Rouse Hill Town Centre and development of residential apartments is being progressed and is expected to commence in the first half of 2023, subject to market conditions and authority approvals.

1. Includes GPT and GWSCF opportunities.

Prospects

GPT is an owner and manager of $27.4 billion of high quality, diversified real estate assets with a balance sheet portfolio valued at $16.4 billion. Portfolio occupancy at 30 June 2022 was 97.5 per cent and we are expecting that the quality of our portfolio will continue to attract ongoing tenant demand.

The COVID-19 pandemic continues to disrupt the Australian economy and GPT's operating environment. While most government pandemic restrictions have been lifted, global economies including Australia are facing inflationary pressures and central banks including the Reserve Bank of Australia have commenced raising interest rates. As a result, GPT's cost of debt will increase in the second half of 2022 and further in 2023. The effect of rising bond yields is observed in the recent slowing of investment capital flows and general economic uncertainty, with the possibility of an increase in the expectation for higher asset yields in the future. This may lead to a softening of valuation metrics for real estate assets.

Whilst Retail shopping centres have broadly recovered since the end of government pandemic restrictions, the return of CBD workers to the workplace has been subdued even after mandated work from home orders were fully lifted in late February 2022. Conditions including prolonged extreme weather in Sydney and Brisbane, the outbreak of the winter flu season and the current COVID-19 infection wave are impacting office space utilisation.

GPT currently has 8 per cent (by area) of its Office portfolio vacant, and in the remainder of 2022, 9 per cent of the portfolio's leases (by income) expire. Our team is actively pursuing opportunities to secure tenants for this space. Tenants are continuing to seek out accommodation in better quality office buildings and many businesses are taking the opportunity to upgrade their space, leading to growing demand in the premium office market. This supports GPT's view that this segment of the market will be more resilient over the long-term. Our assets have an average NABERS energy rating of 5.8 stars and we expect an increasing number of office tenants will seek to be located in assets with strong environmental credentials.

There has been a strong recovery in sales performance across GPT's Retail portfolio, buoyed by low unemployment and elevated levels of household savings. However, given rising interest rates, it is expected that retail sales growth will moderate.

Strong retail sales volumes continue to underpin demand for Logistics facilities. The logistics sector is also benefiting from ongoing structural tailwinds with occupiers investing in the supply chain, along with increasing penetration of e-commerce. Vacancy rates remain low in the core markets nationwide, resulting in an expectation for further increases in market rents.

The Group has a growing development pipeline with an estimated end value of $8.1 billion, providing the opportunity near term to further up weight in the strong Logistics sector and to create next generation Office assets over the medium to long term in Melbourne, Sydney, North Sydney, Parramatta and Brisbane. The expansion of the Rouse Hill Town Centre and development of residential apartments is expected to commence in the first half of 2023, subject to market conditions and authority approvals.

Strategically the Group is also focused on growing its funds under management, underpinned by the Funds' existing development pipeline and enhanced by UniSuper selecting GPT to manage its $2.8 billion portfolio of real estate investments. The UniSuper mandate transition to GPT management is expected to complete in September 2022. The remaining uncommitted $1 billion capacity in the ungeared GQLT and low gearing levels in GWOF and GWSCF, position each of our funds strongly to grow through opportunistic acquisition and development.

At 30 June 2022, the Group's balance sheet net gearing was 27.3 per cent, below the midpoint of our stated gearing range of 25 - 35 per cent and with cash and undrawn bank facilities totalling $1.1 billion to meet funding requirements through to 2024. GPT has strong credit ratings of A (negative) and A2 (stable) by S&P and Moody's respectively. In light of rising interest rates and uncertainty in higher financing costs, in late July interest rate hedging levels were increased resulting in the Group being 71% hedged on drawn debt as at 30 June 2022 for the next 2.5 years at an average rate of 2.8%.

Our commitment to being a leader in ESG enhances and protects GPT and its assets for the long term. GPT has more carbon neutral certified floorspace than any other Australian property owner, and this continues to grow. We are also innovating with an investment in the restoration of 1,100 hectares of Australian biodiverse native koala habitat in partnership with Greenfleet and First Nations peoples for permanent removal of our development pipeline residual carbon emissions. The large scale of this nature positive initiative provides certainty to stakeholders of GPT's ongoing ability to operate our assets carbon neutral and upfront commit to embodied carbon neutral developments.

Outlook

While uncertainty remains in our trading environment, including further rising interest rates, the Group expects to deliver 2022 FFO of approximately 32.4 cents per security and a distribution of 25.0 cents per security.

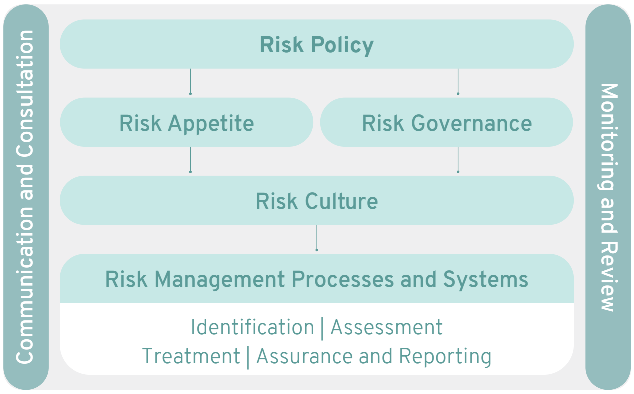
GPT's high quality diversified portfolio, strong balance sheet and experienced management team is well positioned to create long-term value for securityholders.

Risk Management

GPT's approach to risk management incorporates culture, conduct, compliance, processes and systems to enable the Group to realise potential opportunities while managing potential adverse effects.

Our commitment to integrated risk management ensures an enterprise-wide approach to the identification, assessment and management of risk, consistent with AS/NZS ISO 31000:2018.

Risk Management Framework



GPT's Risk Management Framework is overseen by the Board and consists of the following key elements:

1. Risk Policy – The Risk Policy sets out the Group's approach to risk management, which is reviewed annually by the Board Sustainability and Risk Committee. The Risk Policy is available on GPT's website.

2. Risk Appetite Statement – The Board sets GPT's risk appetite to align with strategy, having regard to GPT's operating environment and key risks. Risk appetite is documented in our Risk Appetite Statement, against which all key investment decisions are assessed.

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 maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits and tracked using a Risk Culture Scorecard.

5. Risk Management Processes and Systems – GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.

Managing risk in an uncertain operating environment

Over the last two years, COVID-19 has been the key driver of risks in GPT's operating environment. GPT's pandemic response is now embedded into our usual business practices and although COVID-19 continues to cause some disruption, the rapidly evolving macro-economic conditions have replaced the pandemic as the primary driver of risks to the business.

In particular, GPT has identified rising inflation and increases in interest rates as having the potential to impact the Group's future financial performance. This can happen directly through increased borrowing and other costs, and indirectly through changes in consumer sentiment, retail sales, supply chain disruption and in the transactions market for commercial real estate, both through a slowing in capital flows and a resetting of required investment returns.

The GPT Board has recently reviewed the Group's Risk Appetite Statement and Key Risks Dashboard, with a focus on the uncertain macro-economic environment. GPT's Risk Management Framework continues to operate effectively.

Key risks

The following table sets out GPT's material risks and our actions in response to them. Included in the table is an indication of the change in the level of each risk during the period.

Risks	Our Response	Change in Risk for 6 months to June 2022	Value Creation Input Affected
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.	» A portfolio diversified by sector and geography » Structured review of market conditions twice a year, including briefings from economists » Scenario modelling and stress testing of assumptions to inform decisions » A disciplined investment and divestment 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 » Experienced and capable management, supplemented with external capabilities where appropriate » A structured program of investor engagement	Risk increased Rising inflation and increases in interest rates have the potential to negatively impact GPT's financial performance.	Our investors Real estate Our people Environment Our customers, suppliers and communities
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 acquisition and development 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 to inform decisions » Experienced management capability » Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments	No change in risk GPT's development pipeline remains strong, particularly in the Office and Logistics portfolios. There are some signs of supply chain disruption and increasing costs as a result of macroeconomic conditions, however these risks are being effectively managed and are not impacting project delivery at the current time.	Our investors Real estate Our people Environment Our customers, suppliers and communities
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	» Stated gearing range of 25 to 35 per cent consistent with stable investment grade credit ratings in the "A" range » 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 policy » Limits on currency exposure » Limits on exposure to counterparties	Risk increased Significant liquidity is in place and gearing sits below the mid-point of the stated range, however the cost of debt is increasing materially in the forthcoming periods.	Our investors

KEY Risk increased No change in risk Risk decreased

Key risks CONTINUED

Risks	Our Response	Change in Risk for 6 months to June 2022	Value Creation Input Affected
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of our 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	No change in risk COVID-19 continues to present a risk to the health, safety and wellbeing of our employees, customers, contractors and users of our assets. There have been no other changes in the period, which have materially impacted health and safety risk.	Real estate Our people Our customers, suppliers and communities
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 18 to 24 months 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	No change in risk The employment market has tightened and competition for skilled resources has increased during the period. As a result, GPT has experienced increased staff turnover, although this increase has not been material and is in line with industry turnover rates.	Our investors Our people
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 and society can affect our assets and business operations.	» A portfolio of climate resilient assets that we own, develop and maintain through asset-level investment, divestment and capital expenditure strategies » A world-class Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks » Participation in the S&P Global Corporate Sustainability Assessment, 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 » A Modern Slavery Statement and program of work in response to Modern Slavery legislation	No change in risk GPT remains at the forefront of environmental and social sustainability, but acknowledges the speed of change in this area and the need to adapt quickly. It is a key focus area.	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY Risk increased No change in risk Risk decreased

Risks	Our Response	Change in Risk for 6 months to June 2022	Value Creation Input Affected
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and 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.	» A comprehensive technology risk management framework including third party risk management procedures around cyber security » Policies, guidelines and standards for Information Management and Privacy » Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing » A Disaster Recovery Plan including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan » External specialists and technology solutions in place to monitor GPT platforms » Regular updates to technology hardware and software incorporating recommended security patches » Annual cyber risk assessments » An Information Security Risk and Compliance Committee overseeing information security » Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework	There has been no material change in GPT's technology and cyber security risk profile during the period. Cyber security threats are assessed on an ongoing basis, with systems and processes to respond to threats tested regularly.	Real estate Our people Our customers, suppliers and communities
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	There has been no material change in GPT's compliance and regulatory risk during the period.	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY Risk increased No change in risk Risk decreased

Climate-related risks

The need for urgent global action to address climate change has seen increased acceptance and rising momentum over the past year, following events such as the COP26 United Nations Climate Change Conference in October 2021. The outcomes of COP26 highlight the importance of action in this decade to halve emissions by 2030 to have the best chance of keeping global temperatures below 1.5 degrees Celsius.

As the owner and manager of a $27.4 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of identifying, monitoring and transparently reporting the climate change risks and opportunities that could have a material impact on its assets and on the communities in which it operates.

Climate risk considerations inform key decision-making across the Group, both to reduce the impact of our business on the environment and to ensure the resilience of our assets to climate change. These range from resilience planning for a fast transition to a low carbon energy supply to scenario modelling and adaptation planning for future physical impacts during asset acquisitions, major development projects and major lifecycle upgrades.

Governance

GPT's approach to managing climate change risk is overseen by the Board and the Sustainability and Risk Committee (SRC). Management reports to the SRC on sustainability matters such as climate change risks and opportunities, compliance with GPT's Environmental Management System and the delivery and assurance of environmental performance targets.

Strategy

GPT's overarching business strategy is outlined in the Our Strategy section of The GPT Group 2021 Annual Report. In 2021, the Group's strategy was refined to include ESG leadership as a strategic priority that will drive our ability to create value in the future. The proactive identification and management of key risks and opportunities, including those related to climate change, support the achievement of the Group's strategy.

Our business strategy of owning, managing, and developing a diversified, high quality portfolio of property assets principally located in Australian capital cities and established regional centres, ensures that we are well positioned to manage stresses and shocks, including those from climate change.

This strategy also supports a long-term approach to investment in initiatives to help achieve our sustainability goals, including tools to inform building design and operations, and climate scenario modelling. This benefits our tenants and our broader stakeholders and improves the resilience of our assets to the impacts of physical climate risks.

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on its business and to ensure these impacts and opportunities are considered in developing the Group's strategy.

The Group implemented a range of mitigation and adaptation planning strategies in response to climate change and it is seeing tangible results. In February this year, Brisbane and its surrounding areas experienced severe flooding, which caused widespread damage and power outages for many businesses and buildings in the city.

Centrally located on the Riverside precinct, our iconic One One One Eagle Street and Riverside Centre locations were highly exposed due to the continued swelling of the Brisbane River. However, key capital works and risk management activities that were undertaken following the 2011 flood event, ensured that both buildings were protected and accessible.

This strategic flood mitigation investment, which included newly installed floodgates, sewer and stormwater diversion works and an updated flood management plan, was instrumental in keeping our assets fully operational and the fast actions taken by the building management team meant our customers had constant access, with full services such as electricity, water, and lifts remaining available.

Further examples of our adaptation plans, a detailed summary of the scenarios adopted by GPT, and the potential impacts identified by this analysis can be found in the Group's Climate Disclosure Statement on GPT's website. This Statement is prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Risk Management

Effective risk management is fundamental to GPT's ability to achieve its strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for stakeholders.

Applying our enterprise-wide Risk Management Framework, GPT's Risk Team monitors the operation of risk management processes and assists in the identification, assessment, treatment and monitoring of identified risks. The Risk Team supports the Leadership Team, the GPT Board, the Funds Management Board, and their respective committees, in ensuring that the Group manages risk appropriately.

Climate change risk is included on GPT's Key Risk Dashboard, which is reviewed every six months by the Board Sustainability and Risk Committee and quarterly by the Leadership Team. The Committee receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section of GPT's Climate Disclosure Statement.

Since 2018, GPT's Energy Management Plan has paid particular attention to the risks of rising energy costs and reduced reliability of supply as the grid transitions from ageing coal-fired power to renewable energy.

The Plan has three key pillars – decarbonisation, resilient energy supplies and partnerships. Energy efficiency anchors our decarbonisation strategy, with our average building efficiency improving by over 50% since 2005. This has delivered both emissions reductions and significant financial savings to mitigate rising energy prices. Additionally, progressive procurement when buying energy means GPT can optimise energy purchases at less volatile times in the market cycles. On-site solar PV (photo voltaic arrays) projects also reduce exposure to energy market increases.

In addition, the Group has been implementing innovative energy resilience plans with its energy partners. These demand-side flexibility programs use predictive technology to better match our energy consumption to supply availability, allowing us to use less energy when there are supply constraint issues in the grid. Backup generators are utilised when there are severe supply constraints, and GPT are now starting to introduce large battery storage into buildings to further improve resilience. With these processes, we describe our buildings as 'Smart Energy Hubs' that are part of the solution for us all to transition to a renewable and sustainable future.

In implementing these three strategies, GPT will see minimal impact on the cost of operating its buildings due to energy market volatility over the next 18 months and it is closely watching the 2024 markets for any longer-term risks.

Metrics and Targets

GPT monitors its direct climate impacts and reports on emissions, energy, water and waste for each property annually. Our Environment Dashboard includes a portfolio-level summary for all key metrics — electricity, water, fuels, recycling, and emissions — since 2005.

GPT obtains independent external assurance over sustainability performance data including the following climate change metrics: energy consumption and energy production in base building and tenancies, Scope 1 and Scope 2 greenhouse gas emissions, water consumption, waste generated, and materials recycled by grade.

GPT sets environmental performance and resilience targets, driven by operational optimisation programs and capital upgrades. Medium to longterm operational emissions targets are also set at a portfolio level to inform energy procurement and offsets.

GPT obtains external certification of its carbon neutral status through the Australian Government Climate Active for Buildings Certification, which covers material Scope 1, 2, and 3 emissions.

In addition, GPT's corporate activities and business premises, including its travel and consumables, have been certified as carbon neutral by Climate Active since 2011.

Find out more
GPT's Climate Disclosure Statement is available on our website: www.gpt.com.au

One One One Eagle Street and Riverside Centre, Brisbane

Directors' Report

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 2022. 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 Level 51, 25 Martin Place, Sydney NSW 2000.

The Directors' Report for the half year ended 30 June 2022 has been prepared in accordance with the requirements of the *Corporations Act 2001* and includes the following information:

» Operating and Financial Review, including a review of the Group's operations and financial position, on pages 1 to 15

» Information on the Directors on page 16; and

» Auditor's Independence Declaration on page 18.

Events subsequent to reporting date

On 15 August 2022, the Directors declared a distribution for the half year ended 30 June 2022 of 12.7 cents per security, being $243.3 million which is expected to be paid on 31 August 2022.

On 1 July 2022, GPT acquired parcels of land at 865 Boundary Road, Truganina for consideration of $34.0 million. The parcels of land will be classified as investment property under development and inventory respectively.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2022 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

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

Chairman, Non-Executive Director

Vickki McFadden (joined the Board in March 2018, appointed Chairman in May 2018)

Chief Executive Officer and Managing Director

Bob Johnston (joined the Board in September 2015)

Non-Executive Directors

Anne Brennan (joined the Board on 1 May 2022)

Tracey Horton AO (joined the Board in May 2019)

Angus McNaughton (joined the Board in November 2018 and retired on 11 May 2022)

Mark Menhinnitt (joined the Board in October 2019)

Michelle Somerville (joined the Board in December 2015)

Robert Whitfield AM (joined the Board in May 2020)

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 18 and forms part of the Directors' Report.

Rounding of amounts

The amounts contained in this report and in the financial statements have been rounded to the nearest 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
CEO AND MANAGING DIRECTOR

Sydney
15 August 2022

Auditor's Independence Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2022, 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. Horlin

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
15 August 2022

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Melbourne Central

Contents

Consolidated Statement of Comprehensive Income

Half year ended 30 June 2022

	Note	30 Jun 22 $M	30 Jun 21 $M
Revenue			
Rent from investment properties	10	**356.6**	335.4
Property management fees		**8.8**	9.2
Funds management fees		**32.8**	30.3
Development revenue		**–**	11.7
Development management fees		**5.2**	3.9
		403.4	390.5
Fair value adjustments and other income			
Fair value gain on investment properties		**216.0**	445.8
Share of after tax profit of equity accounted investments		**133.3**	145.7
Interest revenue		**0.1**	0.2
Gain on financial liability at amortised cost		**1.2**	1.2
		350.6	592.9
Total revenue, fair value adjustments and other income		**754.0**	983.4
Expenses			
Property expenses and outgoings		**106.0**	100.4
Management and other administration costs		**39.8**	36.0
Development costs		**–**	9.8
Depreciation, amortisation and impairment		**0.5**	16.6
Impairment loss on trade and other receivables		**0.7**	10.0
Finance costs		**54.8**	45.4
Net loss/(gain) from foreign currency borrowings and associated hedging		**0.2**	(9.7)
Net loss on fair value movements of derivatives		**17.6**	10.3
Net foreign exchange loss		**0.2**	0.1
Total expenses		**219.8**	218.9
Profit before income tax expense		**534.2**	764.5
Income tax expense		**4.5**	4.0
Net profit for the half year		**529.7**	760.5
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve		**(0.1)**	8.4
Movement in fair value of cash flow hedges		**(3.2)**	2.7
Total other comprehensive income		**(3.3)**	11.1
Total comprehensive income for the half year		**526.4**	771.6
Net profit attributable to:			
» Securityholders of the Trust		**517.8**	751.2
» Securityholders of the Company		**11.9**	9.3
Total comprehensive income attributable to:			
» Securityholders of the Trust		**514.5**	762.3
» Securityholders of the Company		**11.9**	9.3
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) – profit from continuing operations	5(a)	**27.0**	38.9
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) – profit from continuing operations	5(b)	**27.7**	39.3

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

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 Jun 22 $M	31 Dec 21 $M
Assets			
Current assets			
Cash and cash equivalents		**49.0**	61.5
Trade receivables		**44.1**	46.1
Other receivables		**185.5**	169.3
Inventories		**14.7**	14.5
Derivative assets		**22.3**	1.4
Prepayments		**16.1**	13.3
Other assets		**2.3**	20.5
Current tax assets		**0.2**	–
		334.2	326.6
Assets classified as held for sale – investment properties	2(a)(v)	**–**	198.6
Total current assets		**334.2**	525.2
Non-current assets			
Investment properties	2(a)	**12,274.0**	11,954.7
Equity accounted investments	3	**4,154.6**	4,067.9
Intangible assets		**14.9**	13.0
Inventories		**74.5**	71.0
Property, plant and equipment		**8.5**	9.2
Derivative assets		**358.2**	464.6
Right-of-use assets		**27.9**	30.7
Deferred tax assets		**22.5**	26.0
Other assets		**48.6**	17.4
Total non-current assets		**16,983.7**	16,654.5
Total assets		**17,317.9**	17,179.7
Liabilities			
Current liabilities			
Payables		**169.4**	207.0
Borrowings	7	**570.2**	802.4
Derivative liabilities		**0.6**	6.3
Lease liabilities – other property leases		**8.4**	8.1
Provisions		**32.9**	30.5
Current tax liabilities		**–**	6.1
Total current liabilities		**781.5**	1,060.4
Non-current liabilities			
Borrowings	7	**4,337.1**	4,336.9
Derivative liabilities		**144.9**	62.0
Lease liabilities – investment properties	2(a)	**15.4**	14.8
Lease liabilities – other property leases		**26.9**	31.2
Provisions		**1.4**	1.1
Total non-current liabilities		**4,525.7**	4,446.0
Total liabilities		**5,307.2**	5,506.4
Net assets		**12,010.7**	11,673.3
Equity			
Securityholders of the Trust (parent entity)			
Contributed equity	4	**8,526.6**	8,526.6
Reserves		**(24.0)**	(20.7)
Retained earnings		**3,952.6**	3,624.6
Total equity of the Trust's securityholders		**12,455.2**	12,130.5
Securityholders of the Company			
Contributed equity	4	**331.8**	331.8
Reserves		**23.5**	22.7
Accumulated losses		**(799.8)**	(811.7)
Total equity of the Company's securityholders		**(444.5)**	(457.2)
Total equity		**12,010.7**	11,673.3

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

Consolidated Statement of Changes in Equity

Half year ended 30 June 2022

		General Property Trust				GPT Management Holdings Limited				
	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed Equity $M	Reserves $M	Accumulated losses $M	Total $M	Total equity $M
Equity attributable to Securityholders										
At 1 January 2021		8,673.2	(47.6)	2,700.9	11,326.5	332.0	19.6	(800.6)	(449.0)	10,877.5
Movement in hedging reserve		–	8.4	–	8.4	–	–	–	–	8.4
Movement in fair value of cash flow hedges		–	2.7	–	2.7	–	–	–	–	2.7
Other comprehensive income for the half year		–	11.1	–	11.1	–	–	–	–	11.1
Profit for the half year		–	–	751.2	751.2	–	–	9.3	9.3	760.5
Total comprehensive income for the half year		–	11.1	751.2	762.3	–	–	9.3	9.3	771.6
Transactions with Securityholders in their capacity as Securityholders										
On-market securities buy-back	4	(146.6)	–	–	(146.6)	(0.2)	–	–	(0.2)	(146.8)
Movement in employee incentive scheme reserve net of tax		–	–	–	–	–	1.5	–	1.5	1.5
Distributions paid and payable	6	–	–	(257.1)	(257.1)	–	–	–	–	(257.1)
At 30 June 2021		8,526.6	(36.5)	3,195.0	11,685.1	331.8	21.1	(791.3)	(438.4)	11,246.7
Equity attributable to Securityholders										
At 1 January 2022		**8,526.6**	**(20.7)**	**3,624.6**	**12,130.5**	**331.8**	**22.7**	**(811.7)**	**(457.2)**	**11,673.3**
Movement in hedging reserve		–	(0.1)	–	(0.1)	–	–	–	–	(0.1)
Movement in fair value of cash flow hedges		–	(3.2)	–	(3.2)	–	–	–	–	(3.2)
Other comprehensive income for the half year		–	(3.3)	–	(3.3)	–	–	–	–	(3.3)
Profit for the half year		–	–	517.8	517.8	–	–	11.9	11.9	529.7
Total comprehensive income for the half year		–	(3.3)	517.8	514.5	–	–	11.9	11.9	526.4
Transactions with Securityholders in their capacity as Securityholders										
Movement in employee incentive scheme reserve net of tax		–	–	–	–	–	0.6	–	0.6	0.6
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		–	–	(0.2)	(0.2)	–	0.2	–	0.2	–
Distributions paid and payable	6	–	–	(189.6)	(189.6)	–	–	–	–	(189.6)
At 30 June 2022		**8,526.6**	**(24.0)**	**3,952.6**	**12,455.2**	**331.8**	**23.5**	**(799.8)**	**(444.5)**	**12,010.7**

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 2022

	Note	30 Jun 22 $M	30 Jun 21 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**438.1**	410.1
Payments in the course of operations (inclusive of GST)		**(178.2)**	(153.7)
Proceeds from sale of inventories		**–**	11.7
Payments for inventories		**(10.7)**	(2.5)
Distributions received from equity accounted investments		**81.3**	73.0
Interest received		**0.1**	0.1
Income taxes paid		**(7.5)**	(2.5)
Finance costs paid		**(51.3)**	(47.2)
Net cash inflows from operating activities	9	**271.8**	289.0
Cash flows from investing activities			
Payments for acquisition of investment properties		**–**	(127.9)
Deposit paid for investment properties		**(24.0)**	–
Payments for maintenance and leasing capital expenditure on investment properties		**(37.9)**	(22.6)
Payments for development capital expenditure on investment properties		**(75.0)**	(80.2)
Proceeds from disposal of investment properties (net of transaction costs)		**188.1**	5.5
Payments for property, plant and equipment		**(0.5)**	(0.6)
Payments for intangibles		**(2.8)**	(1.1)
Investment in equity accounted investments		**(47.8)**	(41.8)
Net cash inflows/(outflows) from investing activities		**0.1**	(268.7)
Cash flows from financing activities			
Payments for on-market buy-back of securities		**–**	(146.8)
Proceeds from borrowings		**1,437.4**	91.7
Repayment of borrowings		**(1,528.1)**	(4.7)
Repayment of principal elements of lease payments		**(4.1)**	(3.7)
Distributions paid to securityholders		**(189.6)**	(257.1)
Net cash outflows from financing activities		**(284.4)**	(320.6)
Net decrease in cash and cash equivalents		**(12.5)**	(300.3)
Cash and cash equivalents at the beginning of the half year		**61.5**	372.5
Cash and cash equivalents at the end of the half year		**49.0**	72.2

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 2022

These are the consolidated financial statements of the consolidated entity, The 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 the 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, estimates and assumptions

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

The ongoing impact of the COVID-19 pandemic, as well as inflation and interest rate rises, has caused heightened levels of economic uncertainty. As such there is a higher level of estimation uncertainty in management's judgements and estimates for the period.

As a result of the COVID-19 pandemic, management has made key assumptions relating to the levels of debt forgiveness (rent waivers) to be provided to tenants (including both eligible small and medium enterprise (SME) tenants as defined by the commercial tenancy Code of Conduct, and other impacted tenants).

While the majority of agreements have been reached with tenants, management have used their judgement to determine estimated amounts of rent waivers for the period to 30 June 2022 for those tenants where agreements have yet to be executed. These have been reflected as a write-off of trade debtors.

For remaining uncollected trade receivables at 30 June 2022, management has assessed that there is an increased level of risk associated with the collection of these balances due to the age of the debt. Management has therefore made judgements in relation to the likelihood of collecting these amounts, which have been reflected in the estimated credit loss allowance for trade receivables. See note 12(c).

Management have reviewed the investment property valuations for both accuracy and the reasonableness of assumptions used to determine fair value. See note 2(c) for information on GPT's valuation process, and note 2(d) for a sensitivity analysis 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:

Financial statement item	Area of judgements and estimates	Note
Lease liabilities	Lease term, incremental borrowing rate	2, 12
Investment properties	Fair value	2
Equity accounted investments	Assessment of control versus disclosure guidance	3
Trade receivables	Estimates of bad debts and estimated credit loss	12
Inventories	Lower of cost and net realisable value	12
Security based payments	Fair value	12
Right-of-use assets	Recoverable amount	12

RESULT FOR THE HALF YEAR

1. Segment Information

GPT's operating segments are described in the following table. 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 certain items which are non-cash, unrealised or capital in nature. FFO includes impairment losses related to uncollected trade receivables. FFO has been determined in accordance with guidelines issued by the Property Council of Australia.

1. Segment Information CONTINUED

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 and also includes the management of the GPT Wholesale Shopping Centre Fund (GWSCF) as well as the results of GPT's equity investment in GWSCF.
Office	Ownership, development and management of prime office properties and also includes the management of the GPT Wholesale Office Fund (GWOF) as well as the results of GPT's equity investment in GWOF.
Logistics	Ownership, development and management of logistics assets and also includes the management of the GPT QuadReal Logistics Trust (GQLT) as well as the results of GPT's equity investment in GQLT.
Corporate	Cash and other assets and borrowings and associated hedges as well as net finance costs, corporate management and administration expenses and income tax expense.

a) Segment financial information

30 June 2022

The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2022 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	175.5	147.6	111.1	–	**434.2**
Property expenses and outgoings	b(iii)	(56.2)	(38.2)	(21.0)	–	**(115.4)**
Income from Funds	b(iv)	23.5	37.7	1.1	–	**62.3**
Management net income	b(v)	2.0	0.9	(0.5)	(28.3)	**(25.9)**
Operations Net Income		**144.8**	**148.0**	**90.7**	**(28.3)**	**355.2**
Funds Management Net Income	b(vi)	**5.8**	**20.7**	**1.0**	**–**	**27.5**
Development profit	b(vii)	(0.1)	–	–	–	**(0.1)**
Development management net income	b(viii)	0.3	0.9	0.5	–	**1.7**
Development Net Income		**0.2**	**0.9**	**0.5**	**–**	**1.6**
Interest revenue		–	–	–	0.1	**0.1**
Finance costs	b(ix)	–	–	–	(54.2)	**(54.2)**
Net Finance Costs		**–**	**–**	**–**	**(54.1)**	**(54.1)**
Segment Result Before Tax		150.8	169.6	92.2	(82.4)	**330.2**
Income tax expense	b(x)	–	–	–	(3.7)	**(3.7)**
Funds from Operations (FFO)	b(i)	**150.8**	**169.6**	**92.2**	**(86.1)**	**326.5**

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

	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Current Assets					
Current assets	19.9	–	126.4	187.9	**334.2**
Total Current Assets	**19.9**	**–**	**126.4**	**187.9**	**334.2**
Non-Current Assets					
Investment properties	4,742.3	3,080.0	4,451.7	–	**12,274.0**
Equity accounted investments	861.8	3,135.5	147.3	10.0	**4,154.6**
Inventories	74.5	–	–	–	**74.5**
Other non-current assets	–	23.0	39.4	418.2	**480.6**
Total Non-Current Assets	**5,678.6**	**6,238.5**	**4,638.4**	**428.2**	**16,983.7**
Total Assets	**5,698.5**	**6,238.5**	**4,764.8**	**616.1**	**17,317.9**
Current and non-current liabilities	7.6	19.0	7.8	5,272.8	**5,307.2**
Total Liabilities	**7.6**	**19.0**	**7.8**	**5,272.8**	**5,307.2**
Net Assets	**5,690.9**	**6,219.5**	**4,757.0**	**(4,656.7)**	**12,010.7**

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

1. Segment Information CONTINUED

a) Segment financial information CONTINUED

30 June 2021

The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2021 is set out below:

Financial performance by segment[1]

	Note	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	172.0	131.3	91.1	–	**394.4**
Property expenses and outgoings	b(iii)	(57.9)	(33.8)	(16.9)	–	**(108.6)**
Income from Funds	b(iv)	22.8	36.9	0.1	–	**59.8**
Management net income	b(v)	4.1	(1.1)	(0.8)	(23.4)	**(21.2)**
Operations Net Income		**141.0**	**133.3**	**73.5**	**(23.4)**	**324.4**
Funds Management Net Income	b(vi)	**5.8**	**18.3**	**(0.2)**	**–**	**23.9**
Development profit	b(vii)	–	–	1.9	–	**1.9**
Development management net income	b(viii)	(0.2)	1.2	0.1	–	**1.1**
Development Net Income		**(0.2)**	**1.2**	**2.0**	**–**	**3.0**
Interest revenue		–	–	–	0.2	**0.2**
Finance costs	b(ix)	–	–	–	(44.5)	**(44.5)**
Net Finance Costs		**–**	**–**	**–**	**(44.3)**	**(44.3)**
Segment Result Before Tax		146.6	152.8	75.3	(67.7)	**307.0**
Income tax expense	b(x)	–	–	–	(4.7)	**(4.7)**
Funds from Operations (FFO)	b(i)	**146.6**	**152.8**	**75.3**	**(72.4)**	**302.3**

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position – as at 31 December 2021

	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Current Assets					
Current assets	218.5	–	126.2	180.5	**525.2**
Total Current Assets	**218.5**	**–**	**126.2**	**180.5**	**525.2**
Non-Current Assets					
Investment properties	4,630.1	3,019.3	4,305.3	–	**11,954.7**
Equity accounted investments	830.5	3,126.9	100.5	10.0	**4,067.9**
Inventories	71.0	–	–	–	**71.0**
Other non-current assets	0.1	23.8	7.9	529.1	**560.9**
Total Non-Current Assets	**5,531.7**	**6,170.0**	**4,413.7**	**539.1**	**16,654.5**
Total Assets	**5,750.2**	**6,170.0**	**4,539.9**	**719.6**	**17,179.7**
Current and non-current liabilities	6.9	20.7	7.9	5,470.9	**5,506.4**
Total Liabilities	**6.9**	**20.7**	**7.9**	**5,470.9**	**5,506.4**
Net Assets	**5,743.3**	**6,149.3**	**4,532.0**	**(4,751.3)**	**11,673.3**

1. Comparatives in this table have been restated to the current year presentation.

1. Segment Information CONTINUED

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income

	30 Jun 22 $M	30 Jun 21 $M
i) FFO to Net profit for the half year		
Segment result		
FFO	**326.5**	302.3
Adjustments		
Fair value gain on investment properties	**216.0**	445.8
Fair value gain and other adjustments to equity accounted investments	**35.6**	51.5
Amortisation of lease incentives and costs	**(29.6)**	(28.5)
Straightlining of rental income	**(2.5)**	2.9
Valuation increase	**219.5**	471.7
Net loss on fair value movement of derivatives	**(17.6)**	(10.3)
Net (loss)/gain from foreign currency borrowings and associated hedging	**(0.2)**	9.7
Net foreign exchange loss	**(0.2)**	(0.1)
Gain on financial liability at amortised cost	**1.2**	1.2
Financial instruments mark to market and net foreign exchange movements	**(16.8)**	0.5
Impairment reversal/(expense)	**1.4**	(14.3)
Other items	**(0.9)**	0.3
Total other items	**0.5**	(14.0)
Consolidated Statement of Comprehensive Income		
Net profit for the half year	**529.7**	760.5
ii) Rent from investment properties		
Segment result		
Rent from investment properties	**434.2**	394.4
Adjustments		
Less: share of rent from investment properties in equity accounted investments	**(44.8)**	(42.6)
Eliminations of intra-group lease payments	**(1.4)**	(0.8)
Amortisation of lease incentives and costs	**(29.6)**	(28.5)
Straightlining of rental income	**(2.5)**	2.9
Impairment loss on trade and other receivables	**0.7**	10.0
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**356.6**	335.4
iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	**(115.4)**	(108.6)
Adjustment		
Less: share of property expenses and outgoings in equity accounted investments	**9.4**	8.2
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	**(106.0)**	(100.4)
iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	**62.3**	59.8
Adjustments		
Share of rent from investment properties in equity accounted investments	**44.8**	42.6
Share of property expenses and outgoings in equity accounted investments	**(9.4)**	(8.2)
Fair value gain and other adjustments to equity accounted investments	**35.6**	51.5
Consolidated Statement of Comprehensive Income		
Share of after tax profit of equity accounted investments	**133.3**	145.7

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

1. Segment Information CONTINUED

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income CONTINUED

	30 Jun 22 $M	30 Jun 21 $M
v) Management net income		
Segment result		
Operations management net income	**(25.9)**	(21.2)
Adjustments		
Expenses in development management net income	**(3.5)**	(2.8)
Expenses in funds management net income	**(5.3)**	(6.4)
Eliminations of intra-group lease payments	**1.4**	0.8
Transfer to finance costs – leases	**0.6**	0.9
Depreciation, amortisation and impairment expense	**1.9**	2.3
Other	**(0.2)**	(0.4)
Management net income	**(31.0)**	(26.8)
Consolidated Statement of Comprehensive Income		
Property management fees	**8.8**	9.2
Management and other administration costs	**(39.8)**	(36.0)
Management net income	**(31.0)**	(26.8)
vi) Funds management net income		
Segment result		
Funds management net income	**27.5**	23.9
Adjustments		
Add: expenses in funds management net income	**5.3**	6.4
Consolidated Statement of Comprehensive Income		
Funds management fees	**32.8**	30.3
vii) Development profit		
Segment result		
Development (loss)/profit	**(0.1)**	1.9
Adjustment		
Less: share of after tax profit of equity accounted investments	**0.1**	–
Development profit	**–**	1.9
Consolidated Statement of Comprehensive Income		
Development revenue	**–**	11.7
Development costs	**–**	(9.8)
Development profit	**–**	1.9
viii) Development management net income		
Segment result		
Development management net income	**1.7**	1.1
Adjustment		
Add: expenses in development net income	**3.5**	2.8
Consolidated Statement of Comprehensive Income		
Development management fees	**5.2**	3.9
ix) Finance costs		
Segment result		
Finance costs – borrowings	**(54.2)**	(44.5)
Adjustment		
Finance costs – leases	**(0.6)**	(0.9)
Consolidated Statement of Comprehensive Income		
Finance costs	**(54.8)**	(45.4)
x) Income tax expense		
Segment result		
Income tax expense	**(3.7)**	(4.7)
Adjustment		
Tax impact of reconciling items from segment result to net profit for the half year	**(0.8)**	0.7
Consolidated Statement of Comprehensive Income		
Income tax expense	**(4.5)**	(4.0)

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. Independent valuers analyse and reflect transaction evidence in their key valuation assumptions, including net income amounts and capitalisation and discount rates, as evidence becomes available.

GPT provides factual information to the independent valuers, including passing rent information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment.

The valuations at the reporting date were undertaken having regard to the following factors:

» The fair value assessment of GPT's portfolio as at the reporting date includes an estimate of some remaining impacts of COVID-19 on income including market rental growth rates, allowances for incentives and lease up periods for current vacancies and near term lease expiries.

» In late July 2022 the Group consulted with the independent valuers to understand whether any changes subsequent to the balance date changed their view of the 30 June 2022 valuations. In particular the Group noted the rapidly changing economic environment, including high inflation, rising interest rates and a slowing in capital flows. All valuers confirmed that their valuations were appropriate as at 30 June 2022, noting that the valuations are based on recent market transactions and information available as at that date. On 8 August 2022, the Valuation Committee undertook a further review of the valuations, assessing the impact of the elevated level of economic uncertainty.

Management has reviewed the investment property valuations for both accuracy and reasonableness of the assumptions used to determine fair value. The fair values are shown in the following tables.

a) Investment properties

		Investment properties	Less lease liabilities 30 Jun 22	Fair value	Investment properties	Less lease liabilities 31 Dec 21	Fair value
	Note	$M	$M	$M	$M	$M	$M
Retail	(i)	**4,742.3**	**(7.6)**	**4,734.7**	4,630.1	(6.9)	4,623.2
Office	(ii)	**3,080.0**	**—**	**3,080.0**	3,019.3	—	3,019.3
Logistics	(iii)	**4,116.3**	**(7.8)**	**4,108.5**	4,025.8	(7.9)	4,017.9
Properties under development	(iv)	**335.4**	**—**	**335.4**	279.5	—	279.5
Total investment properties	(vi)	**12,274.0**	**(15.4)**	**12,258.6**	11,954.7	(14.8)	11,939.9

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

	Ownership interest %[1]	Acquisition date	Investment properties 30 Jun 22 $M	Less lease liabilities 30 Jun 22 $M	Fair value 30 Jun 22 $M	Investment properties 31 Dec 21 $M	Less lease liabilities 31 Dec 21 $M	Fair value 31 Dec 21 $M	Latest independent valuation date	Valuer
i) Retail										
Charlestown Square, NSW	100.0	Dec 1977	**885.0**	**–**	**885.0**	864.4	–	864.4	Jun 2022	Urbis
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**390.0**	**–**	**390.0**	366.7	–	366.7	Jun 2022	CB Richard Ellis
Melbourne Central, VIC[2]	**100.0	May 1999/ May 2001	**1,519.5**	**(5.5)**	**1,514.0**	1,496.8	(4.8)	1,492.0	Jun 2022	Colliers International
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**702.0**	**–**	**702.0**	672.8	–	672.8	Jun 2022	Jones Lang LaSalle
Sunshine Plaza, QLD	**50.0	Dec 1992/ Jun 1999/ Sep 2004	**580.6**	**(2.1)**	**578.5**	569.4	(2.1)	567.3	Jun 2022	Savills Australia
Westfield Penrith, NSW	50.0	Jun 1971	**665.2**	**–**	**665.2**	660.0	–	660.0	Dec 2021	Savills Australia
Total Retail			**4,742.3**	**(7.6)**	**4,734.7**	4,630.1	(6.9)	4,623.2		
ii) Office										
Australia Square, Sydney, NSW	50.0	Sep 1981	**643.8**	**–**	**643.8**	623.5	–	623.5	Jun 2022	Savills Australia
60 Station Street, Parramatta, NSW	100.0	Sep 2018	**261.0**	**–**	**261.0**	277.4	–	277.4	Jun 2022	CB Richard Ellis
32 Smith, Parramatta, NSW	100.0	Mar 2017	**352.5**	**–**	**352.5**	335.7	–	335.7	Jun 2022	Knight Frank
4 Murray Rose Avenue, Sydney Olympic Park, NSW	*100.0	May 2002	**152.0**	**–**	**152.0**	152.0	–	152.0	Dec 2021	Cushman & Wakefield
62 Northbourne Avenue, Canberra, ACT	100.0	Nov 2021	**80.5**	**–**	**80.5**	79.5	–	79.5	Jun 2022	Savills Australia
Melbourne, Central Tower, VIC	100.0	May 1999/ May 2001	**802.7**	**–**	**802.7**	785.5	–	785.5	Dec 2021	CB Richard Ellis
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	**465.5**	**–**	**465.5**	449.0	–	449.0	Jun 2022	Savills Australia
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**322.0**	**–**	**322.0**	316.7	–	316.7	Jun 2022	Cushman & Wakefield
Total Office			**3,080.0**	**–**	**3,080.0**	3,019.3	–	3,019.3		

1. Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold.
2. Melbourne Central – Retail includes 100% of Melbourne Central carpark and 100% of 202 Little Lonsdale Street.

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

	Ownership interest %[1]	Acquisition date	Investment properties 30 Jun 22 $M	Less lease liabilities 30 Jun 22 $M	Fair value 30 Jun 22 $M	Investment properties 31 Dec 21 $M	Less lease liabilities 31 Dec 21 $M	Fair value 31 Dec 21 $M	Latest independent valuation date	Valuer
iii) Logistics										
New South Wales										
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**141.6**	**–**	**141.6**	118.0	–	118.0	Jun 2022	Colliers International
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**49.0**	**–**	**49.0**	47.7	–	47.7	Jun 2022	Savills Australia
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	**74.5**	**–**	**74.5**	74.5	–	74.5	Dec 2021	Colliers International
50 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	**100.5**	**–**	**100.5**	100.5	–	100.5	Dec 2021	Jones Lang LaSalle
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**82.4**	**–**	**82.4**	77.0	–	77.0	Jun 2022	Colliers International
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**149.5**	**–**	**149.5**	148.3	–	148.3	Jun 2022	Jones Lang LaSalle
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**207.6**	**–**	**207.6**	202.2	–	202.2	Jun 2022	Colliers International
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**41.2**	**–**	**41.2**	39.8	–	39.8	Jun 2022	Colliers International
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	**150.0**	**–**	**150.0**	148.0	–	148.0	Jun 2022	Savills Australia
57-87 & 89-99 Lockwood Road, Erskine Park, NSW	100.0	Jul 2019	**129.2**	**–**	**129.2**	124.1	–	124.1	Jun 2022	Colliers International
128 Andrews Road, Penrith, NSW	100.0	Jul 2019	**107.5**	**–**	**107.5**	105.7	–	105.7	Jun 2022	Knight Frank
42 Cox Place, Glendenning, NSW	100.0	Dec 2019	**55.5**	**–**	**55.5**	52.7	–	52.7	Jun 2022	Colliers International
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	**45.5**	**–**	**45.5**	45.5	–	45.5	Dec 2021	Jones Lang LaSalle
4 Holker Street, Newington, NSW	100.0	Mar 2006	**50.0**	**–**	**50.0**	50.0	–	50.0	Dec 2021	Colliers International
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**56.1**	**–**	**56.1**	56.1	–	56.1	Dec 2021	Colliers International
Sydney Olympic Park Town Centre, NSW	*100.0	Jun 2010/ Apr 2013	**55.4**	**–**	**55.4**	54.8	–	54.8	Dec 2021	Colliers International
Quad 1, Sydney Olympic Park, NSW	*100.0	Jun 2001	**32.1**	**–**	**32.1**	32.0	–	32.0	Dec 2021	Knight Frank
Quad 4, Sydney Olympic Park, NSW	*100.0	Jun 2004	**60.4**	**–**	**60.4**	60.0	–	60.0	Dec 2021	Knight Frank
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**41.5**	**–**	**41.5**	40.2	–	40.2	Jun 2022	Knight Frank
38 Pine Road, Yennora, NSW	100.0	Nov 2013	**91.2**	**–**	**91.2**	83.3	–	83.3	Jun 2022	Knight Frank
38A Pine Road, Yennora, NSW	100.0	Nov 2013	**16.4**	**–**	**16.4**	15.5	–	15.5	Jun 2022	Knight Frank
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**55.0**	**–**	**55.0**	55.0	–	55.0	Dec 2021	Colliers International
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**63.3**	**–**	**63.3**	63.3	–	63.3	Dec 2021	Savills Australia
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	**34.3**	**–**	**34.3**	34.3	–	34.3	Dec 2021	Savills Australia

1. Freehold, unless otherwise marked with an * which denotes leasehold.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

	Ownership interest %[1]	Acquisition date	Investment properties 30 Jun 22 $M	Less lease liabilities 30 Jun 22 $M	Fair value 30 Jun 22 $M	Investment properties 31 Dec 21 $M	Less lease liabilities 31 Dec 21 $M	Fair value 31 Dec 21 $M	Latest independent valuation date	Valuer
iii) Logistics continued										
New South Wales continued										
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	**34.1**	**–**	**34.1**	34.0	–	34.0	Dec 2021	Knight Frank
64 Biloela Street, Villawood, NSW	100.0	May 2019	**50.5**	**–**	**50.5**	48.0	–	48.0	Jun 2022	CB Richard Ellis
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	**49.0**	**–**	**49.0**	46.5	–	46.5	Jun 2022	CB Richard Ellis
21 Pipeclay Avenue, Thornton, NSW	100.0	Nov 2021	**4.2**	**–**	**4.2**	4.0	–	4.0	Jun 2022	Savills Australia
ACT										
12 Faulding Street, Symonston, ACT	100.0	Nov 2021	**22.7**	**–**	**22.7**	22.6	–	22.6	Jun 2022	Savills Australia
Victoria										
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**118.4**	**–**	**118.4**	117.5	–	117.5	Dec 2021	Savills Australia
21-23 Wirraway Drive, Port Melbourne, VIC	100.0	Mar 2020	**36.5**	**–**	**36.5**	36.5	–	36.5	Dec 2021	CB Richard Ellis
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	**154.5**	**–**	**154.5**	154.0	–	154.0	Dec 2021	CB Richard Ellis
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	**108.0**	**–**	**108.0**	108.0	–	108.0	Dec 2021	Jones Lang LaSalle
521 Geelong Road, Brooklyn, VIC	100.0	Nov 2021	**52.5**	**–**	**52.5**	50.9	–	50.9	Jun 2022	Savills Australia
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	**19.0**	**–**	**19.0**	18.8	–	18.8	Dec 2021	Jones Lang LaSalle
40 Fulton Drive, Derrimut, VIC	100.0	Nov 2021	**17.6**	**–**	**17.6**	17.2	–	17.2	Jun 2022	Savills Australia
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	**55.5**	**–**	**55.5**	55.5	–	55.5	Dec 2021	Savills Australia
2 Prosperity Street, Truganina, VIC	100.0	Nov 2018	**51.9**	**–**	**51.9**	49.0	–	49.0	Jun 2022	Savills Australia
25 Niton Drive, Truganina, VIC	100.0	Jul 2019	**62.3**	**–**	**62.3**	59.0	–	59.0	Jun 2022	Savills Australia
1 Botero Place, Truganina, VIC	100.0	May 2020	**57.0**	**–**	**57.0**	54.5	–	54.5	Jun 2022	CB Richard Ellis
Foundation Estate, Truganina, VIC	100.0	Dec 2020	**148.5**	**–**	**148.5**	148.0	–	148.0	Jun 2022	Jones Lang LaSalle
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	**27.0**	**–**	**27.0**	27.0	–	27.0	Dec 2021	Jones Lang LaSalle
235-239 Boundary Road, Laverton North, VIC	100.0	Aug 2021	**76.3**	**–**	**76.3**	72.8	–	72.8	Jun 2022	CB Richard Ellis
79 Cherry Lane, Laverton North, VIC	100.0	Nov 2021	**48.5**	**–**	**48.5**	48.3	–	48.3	Jun 2022	Savills Australia
16 Henderson Road, Knoxfield, VIC	100.0	Nov 2021	**34.3**	**–**	**34.3**	34.2	–	34.2	Jun 2022	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**255.5**	**–**	**255.5**	255.3	–	255.3	Dec 2021	Jones Lang LaSalle

1. Freehold, unless otherwise marked with an * which denotes leasehold.

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

	Ownership interest %[1]	Acquisition date	Investment properties 30 Jun 22 $M	Less lease liabilities 30 Jun 22 $M	Fair value 30 Jun 22 $M	Investment properties 31 Dec 21 $M	Less lease liabilities 31 Dec 21 $M	Fair value 31 Dec 21 $M	Latest independent valuation date	Valuer
iii) Logistics continued										
Queensland										
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	**157.5**	**–**	**157.5**	157.5	–	157.5	Dec 2021	Savills Australia
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	**23.3**	**–**	**23.3**	23.3	–	23.3	Dec 2021	Jones Lang LaSalle
2 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	**66.3**	**–**	**66.3**	66.3	–	66.3	Dec 2021	Jones Lang LaSalle
30 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	**34.8**	**–**	**34.8**	34.7	–	34.7	Dec 2021	Jones Lang LaSalle
1 Wattlebird Court, Berrinba, QLD	100.0	Jun 2015	**40.5**	**–**	**40.5**	40.6	–	40.6	Dec 2021	Jones Lang LaSalle
102-108 Magnesium Drive, Crestmead, QLD	100.0	Nov 2021	**26.8**	**–**	**26.8**	26.8	–	26.8	Jun 2022	Savills Australia
248 Fleming Road, Tingalpa, QLD	100.0	Nov 2021	**30.5**	**–**	**30.5**	29.6	–	29.6	Jun 2022	Savills Australia
48 Miller Street, Murarrie, QLD	100.0	Nov 2021	**39.9**	**–**	**39.9**	39.8	–	39.8	Jun 2022	Savills Australia
4 Enterprise Street, Wulkuraka, QLD	100.0	Nov 2021	**118.5**	**–**	**118.5**	117.5	–	117.5	Jun 2022	Savills Australia
15 Northern Link Circuit, Townsville, QLD	100.0	Nov 2021	**30.8**	**–**	**30.8**	28.7	–	28.7	Jun 2022	Savills Australia
South Australia										
1 Vimy Avenue, Adelaide Airport, SA	*100.0	Nov 2021	**25.7**	**(4.3)**	**21.4**	24.6	(4.4)	20.2	Jun 2022	Savills Australia
26 Butler Boulevard, Adelaide Airport, SA	*100.0	Nov 2021	**21.0**	**(3.5)**	**17.5**	20.0	(3.5)	16.5	Jun 2022	Savills Australia
176 Eastern Parade, Gillman, SA	100.0	Nov 2021	**19.5**	**–**	**19.5**	19.5	–	19.5	Jun 2022	Savills Australia
1A Symonds Street, Royal Park, SA	100.0	Nov 2021	**6.8**	**–**	**6.8**	6.8	–	6.8	Jun 2022	Savills Australia
6-10 Senna Road, Wingfield, SA	100.0	Nov 2021	**38.5**	**–**	**38.5**	38.5	–	38.5	Jun 2022	Savills Australia
Western Australia										
15 Modal Crescent, Canning Vale, WA	100.0	Nov 2021	**24.0**	**–**	**24.0**	23.8	–	23.8	Jun 2022	Savills Australia
23 Destiny Way, Wangara, WA	100.0	Nov 2021	**25.8**	**–**	**25.8**	25.5	–	25.5	Jun 2022	Savills Australia
50 Triumph Avenue, Wangara, WA	100.0	Nov 2021	**7.5**	**–**	**7.5**	7.3	–	7.3	Jun 2022	Savills Australia
56 Triumph Avenue, Wangara, WA	100.0	Nov 2021	**5.1**	**–**	**5.1**	4.9	–	4.9	Jun 2022	Savills Australia
Total Logistics			**4,116.3**	**(7.8)**	**4,108.5**	4,025.8	(7.9)	4,017.9		

1. Freehold, unless otherwise marked with an * which denotes leasehold.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

	Ownership interest %[1]	Acquisition date	Investment properties 30 Jun 22 $M	Less lease liabilities 30 Jun 22 $M	Fair value 30 Jun 22 $M	Investment properties 31 Dec 21 $M	Less lease liabilities 31 Dec 21 $M	Fair value 31 Dec 21 $M	Latest independent valuation date	Valuer
iv) Properties under development										
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**13.3**	**–**	**13.3**	13.3	–	13.3	Dec 2021	Jones Lang LaSalle
Yiribana Logistics Estate – East, Kemps Creek, NSW	100.0	Oct 2020	**151.7**	**–**	**151.7**	147.7	–	147.7	Apr/Jun 2021	Knight Frank
The Gateway Logistics Hub, Stage 4-6, Truganina, VIC	100.0	Jul 2019	**53.1**	**–**	**53.1**	30.6	–	30.6	Jun 2022	Jones Lang LaSalle
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	**65.7**	**–**	**65.7**	64.8	–	64.8	Dec 2021	Jones Lang LaSalle
143 Foundation Road, Truganina, VIC	100.0	Dec 2020	**23.4**	**–**	**23.4**	8.0	–	8.0	Jun 2022	Jones Lang LaSalle
Wembley Business Park, Stage 3, Berrinba, QLD	100.0	Jun 2015	**28.2**	**–**	**28.2**	15.1	–	15.1	Jun 2022	Jones Lang LaSalle
Total Properties under development			335.4	–	335.4	279.5	–	279.5		
v) Property held for sale										
Casuarina Square, NT[2]	50.0	Oct 1973	–	–	–	198.6	–	198.6	–	–
Total Properties held for sale			–	–	–	198.6	–	198.6		

1. Freehold, unless otherwise marked with an * which denotes leasehold.
2. Casuarina Square was sold on 31 March 2022 for total consideration of $397.2 million ($418.0 million less capital adjustments of $20.8 million) (GPT's 50% share: $198.6 million).

2. Investment Properties CONTINUED

a) Investment properties CONTINUED

vi) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	30 Jun 22 $M	31 Dec 21 $M
Opening balance at the beginning of the period	4,630.1	3,019.3	4,025.8	279.5	**11,954.7**	10,323.6
Additions – maintenance capital expenditure	6.2	6.0	1.5	–	**13.7**	29.5
Additions – development capital expenditure	23.3	27.9	0.5	29.3	**81.0**	154.6
Additions – interest capitalised[1]	0.4	–	–	2.7	**3.1**	5.9
Asset acquisitions	–	–	–	–	**–**	865.3
Transfers to assets held for sale	–	–	–	–	**–**	(198.6)
Transfers (to)/from properties under development/other assets	–	–	–	–	**–**	0.8
Transfer to inventory	–	–	–	–	**–**	(2.9)
Movement in ground leases of investment properties	0.7	–	(0.1)	–	**0.6**	7.0
Fair value adjustments	77.2	22.4	90.3	23.9	**213.8**	763.4
Lease incentives (includes rent free)	11.3	18.2	3.5	–	**33.0**	43.2
Leasing costs	1.9	1.3	0.3	–	**3.5**	7.7
Amortisation of lease incentives and costs	(8.5)	(15.5)	(4.9)	–	**(28.9)**	(49.4)
Straightlining of leases	(0.3)	0.4	(0.6)	–	**(0.5)**	4.6
Closing balance at the end of the period	4,742.3	3,080.0	4,116.3	335.4	**12,274.0**	11,954.7

1. A capitalisation interest rate of 2.5% (31 December 2021: 2.4%) has been applied when capitalising interest on qualifying assets.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

2. Investment Properties CONTINUED

b) Fair value measurement, valuation techniques and inputs

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, using generally accepted market practices. A description of the valuation techniques and key inputs are included in the following table:

Class of assets	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 Jun 22	Unobservable inputs 31 Dec 21
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	**$1,489 – $2,416**	$1,427 – $2,288
			10 year average specialty market rental growth (DCF)	**2.9% – 3.1%**	2.4% – 3.2%
			Adopted capitalisation rate	**4.50% – 5.50%**	4.50% – 5.50%
			Adopted terminal yield (DCF)	**4.75% – 5.75%**	4.75% – 5.75%
			Adopted discount rate (DCF)	**6.00% – 6.50%**	6.00% – 6.50%
			Lease incentives (gross)	**4.0% – 10.0%**	7.5% – 14.0%
			Stabilisation allowance (% of asset annual income)	**0.0% – 8.0%**	0.6% – 20.6%
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$430 – $1,425**	$430 – $1,400
			10 year average market rental growth (DCF)	**3.0% – 3.9%**	3.1% – 3.9%
			Adopted capitalisation rate	**4.50% – 5.63%**	4.50% – 5.63%
			Adopted terminal yield (DCF)	**4.75% – 5.75%**	4.75% – 5.75%
			Adopted discount rate (DCF)	**5.75% – 6.25%**	5.75% – 6.25%
			Lease incentives (gross)	**12.5% – 40.0%**	15.0% – 40.0%
			Stabilisation allowance (% of asset annual income)	**0.0% – 1.2%**	0.0% – 4.9%
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	**$70 – $529**	$70 – $529
			10 year average market rental growth (DCF)	**2.7% – 3.6%**	2.5% – 3.5%
			Adopted capitalisation rate	**3.50% – 5.75%**	3.50% – 5.75%
			Adopted terminal yield (DCF)	**3.63% – 6.00%**	3.63% – 6.00%
			Adopted discount rate (DCF)	**5.13% – 7.00%**	5.25% – 7.00%
			Lease incentives (net)	**5.00% – 30.0%**	10.0% – 32.0%
Properties under development	Level 3	Development feasibility analysis or land rate	Net market rent (per sqm p.a.)	**$90 – $107**	$80 – $134
			Adopted capitalisation rate	**4.00% – 4.50%**	3.63% – 5.00%
			Adopted terminal yield (DCF)	**4.25% – 4.63%**	3.88% – 5.13%
			Adopted discount rate (DCF)	**5.25% – 5.25%**	5.25% – 6.00%
			Land rate (per sqm)	**$195 – $680**	$348 – $679
			Profit and risk factor	**0.0% – 15.0%**	0.0% – 10.0%

1. Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Investment Properties CONTINUED

b) Fair value measurement, valuation techniques and inputs CONTINUED

DCF	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's or liability's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the asset or liability. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flows from the asset or liability.
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	Net market rent is defined as Gross market rent less 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 retail 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.
Profit and risk factor	The profit and risk factor is applied to the remaining costs of a development to reflect a target margin required to complete the project. The factor will vary depending on the remaining leasing or construction required.
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.
Stabilisation allowance	The stabilisation allowance reflects the anticipated prospective rent relief granted to tenants.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

2. Investment Properties CONTINUED

c) Valuation process – investment properties

GPT manages the semi-annual valuation process to ensure that investment properties are held at fair value in GPT's accounts and that GPT is compliant with applicable regulations (for example the *Corporations Act 2001* and ASIC regulations), the GPT RE Constitution and Compliance Plan.

GPT has a Valuation Committee (committee) which is comprised of the Chief Operating Officer, Chief Financial Officer, Head of Transactions, Deputy Chief Financial Officer and General Counsel.

The purpose of the committee is to:

» approve the panel of independent valuers;

» review valuation inputs and assumptions;

» provide an escalation process where there are differences of opinion from various team members responsible for the valuation;

» oversee the finalisation of the valuations; and

» review the independent valuation sign-off and any comments that have been noted.

All independent valuations and internal tolerance checks are reviewed by the committee prior to these being presented to the Board for approval.

Independent valuations

GPT's independent valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued. Selected independent valuation firms form part of a panel approved by the committee. Each valuation firm is limited to undertaking consecutive valuations of a property for a maximum period of two years. Where an exceptional circumstance arises, the extension of the valuer's term must be approved by the relevant Board.

The Valuation Policy requires an independent valuation at least annually for all completed investment properties. Properties under development with a value of $100 million or greater are independently valued at least every six months. Unimproved land is independently valued at least every three years. Additional valuations will be completed in the event an internal tolerance check identifies the requirement for an independent valuation.

Internal tolerance checks

Every six months, with the exception of properties independently valued, an internal tolerance check is prepared. The internal tolerance check involves the preparation of a DCF and income capitalisation valuation for each investment property. These are produced using a capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent independent valuation parameters. The tolerance measurement will typically be a mid-point of these two approaches.

These internal tolerance checks are used to determine whether the book value is in line with the fair value or whether an independent valuation is required.

Properties under development

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

The fair value of vacant land parcels is based on the market land value per square metre.

Highest and best use

The fair value of investment properties is calculated based on the highest and best use whether or not current use reflects highest and best use. For all GPT investment properties current use equates to the highest and best use, with the exception of Sydney Olympic Park Town Centre.

The masterplan for Sydney Olympic Park provides long term opportunities for the Town Centre to significantly increase the floor space developed within the precinct, subject to development and planning approvals.

2. Investment Properties CONTINUED

d) 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 transactions 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.

In conducting the sensitivity analysis, management have selected a sample of 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.

The following table shows the sensitivity of the valuation to movements in the key variables of cap rates and market rent per sqm when using the income capitalisation valuation approach and the discount rate and terminal rate and market rental growth rates when using the DCF valuation approach.

	Capitalisation Method				DCF Method			
	Cap Rate		Market Rent per sqm		Discount Rate & Terminal Rate		10 Year Growth Rate[1]	
	(0.50%)	0.50%	(5.0%)	5.0%	(0.50%)	0.50%	(0.25%)	0.25%
Retail – impact to valuation	12.4%	(11.0%)	(5.6%)	5.6%	12.2%	(11.0%)	(1.9%)	1.9%
Office – impact to valuation	11.4%	(10.4%)	(4.6%)	4.6%	11.8%	(10.8%)	(2.0%)	2.0%
Logistics – impact to valuation	13.6%	(12.0%)	(3.8%)	3.9%	13.8%	(12.2%)	(1.8%)	1.9%

1. For Retail, this is the 10 year speciality growth rate.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

3. Equity Accounted Investments

	Note	30 Jun 22 $M	31 Dec 21 $M
Investments in joint ventures	(a)(i)	**1,035.8**	991.0
Investments in associates	(a)(ii)	**3,118.8**	3,076.9
Total equity accounted investments		**4,154.6**	4,067.9

a) Details of equity accounted investments

		Ownership Interest			
Name	Principal Activity	30 Jun 22 %	31 Dec 21 %	30 Jun 22 $M	31 Dec 21 $M
i) Joint ventures					
2 Park Street Trust [1]	Investment property	**50.00**	50.00	**844.2**	847.1
Horton Trust	Investment property	**50.00**	50.00	**29.8**	28.8
GPT QuadReal Logistics Trust	Investment property	**50.10**	50.10	**147.3**	100.5
Lendlease GPT (Rouse Hill) Pty Limited [1,2]	Property development	**50.00**	50.00	**14.5**	14.6
Total investment in joint venture entities				**1,035.8**	991.0
ii) Associates					
GPT Wholesale Office Fund [1,3]	Investment property	**21.78**	21.81	**1,705.5**	1,702.9
GPT Wholesale Shopping Centre Fund [1]	Investment property	**28.48**	28.48	**817.5**	787.1
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10.0**	10.0
Darling Park Trust [1]	Investment property	**41.67**	41.67	**585.8**	576.9
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				**3,118.8**	3,076.9

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) which occurred 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.

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

CAPITAL STRUCTURE

4. Equity

a) Contributed equity

	Number	Trust $M	Company $M	Total $M
Ordinary stapled securities				
Opening securities on issue and contributed equity at 1 January 2021	1,947,929,316	8,673.2	332.0	9,005.2
On-market securities buy-back[1]	(32,351,886)	(146.6)	(0.2)	(146.8)
Closing securities on issue and contributed equity at 30 June 2021	1,915,577,430	8,526.6	331.8	8,858.4
Opening securities on issue and contributed equity at 1 January 2022	**1,915,577,430**	**8,526.6**	**331.8**	**8,858.4**
Closing securities on issue and contributed equity at 30 June 2022	**1,915,577,430**	**8,526.6**	**331.8**	**8,858.4**

1. On 15 February 2021, the Group announced an on-market buy-back of GPT securities, with transactions occurring between 3 March 2021 and 1 June 2021 for an average price of $4.54 per security.

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

5. Earnings per stapled security

	30 Jun 22 Cents	30 Jun 22 Cents	30 Jun 21 Cents	30 Jun 21 Cents
a) Attributable to ordinary securityholders of the Trust	Basic	Diluted	Basic	Diluted
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**27.0**	**27.0**	38.9	38.9
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	**27.7**	**27.6**	39.3	39.3

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:

	30 Jun 22 $M	30 Jun 22 $M	30 Jun 21 $M	30 Jun 21 $M
c) Reconciliation of earnings used in calculating earnings per ordinary stapled security				
Basic and diluted earnings of the Trust	**517.8**	**517.8**	751.2	751.2
Basic and diluted earnings of the Company	**11.9**	**11.9**	9.3	9.3
Basic and diluted earnings of the GPT Group	**529.7**	**529.7**	760.5	760.5

	30 Jun 22 Millions	30 Jun 22 Millions	30 Jun 21 Millions	30 Jun 21 Millions
d) Weighted average number of ordinary securities				
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,915.6**	**1,915.6**	1,933.2	1,933.2
Performance security rights at weighted average basis[1]		**1.2**		0.3
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		**1,916.8**		1,933.5

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 expected to be met as at the half year end.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

6. Distributions paid and payable

Distributions are paid to GPT stapled securityholders half yearly.

	Cents per stapled security	Total amount $M
Distributions paid/payable		
2021		
6 months period ended 30 June 2021	13.20	257.1
Total distributions paid/payable for the half year	13.20	257.1
2022		
6 months period ended 30 June 2022 [1]	**9.90**	**189.6**
Total distributions paid/payable for the half year	**9.90**	**189.6**

1. The distribution for the half year ended 31 December 2021 was declared on 14 February 2022 and paid on 28 February 2022. The June 2022 half yearly distribution of 12.7 cents per security, was declared on 15 August 2022 and is expected to be paid on 31 August 2022. The distribution is 4.5 per cent lower than the 30 June 2021 distribution of 13.3 cents per security as a result of higher maintenance capex and lease incentives.

7. Borrowings

	30 Jun 22 $M	31 Dec 21 $M
Current borrowings at amortised cost – unsecured [1]	**567.7**	800.0
Current borrowings at amortised cost – secured	**2.5**	2.4
Current borrowings	**570.2**	802.4
Non-current borrowings at amortised cost – unsecured	**1,975.6**	1,961.3
Non-current borrowings at fair value through profit and loss – unsecured [2]	**2,273.4**	2,287.2
Non-current borrowings at amortised cost – secured	**88.1**	88.4
Non-current borrowings	**4,337.1**	4,336.9
Total borrowings – carrying amount [3]	**4,907.3**	5,139.3
Total borrowings – fair value [4]	**4,808.0**	5,217.4

1. Includes $517.9 million of outstanding commercial paper (31 Dec 2021: $750.0 million) 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 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 the 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 a gain / loss on modification of financial liabilities. GPT management has assessed the modification of terms requirements within AASB 9 and have concluded that these will 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 22 $M	31 Dec 21 $M
Nominal amount	**2,035.4**	1,907.4
Unamortised borrowing costs	**(5.3)**	(5.4)
Amortised cost	**2,030.1**	1,902.0
Cumulative fair value movements	**243.3**	385.2
Carrying amount	**2,273.4**	2,287.2

The carrying value of cross currency interest rate swaps hedging the above foreign currency borrowings is reflected in the Consolidated Statement of Financial Position within derivative assets totalling $276.9 million (31 Dec 2021: $398.0 million) and within derivative liabilities totalling $36.0 million (31 Dec 2021: $12.0 million).

7. Borrowings CONTINUED

The maturity profile of borrowings as at 30 June 2022 is as follows:

	Total facility [1,2,3] $M	Used facility [1] $M	Unused facility [2,3] $M
Due within one year	570.6	570.4	0.2
Due between one and five years	3,289.9	1,841.9	1,448.0
Due after five years	2,396.0	2,240.9	155.1
	6,256.5	**4,653.2**	**1,603.3**
Cash and cash equivalents			**49.0**
Total financing resources at the end of the half year			**1,652.3**
Less: commercial paper [2]			**(517.9)**
Less: cash and cash equivalents held for the AFSLs			**(10.4)**
Total financing resources available at the end of the half year			**1,124.0**

1. Excluding unamortised establishment costs, fair value and other adjustments and $10.0 million bank guarantee facilities and its $2.1 million utilisation. This reflects the contractual cash flows 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.

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

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 borrowings must not exceed 50 per cent of adjusted total tangible assets; and

» Interest coverage: the ratio of operating earnings before interest and taxes to finance costs on borrowings is not to be less than 2 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 30 June 2022 and no breaches were identified noting:

» Covenant gearing ratio as at 30 June 2022 is 27.5 per cent; and

» Interest cover ratio for the 6 months to June 2022 is 7.1 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:

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 22	Unobservable inputs 31 Dec 21
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 quotes 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 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.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

OTHER DISCLOSURE ITEMS

9. Cash Flow Information

Cash flows from operating activities

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

	30 Jun 22 $M	30 Jun 21 $M
Net profit for the half year	**529.7**	760.5
Fair value gain on investment properties	**(216.0)**	(445.8)
Fair value loss on derivatives	**17.6**	10.3
Net loss/(gain) from foreign currency borrowings and associated hedging	**0.2**	(9.7)
Gain on financial liability at amortised cost	**(1.2)**	(1.2)
Impairment (reversal)/expense	**(1.4)**	14.3
Share of after tax profit of equity accounted investments (net of distributions)	**(38.6)**	(68.3)
Depreciation and amortisation	**1.9**	2.3
Non-cash revenue/expense adjustments	**17.9**	20.8
Profit on sale of inventories	**–**	(1.9)
Proceeds from sale of inventories	**–**	11.7
Payment for inventories	**(10.7)**	(2.5)
Movements in working capital and reserves (net of impairment)	**(29.6)**	(3.2)
Net foreign exchange loss	**0.2**	0.1
Other	**1.8**	1.6
Net cash inflows from operating activities	**271.8**	289.0

10. Lease Revenue

	30 Jun 22				30 Jun 21			
	Retail $M	Office $M	Logistics $M	Total $M	Retail $M	Office $M	Logistics $M	Total $M
Segment Result								
Lease revenue	**136.0**	**88.0**	**104.2**	**328.2**	131.3	75.2	84.8	291.3
Recovery of operating costs	**38.5**	**15.8**	**6.9**	**61.2**	40.0	14.2	6.3	60.5
Share of rent from investment properties in equity accounted investments	**1.0**	**43.8**	**–**	**44.8**	0.7	41.9	–	42.6
	175.5	**147.6**	**111.1**	**434.2**	172.0	131.3	91.1	394.4
Less:								
Share of rent from investment properties in equity accounted investments				**(44.8)**				(42.6)
Amortisation of lease incentives and costs				**(29.6)**				(28.5)
Straightlining of leases				**(2.5)**				2.9
Eliminations of intra-group lease payments				**(1.4)**				(0.8)
Impairment loss on trade and other receivables				**0.7**				10.0
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**356.6**				335.4

Rent from investment properties

Rent from investment properties in the Consolidated Statement of Comprehensive Income is recognised and measured in accordance with AASB 16 *Leases*. Revenue for leases with fixed increases is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis. 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 has assessed if a rent waiver constitutes a lease modification under AASB 16 and concluded that where rent waivers relate to periods after the execution of an agreement with the tenant, this constitutes a lease modification and the rent waiver is reflected on a straight line basis over the life of the lease. 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(c)). Waivers reflected on invoices issued to tenants and which do not relate to previous outstanding debtors, are shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

11. Commitments

a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties and committed tenant incentives contracted for at balance date but not recognised on the Consolidated Statement of Financial Position are shown below.

	30 Jun 22 $M	31 Dec 21 $M
Retail	**47.0**	52.8
Office	**92.5**	106.5
Logistics	**26.0**	23.4
Properties under development	**37.0**	7.9
Corporate	**1.6**	2.0
Total capital expenditure commitments	**204.1**	192.6

b) Commitments relating to equity accounted investments

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

	30 Jun 22 $M	31 Dec 21 $M
Capital expenditure	**218.4**	211.9
Total joint ventures and associates' commitments	**218.4**	211.9

In addition to the table above, GPT QuadReal Logistics Trust has contracted to purchase the following logistics sites:

» a development site in Crestmead, Brisbane and has paid a deposit of $1.1 million (GPT's 50.1% share), with $10.1 million (GPT's 50.1% ownership) to be paid at settlement, which is expected to occur in October 2022;

» a development site in Kemps Creek, Sydney and has paid a deposit of $2.0 million (GPT's 50.1% share), with $18.5 million (GPT's 50.1% ownership) to be paid at settlement, which is expected to occur in December 2022; and

» a development site in Epping, Melbourne and has paid a deposit of $3.5 million (GPT's 50.1% share), with $31.5 million (GPT's 50.1% ownership) to be paid at settlement, which is expected to occur in May 2023.

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 and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. GPT is confident in the belief it will realise its assets and settle its liabilities and commitments in the normal course of business for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities of $447.3 million arises as a result of the inclusion of borrowings due within 12 months (inclusive of $517.9 million of outstanding commercial paper). As set out in note 7, GPT has access to $1,603.3 million in undrawn financing facilities (prior to refinancing of the commercial paper). 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 align any dissimilar accounting policies adopted by the controlled entities, associates or joint ventures; and

» in Australian dollars with all values rounded to 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 2021 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 financial statements have been restated to the current year presentation.

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to the Company is shown as a form of non-controlling interest.

As a result of the stapling, investors in GPT may 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 15 August 2022.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

12. Accounting Policies, Key Judgements and Estimates CONTINUED

a) Basis of preparation CONTINUED

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 2022 that have been adopted where applicable.

b) 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 $1,124.0 million (after allowing for refinancing of $517.9 million of outstanding commercial paper) as at 30 June 2022;

» Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2023;

» Primary covenant gearing of 27.5 per cent, compared to a covenant level of 50.0 per cent; and

» Interest cover ratio for the six months to 30 June 2022 of 7.1 times, compared to a covenant level of 2.0 times.

c) Trade receivables

COVID-19 Impacts

Regulated commercial rent relief schemes were in place during 2021 and 2022, in accordance with the national mandatory Code of Conduct, to assist SME tenants who were suffering financial hardship during the pandemic. The Code of Conduct sets out principles to guide discussions between commercial landlords and SME tenants and is legislated and regulated by the states and territories.

The application of the Code of Conduct required GPT to engage with each of its SME tenants and provide cashflow support in a fair and proportionate manner during the COVID-19 period. Importantly, the Code of Conduct allows GPT to negotiate commercial outcomes on a case by case basis for those SMEs most impacted. GPT has also engaged with 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 has taken the form of rent waivers, rent payment deferral or a combination of the two. While the majority of leasing deals under the Code of Conduct have now been finalised, there are still a small number of deals that remain unresolved.

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 at 30 June 2022, in accordance with the requirements of AASB 9 *Financial Instruments*. Bad debt write offs of $18.2 million relating to COVID-19 rent waivers and other non recoverable amounts have been processed against trade debtors during the period (30 June 2021: $24.0 million). Waivers which have been reflected on invoices issued to tenants and which are not relating to previous outstanding receivables, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

Recoverability of receivables

For remaining trade and other receivables balances which have not been written off, management has assessed whether these balances are “credit impaired”, and recognised a loss allowance equal to the lifetime ECL. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset is expected to occur.

Lifetime ECLs 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 contracted cash flows due to GPT and the cash flows expected to be received). 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.

Debts that are known to be uncollectible are written off when identified.

At 30 June 2022, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account several factors. These include the risk profile of the tenant, the asset location and tenant cash payment trends after the completion of rent relief agreements and other economic conditions impacting the tenant’s ability to pay.

This has resulted in an ECL allowance of $24.8 million being recognised as at 30 June 2022 (31 December 2021: $30.9 million). The remaining net balance of trade receivables (excluding accrued income and related party receivables) is $8.8 million (31 December 2021: $11.5 million).

d) 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.

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

12. Accounting Policies, Key Judgements and Estimates CONTINUED

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.

e) Government grants

Government grants are accounted for 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.

The Group has received $5.9 million in land tax relief (30 June 2021: $1.0 million), GPT elected to present these amounts as a reduction in expenses. The Group did not receive any incentives under the National Rental Affordability Scheme during the period (30 June 2021: $0.9m), GPT elected to show these amounts as income.

f) 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 $0.6 million for the half year (30 June 2021: $0.9 million).

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 includes:

» 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 the following section on ground leases).

GPT's right-of-use assets are all property 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 has assessed the right-of-use assets for impairment indicators in light of the COVID-19 pandemic and has calculated the recoverable amount where indicators exist. This has resulted in a reversal of impairment of $1.4 million for the half year (30 June 2021: $0.3 million impairment expense).

Ground leases

A lease liability reflecting the leasehold arrangements of investment properties is separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties is 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.

g) IT development and software

Costs incurred in developing systems and acquiring software that will contribute future financial benefits and which the Group controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over the length of time that 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. When impairment indicators exist, management calculate the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount. Critical judgements are made by GPT in setting appropriate impairment indicators and assumptions used to determine the recoverable amount.

Management believe the carrying value reflects the recoverable amount.

Costs incurred in relation to Software as a Service are recognised as an expense as incurred.

Notes to the Financial Statements CONTINUED

Half year ended 30 June 2022

12. Accounting Policies, Key Judgements and Estimates CONTINUED

h) Carbon credits – intangibles

The Group has purchased carbon credits (or offsets) known as Verified Carbon Units (VCUs). The VCUs are used by the Group to offset its operational emissions or to offset embodied carbon within a development project. The carbon credits are measured at cost and management considers that the carbon credits have an indefinite useful life. Therefore, GPT tests for impairment at balance date. The costs of the carbon credits include any direct purchase costs.

Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined with reference to the current market price for equivalent VCUs.

When carbon credits are utilised, they are derecognised and the cost is recognised as an expense where the carbon credits are utilised to offset operational emissions, or capitalised to development costs of investment properties where utilised to offset embodied carbon.

i) Inventories

Development properties and other assets held as inventory to be sold are stated at the lower of costs and net realisable value.

Cost

Cost includes the cost of acquisition and for development properties, 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 considering:

- 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 NRV assessments for each asset held as inventory for the half year taking into account COVID-19 on these estimates including its impacts on delivery timeframes and revenue assumptions, and has compared the results to the cost of each asset. For the half year to 30 June 2022 no impairment expense (30 June 2021: $0.1 million impairment expense reversal) was recognised.

j) Security based payments

Fair value of performance rights issued under Deferred Short Term Incentive (DSTI) and Long Term Incentive (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 issuance of securities. Total security based payment expense based on the fair value is recognised over the period from the service commencement date to the vesting date of the performance rights.

Fair value of the performance rights issued under LTI is determined using a 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 the calculation of 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 vest 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.

k) New and amended accounting standards and interpretations commencing 1 January 2022

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 2022.

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 2022 that have been adopted where applicable.

l) New accounting standards and interpretations issued but not yet applied

There are no new standards or amendments to standards relevant to the Group.

13. Events subsequent to reporting date

On 15 August 2022, the Directors declared a distribution for the half year ended 30 June 2022 of 12.7 cents per security, being $243.3 million which is expected to be paid on 31 August 2022.

On 1 July 2022, GPT acquired parcels of land at 865 Boundary Road, Truganina for consideration of $34.0 million. The parcels of land will be classified as investment property under development and inventory respectively.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2022 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 2022

In the Directors of the Responsible Entity's opinion:

a) The consolidated financial statements and notes set out on pages 20 to 48 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 as at 30 June 2022 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 Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by the ASX Corporate Governance Council Recommendations and consistent with Section 295A of the *Corporations Act 2001*.

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

Vickki McFadden
CHAIRMAN

Bob Johnston
CEO AND MANAGING DIRECTOR

GPT RE Limited

Sydney

15 August 2022

Independent Auditor's Report

pwc

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities (together, the GPT Group or the Group) during the half-year, which comprises the Consolidated Statement of Financial Position as at 30 June 2022, 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, significant accounting policies and explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the GPT Group does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2022 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of GPT RE Limited, the Responsible Entity of the Trust, (the directors) 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 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.

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Independent Auditor's Report CONTINUED

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 and of 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*.

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horlin

Susan Horlin
Partner

Sydney
15 August 2022

Glossary

Term	Meaning
A-Grade	As per the Property Council of Australia's 'A Guide to Office Building Quality'
AFFO	Adjusted Funds From Operations, defined as FFO less maintenance capex, leasing incentives and one-off items calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
AREIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange
AUM	Assets under management
bps	Basis points
Capex	Capital expenditure
CBD	Central Business District
CO2	Carbon Dioxide
CPI	Consumer Price Index
cps	Cents per security
DPS	Distribution per security
EBIT	Earnings Before Interest and Tax
EPS	Earnings Per Security. Earnings per security is defined as Funds From Operations per security
FFO	Funds From Operations. Funds From Operations is defined as the underlying earnings calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
Free Cash Flow	Operating cash flow less maintenance and leasing capex and inventory movements
FUM	Funds under management
Gearing	The level of borrowing relative to assets
GFA	Gross Floor Area
GLA	Gross Lettable Area
GQLT	GPT QuadReal Logistics Trust
Group Total Return	Group Total Return, calculated at the Group level as the change in Net Tangible Assets (NTA) per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year
GWOF	GPT Wholesale Office Fund
GWSCF	GPT Wholesale Shopping Centre Fund
HoA	Heads of Agreement
IFRS	International Finance Reporting Standards
IRR	Internal Rate of Return
Major Tenants	Retail tenancies including Supermarkets, Discount Department Stores, Department Stores and Cinemas

Glossary CONTINUED

Term	Meaning
MAT	Moving Annual Turnover
Mini-Major Tenants	Retail tenancies with a GLA above 400 sqm not classified as a Major Tenant
MTN	Medium Term Notes
N/A	Not Applicable
NABERS	National Australian Built Environment Rating System
NAV	Net Asset Value
Net Gearing	Defined as debt less cash less cross currency derivative assets add cross currency derivative liabilities divided by total tangible assets less cash less cross currency derivative assets less right-of-use assets less lease liabilities – investment properties
NLA	Net Lettable Area
NPAT	Net Profit After Tax
NTA	Net Tangible Assets
Ordinary Securities	Those that are most commonly traded on the ASX. The ASX defines ordinary securities as those securities that carry no special or preferred rights. Holders of ordinary securities will usually have the right to vote at a general meeting of the company, and to participate in any dividends or any distribution of assets on winding up of the company on the same basis as other ordinary securityholders
PCA	Property Council of Australia
Premium Grade	As per the Property Council of Australia's 'A Guide to Office Building Quality'
Prime Grade	Includes assets of Premium and A-Grade quality
psm	Per square metre
Retail Sales	Based on a weighted GPT interest in the assets and GWSCF portfolio. GPT reports retail sales in accordance with the Shopping Centre Council of Australia (SCCA) Guidelines
Specialty Tenants	Retail tenancies with a GLA below 400 sqm
sqm	Square metre
Total tangible assets	Total tangible assets is defined as per the Constitution of the Trust and equals Total Assets less Intangible Assets reported in the Statement of Financial Position
TSR	Total Securityholder Return, defined as distribution per security plus change in security price
Unlevered Total Return	Unlevered Total Return is calculated as the sum of the net income and revaluation movement of the portfolio divided by the average book value of the portfolio, compounded monthly for a rolling 12 month period.
USPP	United States Private Placement
VWAP	Volume weighted average price
WACD	Weighted average cost of debt
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry

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