

The GPT Group

GPT Management Holdings Limited
ABN: 67 113 510 188

Interim Financial Report
30 June 2011

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2010 and any public announcements made by GPT Management Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the half year ended 30 June 2011

The Directors of GPT Management Holdings Limited (the Company) present their report on the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities for the half year ended 30 June 2011. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group).

Directors

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

(i) Chairman - Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

Principal Activities

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

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2010 and are:

- management of funds holding income-producing retail, office, industrial and business park assets;
- development of properties;
- management and administration of the General Property Trust; and
- property management.

After completing the sale of the US Senior Housing Portfolio on 29 March 2011, the Company operates almost entirely in Australia.

The GPT Group

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

Review of operations

The net loss of the Company for the half year ended 30 June 2011 is set out below and should be read in conjunction with the interim financial statements of the GPT Group.

	30 Jun 11 \$'000	30 Jun 10 \$'000
Loss from continued operations before income tax expense	(9,863)	(15,735)
Income tax benefit / (expense)	6,678	(569)
Loss from discontinued operations	(1,017)	(25,263)
Net loss for the half year	(4,202)	(41,567)

- Loss after tax reduced by 89.9% to a loss of \$4.2 million (Jun 10: loss of \$41.6 million)
- Total assets decreased by 10.5% to \$196.0 million (Dec 10: \$219.0 million)

The lower loss after tax from continuing operations is principally the result of greater impairment of loans in the half year ended 30 June 2010 and a reversal of prior period impairment of loans in the half year ended 30 June 2011.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the half year ended 30 June 2011

Review of operations (continued)

The reduced loss from discontinued operations is due to better performance of the US Senior Housing and Hotel/Tourism segments.

Dividends

The Directors have not declared any dividends for the half year ended 30 June 2011 (June 2010: nil).

Significant Changes in the state of affairs

In the opinion of the Directors, other than the items noted below, there were no significant changes in the state of affairs of the Company that occurred during the half year under review:

- On 29 March 2011, GPT completed the sale of the US Seniors Housing Portfolio to Health Care REIT Inc (HCN). An associate of the Company, B-VII Operations Holding Co LLC, sold property, plant and equipment for US \$34.3 million and the Company redeemed a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC for US \$1.2 million.
- On 11 May 2011, GPT announced an on-market buy-back of up to 5% of the Group's ordinary securities. No GPT securities were bought back prior to 30 June 2011.
- On 23 May 2011, the Company completed the sale of the Voyages Business Platform with a gain on sale of \$0.4 million.

Environmental Regulation

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

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

The Energy Efficiency Opportunities Act 2006 requires GPT to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities and to report publicly on the assessments undertaken, including what action GPT intends to take as a result. As required under this act, GPT is registered with the Department of Resources, Energy and Tourism as a participant entity. GPT has collated energy data and identified energy opportunities for the 1 July 2010 to 30 June 2011 period to ensure the Energy Efficiency Opportunities data is made available in a Public Report on the GPT website by the required date of 31 December 2011.

The National Greenhouse and Energy Reporting Act 2007 requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2010 to 30 June 2011. GPT has implemented systems and processes for the collection and calculation of the data required for submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2011.

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

Events subsequent to the end of the half year

The following events have occurred subsequent to 30 June 2011:

- Post 30 June 2011 and until 23 August 2011, as part of the on-market buy-back announced on 11 May 2011, GPT has bought back 16.0 million ordinary stapled securities. This represents 0.9% of total ordinary securities.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2011 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts shown in the Directors' Report and financial report have been rounded to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

Auditor

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

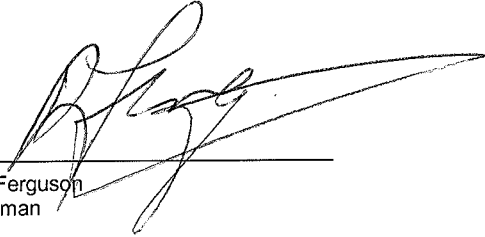
DIRECTORS' REPORT

For the half year ended 30 June 2011

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman

Sydney
25 August 2011



Michael Cameron
Managing Director and Chief Executive Officer



Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'A J Loveridge'.

A J Loveridge
Partner
PricewaterhouseCoopers

Sydney
25 August 2011

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2011

	Note	Consolidated entity	
		30 Jun 11 \$'000	30 Jun 10 \$'000
Revenue			
Fund management fees		33,089	29,449
Property management fees		11,744	13,242
Development management fees		9,141	8,787
		<u>53,974</u>	<u>51,478</u>
Other income			
Management costs recharged		3,288	3,335
Interest revenue		361	528
Net foreign exchange gain		27	643
Reversal of prior period impairment		2,559	-
Revaluation on borrowings		2,391	-
		<u>8,626</u>	<u>4,506</u>
Total revenue and other income		<u>62,600</u>	<u>55,984</u>
Expenses			
Remuneration expenses		43,751	38,337
Property rent and outgoings		3,406	2,923
Repairs and maintenance		1,145	1,362
Professional fees		3,623	4,500
Depreciation and amortisation expense		4,002	3,551
Net loss on disposal of assets		-	410
Impairment expense		-	8,573
Finance costs		13,438	8,948
Other expenses		3,098	3,115
Total expenses		<u>72,463</u>	<u>71,719</u>
Loss from continuing operations before income tax expense		<u>(9,863)</u>	<u>(15,735)</u>
Income tax benefit / (expense)		6,678	(569)
Loss after income tax expense for continuing operations		<u>(3,185)</u>	<u>(16,304)</u>
Loss from discontinued operations	2(a)	(1,017)	(25,263)
Net loss for the half year		<u>(4,202)</u>	<u>(41,567)</u>
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		293	722
Total comprehensive loss for the half year		<u>(3,909)</u>	<u>(40,845)</u>
Net loss attributable to:			
- Members of the Company		(5,430)	(37,758)
- Non-controlling interest		1,228	(3,809)
Total comprehensive loss attributable to:		<u>(5,137)</u>	<u>(37,036)</u>
- Members of the Company		(5,137)	(37,036)
- Non-controlling interest		1,228	(3,809)
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents per share) from continuing operations	4(a)	(0.24)	(0.67)
Basic and diluted loss per share (cents per share)	4(a)	(0.29)	(2.03)

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Note	Consolidated entity	
		30 Jun 11 \$'000	31 Dec 10 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		11,018	15,084
Loans and receivables		41,070	59,575
Prepayments		636	940
		<u>52,724</u>	<u>75,599</u>
Assets classified as held for sale	5(c)	19,787	35,218
Total Current Assets		<u>72,511</u>	<u>110,817</u>
Non-Current Assets			
Investments in associates and joint ventures	6	80	78
Loans and receivables		21,529	19,122
Property, plant & equipment	7	14,124	5,661
Intangible assets	8	50,168	51,758
Deferred tax assets		36,990	27,791
Other assets		579	3,813
		<u>123,470</u>	<u>108,223</u>
Total Non-Current Assets		<u>123,470</u>	<u>108,223</u>
Total Assets		<u>195,981</u>	<u>219,040</u>
LIABILITIES			
Current Liabilities			
Payables		33,737	46,173
Provisions		15,510	11,348
Current tax liabilities		-	257
		<u>49,247</u>	<u>57,778</u>
Non-current liabilities classified as held for sale	5(c)	263	9,288
Total Current Liabilities		<u>49,510</u>	<u>67,066</u>
Non-Current Liabilities			
Provisions		1,158	4,207
Deferred tax liabilities		240	495
		<u>1,398</u>	<u>4,702</u>
Total Non-Current Liabilities		<u>1,398</u>	<u>4,702</u>
Total Liabilities		<u>50,908</u>	<u>71,768</u>
Net Assets		<u>145,073</u>	<u>147,272</u>
EQUITY			
Contributed equity	10	324,771	324,771
Reserves		37,007	35,004
Accumulated losses		(225,458)	(220,028)
		<u>136,320</u>	<u>139,747</u>
Total equity attributable to Company members		<u>136,320</u>	<u>139,747</u>
Non-controlling interests		8,753	7,525
Total Equity		<u>145,073</u>	<u>147,272</u>

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2011

	Consolidated Entity								
	Attributable to Company members				Attributable to non-controlling interests				
	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000	Total equity \$'000
Balance at 1 January 2010	324,771	14,631	(836,353)	(496,951)	22,060	-	(13,848)	8,212	(488,739)
Movement in foreign currency translation reserve	-	722	-	722	-	-	-	-	722
Net income recognised directly in equity	-	722	-	722	-	-	-	-	722
Loss for the half year	-	-	(37,758)	(37,758)	-	-	(3,809)	(3,809)	(41,567)
Total comprehensive income / (loss) for the half year	-	722	(37,758)	(37,036)	-	-	(3,809)	(3,809)	(40,845)
Transactions with Securityholders in their capacity as Securityholders:									
Movement in employee incentive security scheme reserve	-	1,095	-	1,095	-	-	-	-	1,095
Balance at 30 June 2010	324,771	16,448	(874,111)	(532,892)	22,060	-	(17,657)	4,403	(528,489)
Balance at 1 January 2011	324,771	35,004	(220,028)	139,747	22,060	-	(14,535)	7,525	147,272
Movement in foreign currency translation reserve	-	293	-	293	-	-	-	-	293
Net income recognised directly in equity	-	293	-	293	-	-	-	-	293
Profit / (loss) for the half year	-	-	(5,430)	(5,430)	-	-	1,228	1,228	(4,202)
Total comprehensive income / (loss) for the half year	-	293	(5,430)	(5,137)	-	-	1,228	1,228	(3,909)
Transactions with Securityholders in their capacity as Securityholders:									
Movement in treasury stock reserve	-	(627)	-	(627)	-	-	-	-	(627)
Movement in employee incentive security scheme reserve	-	2,337	-	2,337	-	-	-	-	2,337
Balance at 30 June 2011	324,771	37,007	(225,458)	136,320	22,060	-	(13,307)	8,753	145,073

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 30 June 2011

	Note	Consolidated entity	
		30 Jun 11 \$'000	30 Jun 10 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		115,913	119,077
Cash payments in the course of operations (inclusive of GST)		(108,992)	(133,808)
Dividends received		1,329	2,202
Income tax (paid) / received		(1,614)	3,138
Interest received		476	688
		<u>7,112</u>	<u>(8,703)</u>
Finance costs		(3,555)	(1,947)
Net cash inflow / (outflow) from operating activities	11(a)	<u>3,557</u>	<u>(10,650)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,433)	(945)
Payments for intangibles		(3,466)	(9,471)
Investment in joint ventures and associates		-	(861)
Proceeds from sale of controlled entities and associates		2,364	-
Repayment of joint venture and associate loans		600	1,091
		<u>7,935</u>	<u>(10,186)</u>
Net cash outflow from investing activities		<u>(7,935)</u>	<u>(10,186)</u>
Cash flows from financing activities			
Repayment of employee incentive scheme loans, net of distributions		2,632	330
Repayment of related party borrowings		(3,608)	-
Proceeds from related party borrowings		-	15,197
		<u>(976)</u>	<u>15,527</u>
Net cash (outflow) / inflow from financing activities		<u>(976)</u>	<u>15,527</u>
		<u>(5,354)</u>	<u>(5,309)</u>
Net decrease in cash and cash equivalents		<u>(5,354)</u>	<u>(5,309)</u>
Cash and cash equivalents at the beginning of the half year		18,795	27,102
Less: cash balance classified as held for sale		(2,423)	(5,763)
Cash and cash equivalents at the end of the half year	11(b)	<u>11,018</u>	<u>16,030</u>

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 30 June 2011 has been prepared in accordance with GPT Management Holdings Limited's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2010 and any public announcements made by GPT Management Holdings Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

The financial report was approved by the Board of Directors on 25 August 2011.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. No significant changes are expected to the Company's financial performance, financial position or accounting principles as a result of the application of the new and amended standards, mandatory for annual reporting periods beginning on or after 1 January 2011.

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

(c) New accounting standards and interpretations

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The Company does not plan to adopt this standard early and the extent of the impact has not yet been determined.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in other Entities and revised IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2013)

In May 2011, the IASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The AASB is expected to issue equivalent Australian standards shortly.

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 Consolidated and separate financial statements, and SIC-12 Consolidation – special purpose entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. The Company is yet to evaluate its investments in light of this new IFRS.

IFRS 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. IFRS 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The Company is yet to evaluate its joint arrangements in light of the new guidance.

IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28. Application of this standard by the Company will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Company's investments.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

IAS 27 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by the Company will not affect any of the amounts recognised in the financial statements.

Amendments to IAS 28 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Company is still assessing the impact of these amendments.

The Company does not expect to adopt the new standards before their operative date. Therefore, the Company intends to adopt the new standards from 1 January 2013.

IFRS 13 Fair value measurement (effective 1 January 2013)

IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The Company has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Company intends to adopt the new standard from 1 January 2013.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial reports. The Company is a disclosing entity and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial report of the Company.

Revised IAS 1 Presentation of Financial Statements (effective 1 July 2012)

In June 2011, the IASB made an amendment to IAS 1 Presentation of Financial Statements. The AASB is expected to make equivalent changes to AASB 101 shortly. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. It will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The Company intends to adopt the new standard from 1 January 2013.

(d) Critical accounting estimates and judgements

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

The key estimates and assumptions that have a significant risk of causing a material adjustment within the next reporting period to the carrying amounts of assets and liabilities recognised in this financial report are:

(i) Impairment of loans and receivables

Assets are assessed for impairment each reporting date by evaluating whether any impairment triggers exist. Where impairment triggers exist, management reviews the allocation of cash flows to those assets and estimates a fair value for the assets. Critical judgements are made by the Company in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

1. Summary of significant accounting policies (continued)

(d) Critical accounting estimates and judgements (continued)

(ii) Impairment of intangibles

The Company assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular intangible asset that may lead to impairment.

(iii) Share based payment transactions

The Company measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation and Binomial tree pricing models. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact the share based payment expense and equity.

(iv) Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(e) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts shown in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting

(a) Financial Performance by Segment

The segment information provided to the Chief Executive Officer (CEO) for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2011 is set out below:

30 June 2011

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotel/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
Revenue from hotel operations	-	-	-	-	-	-	-	40,785	40,785
Fund management fees	12,044	-	21,045	33,089	-	-	-	-	33,089
Property management fees	-	11,744	-	11,744	-	-	-	-	11,744
Development management fees	-	6,385	2,756	9,141	-	-	-	-	9,141
Total segment revenue	12,044	18,129	23,801	53,974	-	-	-	40,785	94,759
Other income									
Share of after tax profit of associates and joint ventures	-	-	-	-	337	1,318	-	-	1,655
Management costs recharged	-	2,686	602	3,288	-	-	-	-	3,288
Interest revenue	101	100	160	361	11	-	-	104	476
Total other income	101	2,786	762	3,649	348	1,318	-	104	5,419
Total segment revenue and other income	12,145	20,915	24,563	57,623	348	1,318	-	40,889	100,178
Expenses									
Remuneration expenses	(1,532)	(16,324)	(25,775)	(43,631)	(49)	-	-	(15,533)	(59,213)
Rental expenses attributable to hotel operations	-	-	-	-	-	-	-	(13,882)	(13,882)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(9,804)	(9,804)
Property rent and outgoings	(63)	(1,132)	(2,211)	(3,406)	-	-	-	(5,388)	(8,794)
Repairs and maintenance	(70)	(1,507)	432	(1,145)	-	-	-	(2,271)	(3,416)
Professional fees	(37)	(367)	(3,219)	(3,623)	-	(51)	-	(196)	(3,870)
Depreciation and amortisation expense	-	-	(918)	(918)	-	-	-	-	(918)
Finance costs	-	(907)	(12,531)	(13,438)	-	1	-	(2,074)	(15,511)
Other expenses - internal recharges	(3,585)	(1,731)	4,633	(683)	849	-	-	(166)	-
Other expenses	(77)	(348)	(1,992)	(2,417)	(15)	(564)	-	(635)	(3,631)
Income tax (expense) / benefit	(2,370)	1,077	5,436	4,143	-	(310)	-	2,716	6,549
Segment result for the half year*	4,411	(324)	(11,582)	(7,495)	1,133	394	-	(6,344)	(12,312)
Fair value and other adjustments to investments in joint ventures and associates	-	-	-	-	8,323	(6,149)	-	-	2,174
Net foreign exchange gain	-	-	27	27	63	196	-	-	286
Net gain / (loss) on disposal of assets	-	-	-	-	(467)	-	-	390	(77)
Revaluation on borrowings	-	907	1,484	2,391	-	-	-	4,782	7,173
Impairment reversal / (expenses)	-	-	2,559	2,559	-	-	-	(116)	2,443
Finance costs	-	-	-	-	-	-	-	(2,210)	(2,210)
Amortisation expense - intangibles and hotels and tourism	-	(1,057)	(2,027)	(3,084)	-	-	-	(23)	(3,107)
Tax impact on reconciling items from segment result to net loss for the half year	-	(641)	3,176	2,535	(1,302)	-	-	313	1,546
Others	-	-	(118)	(118)	-	-	-	-	(118)
Net profit / (loss) for the half year	4,411	(1,115)	(6,481)	(3,185)	7,750	(5,559)	-	(3,208)	(4,202)

* The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standards. The adjustments that reconcile the Segment Result to the net profit or loss for the half year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments is included in notes 2(b) and 2(c).

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(a) Financial Performance by Segment (continued)

The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2010 is set out below:

30 June 2010

	Core operations			Total continuing operations	Non-core operations					Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing**	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotel/ Tourism		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue										
Revenue from hotel operations	-	-	-	-	-	-	-	48,130	48,130	
Fund management fees	11,201	-	18,248	29,449	-	-	-	-	29,449	
Property management fees	-	13,242	-	13,242	-	-	-	-	13,242	
Development management fees	-	5,871	2,916	8,787	-	-	-	-	8,787	
Total segment revenue	11,201	19,113	21,164	51,478	-	-	-	48,130	99,608	
Other income										
Share of after tax (losses) / profit of associates and joint ventures	-	-	1	1	(3,951)	1,854	-	-	(2,096)	
Management costs recharged	-	2,321	1,014	3,335	-	-	-	-	3,335	
Interest revenue	99	-	428	527	28	-	-	133	688	
Dividend revenue	-	-	-	-	-	-	-	300	300	
Total other income	99	2,321	1,443	3,863	(3,923)	1,854	-	433	2,227	
Total segment revenue and other income	11,300	21,434	22,607	55,341	(3,923)	1,854	-	48,563	101,835	
Expenses										
Remuneration expenses	(2,056)	(17,434)	(18,847)	(38,337)	(710)	-	-	(21,245)	(60,292)	
Rental expenses attributable to hotel operations	-	-	-	-	-	-	-	(17,045)	(17,045)	
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(9,642)	(9,642)	
Property rent and outgoings	(92)	(1,461)	(1,370)	(2,923)	3	(968)	-	(8,428)	(12,316)	
Repairs and maintenance	(111)	(1,713)	462	(1,362)	(10)	-	-	(2,469)	(3,841)	
Professional fees	(6)	(350)	(4,094)	(4,450)	(114)	(128)	-	(508)	(5,200)	
Depreciation and amortisation expense	-	-	(1,475)	(1,475)	-	-	-	-	(1,475)	
Finance costs	-	-	(8,948)	(8,948)	-	(4,450)	-	(1,927)	(15,325)	
Other expenses - internal recharges	(2,998)	537	2,461	-	-	-	-	-	-	
Other expenses	(56)	(498)	(2,561)	(3,115)	(40)	(973)	-	(850)	(4,978)	
Income tax (expense) / benefit	(1,903)	(187)	3,283	1,193	(53)	(708)	-	3,433	3,865	
Segment result for the half year*	4,078	328	(8,482)	(4,076)	(4,847)	(5,373)	-	(10,118)	(24,414)	
Fair value and other adjustments to investments in joint ventures and associates	-	-	-	-	1,595	(6,084)	-	-	(4,489)	
Net foreign exchange gain / (loss)	-	-	643	643	68	(178)	-	-	533	
Net gain / (loss) on disposal of assets	-	-	(410)	(410)	-	3,807	(125)	(507)	2,765	
Cost of sale attributed to assets held for sale	-	-	-	-	-	(2,141)	-	-	(2,141)	
Impairment reversal / (expenses)	-	-	(8,573)	(8,573)	-	4,644	-	(62)	(3,991)	
Finance costs	-	-	-	-	-	-	-	(1,345)	(1,345)	
Amortisation expense - intangibles and hotels and tourism	-	(2,076)	-	(2,076)	-	-	-	(292)	(2,368)	
Tax impact on reconciling items from segment result to net loss for the half year	(1)	(203)	(1,558)	(1,762)	-	-	-	(4,305)	(6,067)	
Others	-	-	(50)	(50)	-	-	-	-	(50)	
Net profit / (loss) for the half year	4,077	(1,951)	(18,430)	(16,304)	(3,184)	(5,325)	(125)	(16,629)	(41,567)	

* The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standards. The adjustments that reconcile the Segment Result to the net profit or loss for the half year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments is included in notes 2(b) and 2(c).

**This segment was classified as discontinued operations in the annual financial report for the year ended 31 December 2010 but not in the interim financial report for the half year ended 30 June 2010. As a result, the comparatives for 30 June 2010 have been restated for consistency.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income – Continuing Operations

This reconciliation relates only to revenue and expense items from continuing operations and excludes any amounts comprising the net loss from discontinued operations.

30 June 2011

	Note	Core operations \$'000	All other segments \$'000	Total continuing operations \$'000	ROI adjustments \$'000	Total Statement of Comprehensive Income \$'000
Revenue						
Fund management fees		12,044	21,045	33,089	-	33,089
Property management fees		11,744	-	11,744	-	11,744
Development management fees		6,385	2,756	9,141	-	9,141
Total segment revenue		30,173	23,801	53,974	-	53,974
Other income						
Management costs recharged		2,686	602	3,288	-	3,288
Interest revenue		201	160	361	-	361
Net foreign exchange gain		-	-	-	27	27
Revaluation on borrowings	2(c)(iii)	-	-	-	2,391	2,391
Total other income		2,887	762	3,649	2,418	6,067
Total segment revenue and other income		33,060	24,563	57,623	2,418	60,041
Expenses						
Remuneration expenses		(17,856)	(25,775)	(43,631)	(120)	(43,751)
Property rent and outgoings		(1,195)	(2,211)	(3,406)	-	(3,406)
Repairs and maintenance		(1,577)	432	(1,145)	-	(1,145)
Professional fees		(404)	(3,219)	(3,623)	-	(3,623)
Depreciation and amortisation expense (excluding intangibles)		-	(918)	(918)	-	(918)
Amortisation expense - intangibles	2(c)(i)	-	-	-	(3,084)	(3,084)
Finance costs		(907)	(12,531)	(13,438)	-	(13,438)
Other expenses - internal recharges		(5,316)	4,633	(683)	-	(683)
Other expenses		(425)	(1,992)	(2,417)	2	(2,415)
Income tax (expense) / benefit		(1,293)	5,436	4,143	-	4,143
Add: Tax impact on reconciling items from segment result to net loss for the half year		-	-	-	2,535	2,535
Segment result for the half year		4,087	(11,582)	(7,495)	1,751	(5,744)
Reversal of prior period impairment	2(c)(ii)	-	-	-	2,559	2,559
Net profit/(loss) for the half year		4,087	(11,582)	(7,495)	4,310	(3,185)

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income – Continuing Operations (continued)

30 June 2010

	Note	Core operations \$'000	All other segments \$'000	Total continuing operations \$'000	ROI adjustments \$'000	Total Statement of Comprehensive Income \$'000
Revenue						
Fund management fees		11,201	18,248	29,449	-	29,449
Property management fees		13,242	-	13,242	-	13,242
Development management fees		5,871	2,916	8,787	-	8,787
Total segment revenue		30,314	21,164	51,478	-	51,478
Other income						
Management costs recharged		2,321	1,014	3,335	-	3,335
Interest revenue		99	429	528	-	528
Net foreign exchange gain		-	-	-	643	643
Total other income		2,420	1,443	3,863	643	4,506
Total segment revenue and other income		32,734	22,607	55,341	643	55,984
Expenses						
Remuneration expenses		(19,490)	(18,847)	(38,337)	-	(38,337)
Property rent and outgoings		(1,553)	(1,370)	(2,923)	-	(2,923)
Repairs and maintenance		(1,824)	462	(1,362)	-	(1,362)
Professional fees		(356)	(4,094)	(4,450)	-	(4,450)
Depreciation and amortisation expense (excluding intangibles)		-	(1,475)	(1,475)	-	(1,475)
Amortisation expense - intangibles	2(c)(i)	-	-	-	(2,076)	(2,076)
Net loss on disposal of assets		-	-	-	(410)	(410)
Finance costs		-	(8,948)	(8,948)	-	(8,948)
Other expenses - internal recharges		(2,461)	2,461	-	-	-
Other expenses		(554)	(2,561)	(3,115)	(50)	(3,165)
Income tax (expense) / benefit		(2,090)	3,283	1,193	-	1,193
Add: Tax impact on reconciling items from segment result to net loss for the half year		-	-	-	(1,762)	(1,762)
Segment result for the half year		4,406	(8,482)	(4,076)	(3,655)	(7,731)
Impairment expense	2(c)(ii)	-	-	-	(8,573)	(8,573)
Net profit/(loss) for the half year		4,406	(8,482)	(4,076)	(12,228)	(16,304)

(c) Description of adjustments from the Segment Result ("ROI") to Net Loss for the half year

The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at Net Loss shown in the financial statements are set out below:

(i) **Amortisation expense** is required for Australian Accounting Standards and is a non-cash transaction. The Company has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(ii) **Impairment reversal / (expense)** is required for IFRS and is a non-cash transaction. The Company has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(iii) **Revaluation on borrowings** is required for intercompany loans with General Property Trust which were modified under the Deeds of Variation in 2010 and is a non cash item. The Company has therefore excluded this amount for ROI to better reflect a cash basis in ROI.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(d) Reconciliation of Segment Assets and Liabilities to the Statement of Financial Position

The amounts provided to the CEO in respect of total assets and total liabilities are measured in a manner consistent with that of the financial report and allocated based on the operations of the segment and physical location of the assets.

The reportable segments' assets and liabilities as at 30 June 2011 and 31 December 2010 are set out below:

30 June 2011

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotel/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets									
Other current assets	9,393	2,122	41,209	52,724	-	-	-	-	52,724
Assets classified as held for sale	-	-	-	-	6,802	7,877	-	5,108	19,787
Total Current Assets	9,393	2,122	41,209	52,724	6,802	7,877	-	5,108	72,511
Non-Current Assets									
Investments in associates and joint ventures	-	-	80	80	-	-	-	-	80
Other non-current assets	-	11,034	112,356	123,390	-	-	-	-	123,390
Total Non-Current Assets	-	11,034	112,436	123,470	-	-	-	-	123,470
Total Assets	9,393	13,156	153,645	176,194	6,802	7,877	-	5,108	195,981
Other current and non-current liabilities	1,258	4,608	44,779	50,645	-	-	-	-	50,645
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	263	263
Total Liabilities	1,258	4,608	44,779	50,645	-	-	-	263	50,908
Net Assets	8,135	8,548	108,866	125,549	6,802	7,877	-	4,845	145,073

31 December 2010

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotel/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets									
Other current assets	10,221	25,079	40,299	75,599	-	-	-	-	75,599
Assets classified as held for sale	-	-	-	-	1,099	13,487	-	20,632	35,218
Total Current Assets	10,221	25,079	40,299	75,599	1,099	13,487	-	20,632	110,817
Non-Current Assets									
Investments in associates and joint ventures	-	-	78	78	-	-	-	-	78
Other non-current assets	-	12,091	96,054	108,145	-	-	-	-	108,145
Total Non-Current Assets	-	12,091	96,132	108,223	-	-	-	-	108,223
Total Assets	10,221	37,170	136,431	183,822	1,099	13,487	-	20,632	219,040
Other current and non-current liabilities	1,782	11,792	48,906	62,480	-	-	-	-	62,480
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	9,288	9,288
Total Liabilities	1,782	11,792	48,906	62,480	-	-	-	9,288	71,768
Net Assets	8,439	25,378	87,525	121,342	1,099	13,487	-	11,344	147,272

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

2. Segment reporting (continued)

(e) Identification of Reportable Segments

The Company's operating segments based on internal reports reviewed by the CEO are:

Segment	Types of products and services which generate segment revenues
Funds Management Australia	Asset and funds management of Australian wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Property Management	Property management of Australian retail assets including the retail assets in the GPT Wholesale Shopping Centre Fund.
All other segments	Costs associated with the funds management of the General Property Trust, foreign exchange gains and losses, finance costs and Company operating costs.
Discontinued operation - US Senior Housing	Investment in the entity that operated a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets. The GPT Group completed the sale of this portfolio on 29 March 2011.
Discontinued operation - Funds Management Europe	Asset and fund management in Europe through a number of small funds managed by Internos Real Investors.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture in Europe, the United States of America, New Zealand and Australia. The Company has divested of the majority of its interest in the Joint Venture with all remaining interests written down to zero.
Discontinued operation - Hotel/ Tourism	Investments in an entity that operates nature-based resorts and hotel assets. The Company has substantially divested from this segment after completing the sale of the Voyages Business Platform on 23 May 2011.

3. Dividends paid and payable

No dividends have been paid or declared for the half year (June 2010: nil).

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

4. Earnings/(loss) per share

	Consolidated Entity	
	30 Jun 11	30 Jun 10
	Cents	Cents
(a) Basic loss per share		
Basic and diluted earnings per share - loss from continuing operations	(0.24)	(0.67)
Basic and diluted earnings per share - loss from discontinued operations	(0.05)	(1.36)
Total basic and diluted earnings per share	(0.29)	(2.03)
(b) Weighted average number of ordinary stapled securities		
	Number of shares '000s	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	1,855,529	1,855,529
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)	778	64
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per ordinary share	1,856,307	1,855,593
(c) The losses used in the calculation of the basic loss per share are as follows:		
	30 Jun 11	30 Jun 10
	\$'000	\$'000
Losses reconciliation - basic and diluted		
Loss from continuing operations	(4,413)	(12,495)
Loss from discontinued operations	(1,017)	(25,263)
Profit / (loss) attributed to external non-controlling interest	1,228	(3,809)
	(4,202)	(41,567)

* The June 2010 weighted average number of securities and EPS have been adjusted for the share/stapled security consolidation effective on 19 May 2010. Refer to note 10 for further details on the share/stapled security consolidation.

(d) Information concerning the classification of securities

Performance Rights

4,128,202 Performance Rights (Jun 10: 3,818,257) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2011. Cumulatively, 12,503,236 Performance Rights have been issued up until 30 June 2011. However, only 777,838 Performance Rights are considered dilutive. As such, only 777,838 Performance Rights have been included in the determination of diluted earnings per security. No Performance Rights have been included in the determination of basic earnings per share.

5. Non-current assets and liabilities classified as held for sale, discontinued operations and other disposals

(a) Details of discontinued operations

For the half year ended 30 June 2011, there were four discontinued operations: Hotel / Tourism Portfolio, Joint Venture, Funds Management – Europe and US Senior Housing portfolios. These operations were classified as discontinued operations in the 2010 interim financial report, with the exception of the US Senior Housing portfolio for which the 30 June 2010 comparatives have been restated to be consistent with the presentation in this report.

As part of GPT's commitment to the active ownership, management and development of high quality Australian real estate in the retail, office and industrial sectors, management has continued with its plans to exit from the Hotel/Tourism sector and offshore assets and further disposals have been completed in 2011. An update on the progress of these disposals post 31 December 2010 and the remaining investments for each discontinued operation as at 30 June 2011, are discussed in detail below.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

5. Non-current assets and liabilities classified as held for sale, discontinued operations and other disposals (continued)

(a) Details of discontinued operations (continued)

(i) Hotel / Tourism

The sale contract was exchanged for the Voyages Business Platform in October 2010 and settlement occurred on 23 May 2011 with a gain on sale of \$0.4 million at 30 June 2011.

Post this transaction, GPT has substantially completed its exit from the Hotel/Tourism portfolio with remaining balances representing miscellaneous cash and receivables to the value of \$5.1 million.

(ii) Funds Management - Europe

Dutch Active Fund Propco BV (DAF)

Following regulatory consent of the legal sale of GPT Europe 2 Sarl's 38.04% shareholding in DAF, an unconditional legal sale of the investment became effective from 6 July 2010. However, until the 38.04% shareholding in DAF is on-sold to a third party by the new owners or GPT, the risks and benefits of owning this investment still remain with GPT and does not qualify as a sale under Australian Accounting Standards. As a result, at 30 June 2011 GPT Europe 2 Sarl continues to recognise the 38.04% investment in DAF for \$7.9 million.

(iii) US Seniors Housing

On 29 March 2011, GPT substantially completed the sale of the US Seniors Housing Portfolio to Health Care REIT Inc (HCN). An associate of the Company, B-VII Operations Holding Co LLC, sold property, plant and equipment for US \$34.3 million and the Company redeemed a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC for \$1.2 million with a loss on sale of \$0.5 million at 30 June 2011. Remaining balances represent working capital of the investment in B-VII Operations Holding Co LLC.

(b) Assets classified as held for sale

There are no other assets held for sale other than those assets disclosed below.

(c) Details of Assets and Liabilities of Discontinued Operations and Assets Classified as Held for Sale

The table below sets out the assets and liabilities that continue to be owned by the Company at 30 June 2011 (discussed in note 5(a)). These assets and liabilities are presented as an aggregate amount on the lines 'assets and liabilities classified as held for sale' in the Statement of Financial Position.

	Note	Discontinued Operations			Total 30 Jun 11 \$'000	Total 31 Dec 10 \$'000
		Funds				
		US Senior Housing 30 Jun 11 \$'000	Management Europe 30 Jun 11 \$'000	Hotel/ Tourism 30 Jun 11 \$'000		
Assets classified as held for sale						
Cash at bank and at call		-	-	2,423	2,423	3,711
Loans and receivables		-	-	2,685	2,685	13,267
Inventories		-	-	-	-	3,759
Investments in associates and joint ventures	(i)	6,802	7,877	-	14,679	14,458
Other assets		-	-	-	-	23
Total Assets classified as held for sale	2(d)	6,802	7,877	5,108	19,787	35,218
Liabilities classified as held for sale						
Trade payables and accruals		-	-	263	263	6,142
Other liabilities		-	-	-	-	3,146
Total Liabilities classified as held for sale	2(d)	-	-	263	263	9,288

(i) Investments in associated and joint ventures comprise:

- the 38.04% investment in DAF held at \$7.9 million. Refer to note 5(a)(ii) for further details; and
- the 95% investment in B-VII Operations Holding Co LLC held at \$6.8 million, this entity is in the process of being liquidated.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

5. Non-current assets and liabilities classified as held for sale, discontinued operations and other disposals (continued)

(d) Details of Financial Performance and Cashflow information relating to Discontinued Operations

The table below sets out the financial performance and cashflow information up to 30 June 2011 for the discontinued operations that continue to be owned by the Company at reporting date. For assets which have been divested during the period, the relevant financial performance and cashflow information up to the date of disposal have also been included. The financial performance is shown at note 2(a) within the Discontinued Operations segments. Prior year comparatives have been restated and are also included.

	Consolidated entity	
	30 Jun 11	30 Jun 10
	\$'000	\$'000
Revenue	42,555	46,494
Expenses	(44,989)	(70,124)
Loss before income tax	(2,434)	(23,630)
Income tax credit / (expense)	1,417	(1,633)
Loss after income tax of discontinued operations	(1,017)	(25,263)
Net cash inflow / (outflow) from operating activities	1,274	(6,730)
Net cash inflow from investing activities	1,162	-
Net cash outflow from financing activities	(3,762)	-
Net decrease in cash generated by discontinued operations	(1,326)	(6,730)

(e) Details of all disposals in the Statement of Comprehensive Income and Statement of Financial Position

The net profit / (loss) on sale of the discontinued operations and in the general course of business during the six months to 30 June 2011 was:

	Consolidated Entity	
	30 Jun 11	30 Jun 10
	\$'000	\$'000
Details of disposals during the half year:		
Consideration (net of transaction costs)	2,589	463
Total consideration	2,589	463
Carrying amount of net assets sold	(2,199)	(939)
Foreign exchange (loss) / gain realised on disposal	(467)	3,241
Gain / (loss) on sale before income tax	(77)	2,765
Income tax expense	-	-
Gain / (loss) on sale after income tax	(77)	2,765

The carrying amounts of assets and liabilities as at the date of disposal were:

Cash at bank and at call	1,392	-
Trade receivables	824	-
Inventories	3,489	-
Property, plant and equipment	112	939
Other assets	801	-
Total assets	6,618	939
Trade payables and accruals	2,043	-
Other liabilities	2,376	-
Total liabilities	4,419	-
Net assets	2,199	939

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

6. Investments in associates and joint ventures

Name	Principal Activity	Ownership Interest		30 Jun 11 \$'000	31 Dec 10 \$'000
		2011 %	2010 %		
(i) Joint Ventures					
Entities incorporated in Australia					
DPT Operator Pty Limited ¹	Managing property	50.00	50.00	80	78
Total investment in joint ventures				80	78
(ii) Associates					
Entities incorporated in Australia					
Lend Lease GPT (Rouse Hill) Pty Limited ²	Investment property	26.00	26.00	-	-
Total investments in associates				-	-

1. The entity has a 30 June balance date.

2. The Company owns a 52% controlling interest in GPT Residential (Rouse Hill) Trust which owns 50% of Lend Lease GPT (Rouse Hill) Pty Limited. Economically it owns 26% of the entity after taking into account the non-controlling interest.

Share of joint ventures and associates' commitments

The Company's share of its associates and joint ventures' capital expenditure commitments for the purchase of property, plant and equipment which have been approved but not provided for at 30 June 2011, and operating lease and other commitments are set out below:

	30 Jun 11 \$'000	31 Dec 10 \$'000
Capital expenditure	-	198
Operating lease	-	253
Other	-	653
Total joint venture and associates' commitments	-	1,104

7. Property, plant and equipment

	Consolidated entity	
	30 Jun 11 \$'000	31 Dec 10 \$'000
Computers		
At cost	8,305	5,785
less: accumulated depreciation and impairment	(4,319)	(3,545)
Total computers	3,986	2,240
Office, fixtures and fittings		
At cost	11,578	4,716
less: accumulated depreciation and impairment	(1,440)	(1,295)
Total office, fixtures and fittings	10,138	3,421
Total property, plant and equipment	14,124	5,661

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

8. Intangibles

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$'000	\$'000
Management rights		
At cost	54,200	54,200
less: accumulated amortisation and impairment	(43,167)	(42,109)
Total management rights	11,033	12,091
Software		
At cost	45,443	43,948
less: accumulated amortisation and impairment	(6,308)	(4,281)
Total software	39,135	39,667
Total intangible assets	50,168	51,758

Management rights

The management rights include asset, property and development management rights of retail shopping centres. The useful life of the rights range from 5 years to an indefinite life. The rights are amortised over the useful life, excluding those with an indefinite life which are tested for impairment annually and held at the lower of cost or recoverable amount.

IT development and software

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

9. Borrowings

Loan assignment - variation

In the prior year, the terms of the Company and its subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans was limited to the surplus cash of the individual companies at their loan maturity date.

Related party borrowings – non current

The following non current, unsecured borrowings were provided by GPT Trust and its subsidiaries and drawn as at 30 June 2011;

- a loan facility to GPT Management Holdings Limited of AUD \$550,000,000 was drawn to \$325,402,723 (Dec 2010: \$325,402,723). This facility expires on 31 December 2015.
- a loan facility to GPT Property Management Ltd of AUD \$50,000,000 was drawn to \$30,900,612 (Dec 10: \$29,994,123). This facility expires on 31 December 2015.
- a loan facility to GPT International Pty Limited of AUD \$120,000,000 was drawn to \$100,162,025 (Dec 10: \$98,678,136). This facility expires on 12 June 2017.
- a loan facility to Voyages Hotels & Resorts of AUD \$70,000,000 was drawn to \$68,875,344 (Dec 10: \$60,302,948). This facility expires on 24 December 2019. A second facility to Voyages Hotels and Resorts of \$75,000,000 that was drawn to \$58,454,084 at 31 December 2010 has been terminated and repaid during the half year.

Consistent with prior periods these loans have been revalued to nil.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

10. Contributed equity

	Note	Shares Number	Company \$'000	Total \$'000
Ordinary stapled securities				
1 Jan 2010	Opening securities on issue	9,277,584,743	324,771	324,771
19 May 2010	5 to 1 consolidation of stapled securities	10(a) (7,422,055,312)	-	-
31 Dec 2010	Closing securities on issue	1,855,529,431	324,771	324,771
1 Jan 2011	Opening securities on issue	1,855,529,431	324,771	324,771
30 Jun 2011	Closing securities on issue	1,855,529,431	324,771	324,771

(a) Consolidation of ordinary stapled securities

On 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole stapled security. The consolidation took effect and was completed on 19 May 2010. The effect of the consolidation was to reduce the number of stapled securities on issue by 7,422,055,312 on 19 May 2010 to 1,855,529,431.

11. Notes to the Consolidated Statement of Cash Flow

	Consolidated entity	
	30 Jun 11	30 Jun 10
	\$'000	\$'000
(a) Reconciliation of profit after income tax expense to net cash inflow / (outflow) from operating activities		
Net loss for the half year	(4,202)	(41,567)
Share of after tax (profit) / losses of associates and joint ventures	(3,829)	8,487
Net foreign currency exchange gains	(286)	(446)
Net loss / (gain) on disposal of assets	77	(2,765)
Employee incentive security scheme expenses	2,337	3,160
Depreciation and amortisation expense	4,025	3,843
Impairment (reversal) / expense	(2,443)	3,976
Interest on related party loan	14,166	14,723
Costs to sell for assets classified as held for sale	-	2,141
Revaluation on borrowings	(7,173)	-
Change in operating assets and liabilities:		
Decrease in receivables	21,354	12,247
Decrease in payables	(11,015)	(16,305)
(Increase) / decrease in deferred tax asset	(9,454)	1,856
Net cash inflow / (outflow) from operating activities	3,557	(10,650)

(b) Reconciliation of cash

	Consolidated entity	
	30 Jun 11	30 Jun 10
	\$'000	\$'000
Cash at bank	11,018	16,030
Total cash at end of the half year	11,018	16,030

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

12. Contingent assets and liabilities

Class action

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. This is said to be on behalf of certain persons who purchased GPT securities from 27 February 2008 and held securities on 7 July 2008. The allegations surround the adequacy and timing of disclosures to the market in this period. No proceedings have yet been issued. GPT was invited to enter into discussions on a without prejudice basis with Slater and Gordon and those discussions are ongoing. Failing an agreed resolution of the matter, Slater and Gordon have confirmed they intend to commence proceedings.

GPT rejects the allegations and intends to defend the claim if proceedings are commenced. GPT does not expect that any payment it could be required to make would have a material adverse effect on the Group's operational or strategic objectives, or its financial strength.

Sale of Ayers Rock Resort

As part of the agreement for the sale of the Ayers Rock Resort, the Company has indemnified the purchaser, the Indigenous Land Corporation, and its subsidiary, ILC Tourism, as follows:

- for a maximum of \$20 million in respect of a breach of the Vendor's Warranties, providing the purchaser makes a claim within 2 years from the date of completion, being 23 May 2011; and
- for a maximum of \$2.5 million in respect of any breach of Environmental Law, Contamination or any other Environmental Claim relating to the condition of Ayers Rock Resort on or prior to completion, providing the purchaser notifies the vendor within 2 years from the date of completion. Included in this \$2.5 million cap is a maximum of \$0.6 million to cover the cost of remediation work by the purchaser in the event it is required as a result of landfill testing.

It is unlikely that any notification will be received in relation to environmental matters and it is not anticipated that a claim will be brought in relation to an alleged breach of the Vendor Warranties.

Sale of US Senior Housing Portfolio

As part of the agreement for the sale of the US Senior Housing Portfolio, the Company, through its investment in B-VII Operations Holding Co, has provided indemnification to the purchaser, Health Care REIT Inc, for a maximum of US \$25 million for any breach of representation, warranties and covenants specified in the Sale Agreement and all obligations arising from any pre settlement liabilities.

It is considered that the probability of paying any indemnification is low but GPT has determined to minimise the risk by entering into Seller-Based Representation and Warranties Insurance which is for a US \$10 million limit of liability and covering a maximum period of 6 years.

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

13. Commitments

(a) Capital expenditure commitments

At 30 June 2011, the Company has commitments principally relating to the purchase of property, plant and equipment and other investments which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$'000	\$'000
Due within 1 year	3,358	10,524
Due between 1 and 5 years	-	-
Over 5 years	-	-
Total capital expenditure commitments	3,358	10,524

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2011

13. Commitments (continued)

(b) Operating leases commitments

At 30 June 2011, future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$'000	\$'000
Due within 1 year	3,737	28,500
Due between 1 and 5 years	14,755	117,930
Over 5 years	17,755	63,272
Total operating lease commitments	36,247	209,702

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

14. Net tangible asset backing

	Consolidated entity	
	30 Jun 11	31 Dec 10
	\$	\$
Net tangible asset backing per security	0.05	0.05

Net tangible asset backing per share is calculated by dividing the sum of net assets less intangible assets by the total number of potential shares.

15. Events subsequent to the reporting date

The following events have occurred subsequent to 30 June 2011:

- Post 30 June 2011 and until 23 August 2011, as part of the on-market buy-back announced on 11 May 2011, GPT has bought back 16.0 million ordinary stapled securities. This represents 0.9% of total ordinary securities.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 30 June 2011 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

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


- (a) the financial report and notes set out on pages 7 to 27 are in accordance with the *Corporations Act 2001*, including:
- complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Consolidated entity's financial position as at 30 June 2011 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

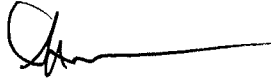
The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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

Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer



GPT Management Holdings Limited
Sydney
25 August 2011



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GPT Management Holdings Limited (the Company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for GPT Management Holdings Limited and its controlled entities (the consolidated entity). The consolidated entity comprises both the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GPT Management Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

PricewaterhouseCoopers, ABN 52 780 433 757

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

DX 77 Sydney, Australia

T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

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

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 30 June 2011 included on The GPT Group's web site. The Company's directors are responsible for the integrity of The GPT Group's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'A J Loveridge'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'A J Loveridge'.

A J Loveridge
Partner

Sydney
25 August 2011