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GPT
ANNUAL FINANCIAL REPORT



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Corporate Governance

1. INTRODUCTION

The GPT Group (GPT or the Group) comprises GPT Management Holdings Limited (ACN 113 510 188) (GPTMHL) and General Property Trust (Trust). GPT RE Limited (ACN 107 426 504) (GPTRE) AFSL (286511) is the Responsible Entity of the Trust. GPT's stapled securities are listed on the Australian Securities Exchange (ASX).

The ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (Principles), provide a

framework for good corporate governance. GPT has complied with the Principles for the 2012 year. A table summarising the Group's compliance is provided at the end of this statement.

GPT's website has a Corporate Governance section containing further information on GPT's governance practices together with copies of relevant policies such as Board and Committee Charters, Code of Conduct, Continuous Disclosure Policy, Whistleblower Policy and Personal Dealing Policy.

2. GPT'S APPROACH TO CORPORATE GOVERNANCE

GPT regards good corporate governance as being of critical importance to all of GPT's stakeholders and a fundamental component of GPT's commitment to Securityholders. GPT's Board strives to ensure that GPT meets high standards

of governance across its operations. This is an ongoing commitment, requiring continual review, modification and enhancement from time to time.

3. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

3.1. Role and Responsibilities of the Board and Delegation to Management

As a result of the stapling of GPTRE and GPTMHL, both entities operate as a coordinated group. For example, the entities must, to the extent possible, ensure the Boards of GPTRE and GPTMHL have the same composition and that meetings are held concurrently or consecutively. References to the "Board" in this statement are references to the Board of GPTRE (as responsible entity of the Trust) and GPTMHL.

The Board is accountable to Securityholders for GPT's performance and is responsible for the overall management and governance of GPT.

The Board is responsible for overseeing all of GPT's businesses, including:

- setting strategic direction and ensuring it is followed;
- approving and monitoring business plans to execute strategy;
- approving major investments and commitments above \$20 million;
- reviewing and ratifying systems of risk management, internal compliance and control and legal compliance and codes of conduct;
- reviewing Chief Executive Officer performance and results;
- reviewing Director and Senior Executive compensation and benefits; and
- approving and monitoring financial and other reporting.

The Board has established a formal Charter setting out its main responsibilities and functions.

A copy of the Board Charter can be obtained from GPT's website.

All matters not specifically reserved for the Board and necessary for the day-to-day management of GPT, are delegated to management. The Board has approved delegated authority limits for management in this context. The Board has also delegated specific responsibilities to Board Committees to deal with particular matters. These Committees are discussed in more detail below.

All new Directors have formal agreements governing their employment. These agreements prescribe:

- term of appointment – subject to Securityholder approval;
- remuneration;
- expectations in relation to attendance at meetings;
- expectations and procedures in relation to other directorships;
- procedures in relation to conflicts of interest;
- insurance and indemnity arrangements;
- compliance with governance policies (including Code of Conduct, Board and Committee Charters, Personal Dealing Policy and Conflicts Management Policy);
- access to independent advice; and
- confidentiality and access to information.

4. PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

4.1. Composition of the Board

The Boards of GPTRE and GPTMHL have the same Directors, comprising seven Non-Executive Directors and one Executive Director.

The Board represents a broad range of skills and experience to assist with decision making and leading GPT. Members of the Board have significant experience in various fields, including funds management, property investment, financial markets, accounting and general management. Details concerning the membership of the Board, the period of office and the experience and expertise of the Directors of the Board are set out in the Directors' Report.

4.2. Director Independence

The Board is responsible for determining the independence of each Director. In determining each Director's independence, the Board refers to the following criteria adapted from the Principles and set out in the Board Charter:

- the Director must be non-executive;
- the Director cannot be a substantial Securityholder of GPT;
- the Director must not have been employed in an executive capacity with GPT within the last three years;
- the Director must not have been a principal or employee of a material professional adviser or consultant to GPT within the last three years;
- the Director must not have been a material supplier or customer to GPT;
- the Director has no material contractual relationship with GPT other than as a Director;
- the Director has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT;
- the Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT;
- the Director's past performance (if applicable) in their role as a Director.

The Board recognises that the above principles are relevant in determining independence, but considers that independence is a matter of judgement having regard to all the facts and circumstances of particular relationships.

The Board considers that of the matters set out above, the most relevant consideration for determining the independence of GPT's Directors is that a Director be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of GPT. This principle is also used when considering issues such as the materiality of any identified interest, business or relationship.

The Board evaluates the materiality of any interests or relationships that could be perceived as to compromise independence on a case by case basis having regard to the circumstances of each Director.

Based on the criteria above and having taken into account the matters noted below, the Board considers all of its Non-Executive Directors to be independent.

4.3. Notification of Interests and Conflicts

Directors are required to notify the Chairman of any contract, office (including other directorships) or interest which might involve a conflict of interest and a list of interests is included at the front of the Agenda for each Board meeting.

The Board has developed a Conflicts Management Policy to provide guidance in the event of a conflict of interest arising. The Conflicts Management Policy provides guidance principally in respect of conflicts arising from the existence of obligations owed by certain Directors to other corporate entities, but also in respect of conflicts arising from any material personal interests held by the Directors. In particular, where a conflict of interest may exist, Directors will not take part in discussions or vote on the matter being considered.

A copy of GPT's Conflicts Management Policy is available on GPT's website.

4.4. Attendance at Board Meetings by Directors

The number of Board meetings and Directors' attendance at those meetings during the financial year is set out in the Directors' Report.

4.5. Access to Information and Independent Advice

Each Director enters into an Access and Indemnity Deed with GPT to ensure seven years access to documents after their retirement as a Director.

The Board collectively, and each Director individually, has the right to seek independent professional advice in the performance of their duties as a Director.

4.6. Induction and Training

On commencement of employment, all Directors and employees undertake an induction program which includes information on GPT's values, Code of Conduct, WH&S and employment practices and procedures.

General compliance training is provided to all employees and specific training is provided depending on job function (eg to meet licensing requirements, or to meet specific industry or professional body accreditation requirements). GPT has also built an in-house learning and development capability to support the maintenance and development of required employee capabilities.

Ongoing training for Directors involves education programs which are incorporated into the Board program, visits to GPT's offices or assets and presentations on developments impacting the business.

4.7. Review of Board Performance

The Board is committed to enhancing its own and management's effectiveness through a combined process of continuing education and performance management.

The Board considers that reviewing its performance is essential to good governance. This review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to assist the Board to enhance its effectiveness.

An external evaluation of the Board's performance was undertaken in 2012. It was conducted in accordance with the principles set out in this statement.

4.8. Review of Performance of Senior Executives

GPT has implemented a uniform performance management system to provide employees with clear financial and personal performance objectives. Components of this system include GPT or business unit financial and non-financial key performance indicators as well as an assessment of performance measured against GPT's values and culture.

These key performance indicators are initially set by the Board for the Chief Executive Officer and are then cascaded into the business.

The Nomination and Remuneration Committee conducts a performance review of the Chief Executive Officer annually and makes recommendations to the Board. In turn, the Chief Executive Officer conducts performance reviews of the Leadership team and reports on their performance to the Nomination and Remuneration Committee.

The performance of the Chief Executive Officer and Leadership team during 2012 was reviewed in accordance with these principles.

Further details can be found in the remuneration report on pages 19 to 35 of the Directors' Report.

4.9. Committees of the Board

The Board has established the Audit and Risk Management Committee, Nomination and Remuneration Committee and Sustainability Committee to assist it in carrying out its responsibilities.

The Chairman of each Committee is an Independent Director with the appropriate qualifications and experience to carry out that role. Members of the Committees must all be Non-Executive Directors.

Each of the Committees has a formal Charter setting out its responsibilities and functions.

Copies of these Charters can be obtained from GPT's website.

4.10. Nomination and Remuneration Committee

GPT's Nomination and Remuneration Committee was established with responsibility for identifying and making recommendations to the Board regarding the appointment of Non-Executive Directors and reviewing and making recommendations to the Board regarding remuneration of Non-Executive Directors and senior executives.

Before making a recommendation to the Board regarding the appointment of a new Director, the Nomination and Remuneration Committee will assess the appropriate mix of skills, experience and expertise required on the Board, any future succession planning needs and diversity on the Board in accordance with GPT's policy on the Selection and Appointment of Directors. An external professional recruitment search firm may also be employed.

Members of the Nomination and Remuneration Committee during 2012 were:

- Gene Tilbrook (Chairman)
- Brendan Crotty (until June 2012)
- Eileen Doyle
- Rob Ferguson

The attendance record for the Nomination and Remuneration Committee in 2012 is set out in the Directors' Report.

A copy of GPT's policy on the Selection and Appointment of Directors is available on GPT's website.

4.11. Audit and Risk Management Committee

The Board has established the Audit and Risk Management Committee to give assurance regarding the quality and reliability of financial information used by the Board and to review and report on financial statements issued by GPT.

In addition, the Audit and Risk Management Committee performs a range of advisory services to the Board, including:

- review of compliance with statutory responsibilities relating to financial disclosure;
- review of ongoing compliance with laws and regulations;
- review of ongoing compliance with the Trust's Compliance Plan;
- overseeing the establishment and implementation of internal controls and a risk management system that incorporates a system of assurance confirming GPT's risks are being considered and appropriate management plans are in place; and
- providing advice to the Board on whether the provision of non-audit services by the external auditor is compatible with the standards of independence required by the Corporations Act, 2001.

Members of the Audit and Risk Management Committee during 2012 were:

- Anne McDonald (Chairman)
- Eric Goodwin
- Lim Swe Guan (until May 2012)
- Brendan Crotty (from June 2012)

The Audit and Risk Management Committee meets a minimum of four times per year. The attendance record for the Audit and Risk Management Committee in 2012 is set out in the Directors' Report.

4.12. Sustainability Committee

GPT is also committed to operating a sustainable business delivering long-term investor value. The Board has established a Sustainability Committee with an initial focus on:

- the environment as it impacts on and is impacted by GPT's business;
- engagement of GPT's stakeholder communities (employees, tenants, suppliers and the communities within which GPT's assets are located); and
- legal and regulatory requirements in relation to environmental matters, socially responsible initiatives, and health and safety issues, including the health and safety of employees, tenants and visitors to the assets managed and owned by GPT and projects managed by GPT.

Members of the Sustainability Committee during 2012 were:

- Eileen Doyle (Chairman)
- Brendan Crotty
- Eric Goodwin

The Sustainability Committee meets a minimum of four times per year. The attendance record for the Sustainability Committee in 2012 is set out in the Directors' Report.

5. PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Funds management is a business based to a large extent upon integrity and mutual trust where the interests of all stakeholders are recognised. GPT has established a Code of Conduct to assist Directors and employees to ensure that their conduct and the conduct of GPT meets the highest ethical and professional standards.

5.1. Code of Conduct

All Directors and employees are committed to, and bound by, GPT's Code of Conduct. The Code of Conduct does not seek to provide prescriptive rules on every ethical issue that may be faced by Directors or employees. Rather it provides a benchmark for ethical behaviour to assist GPT to maintain the trust and confidence of all of GPT's stakeholders. The Code of Conduct also articulates the consequences for Directors and employees if they do not perform to the standards that are expected of them.

The Code of Conduct deals with:

- ethical behaviour;
- conflicts of interest;
- prohibition on insider trading;
- prohibition on making unauthorised gains;
- non-disclosure of confidential information;
- equal opportunity;
- fair dealing;
- health and safety;
- protection and use of company assets; and
- prohibition on making unauthorised public statements.

GPT also has a Whistleblower Policy which deals with reporting and investigating unethical behaviour.

All employees receive Code of Conduct training on commencement of employment with GPT and routine refresher training thereafter.

Copies of GPT's Code of Conduct and Whistleblower Policy can be obtained from GPT's website.

5.2. Diversity

GPT promotes an inclusive workplace where employee differences like gender, age, culture, disability and lifestyle choice are valued. The unique skills, perspectives and experience that our employees possess promotes greater creativity and innovation that better reflects and serves the needs of our diverse customer base, ultimately driving improved business performance. GPT recognises that encouraging workplace diversity is not just the socially responsible course of action but is also a source of competitive advantage for the Group.

On a macro level, GPT acknowledges that females are underrepresented in senior leadership roles and as members of boards across Australia. The Group is committed to improving gender diversity throughout the business with a particular focus on what can be achieved to improve the number of females in senior leadership roles.

The GPT Group is committed to high quality recruitment and selection process for roles at all levels of the organisation which ensures candidates are selected on the basis of individual merit without patronage or favouritism.

As an equal opportunity employer, during 2012 GPT is proud to have had an employee population which is 55% female. At the end of 2012, female representation amongst our Board of

Directors was at 33.3%, and in the Leadership team at 25%.

Work on our comprehensive Gender Diversity Strategy continued in 2012 to assist the Group in realising its objective to increase female representation in senior leadership roles to 40% by 2015. As at 31 December 2012 female representation in senior leadership roles stands at 30.23% (a slight decrease from 2011 – 32.69%).

GPT utilises a range of inputs to inform its strategy and also assess its performance in this area such as employee opinion surveys, targeted focus groups, the monitoring of a host of employee data as well as external benchmarking.

A copy of GPT's Diversity Policy and additional information regarding diversity can be obtained from GPT's website.

5.3. Trading in Securities and Hedging

In addition to its responsibilities under the Corporations Act, the Board has established a policy for Directors and employees trading in GPT Securities. This policy provides that:

- subject to specific exemptions set out in GPT's Personal Dealing Policy, Directors and employees are only permitted to trade in GPT Securities in the six week period beginning one day after the announcement of GPT's half year, full year results or the provision by the Board of forecasts in an offer document released to the market;
- even during the permitted trading window, no Director or employee may deal in GPT Securities if he or she has information which, if publicly available, might have a material impact on the price of those Securities; and
- Key Management Personnel (as defined by section 9 of the Corporations Act 2001) may not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting that persons' risk exposure in respect of an element of their remuneration that has not vested or has vested but remains subject to a holding lock.

GPT's Code of Conduct also sets out an explanation and prohibition of insider trading.

A full copy of the Personal Dealing Policy can be obtained from GPT's website.

5.4. Political Donations

GPT's policy is that of making no political donations.

5.5. Governance for Externally Managed Funds

GPT recognises that as the manager of an externally managed vehicle, conflicts or potential conflicts may arise from time to time between GPT and the externally managed funds.

Therefore effective and transparent governance procedures are vital to ensure that the interests of investors in the fund are being protected.

GPT has adopted the following basic principles for managing conflicts of interest that may arise:

- regular reporting in relation to conflicts;
- training of executives on their responsibilities in providing services to externally managed funds as part of a funds management business;
- clear delineation of the matters that require investor consent in the operation of the funds; and

- fees paid to GPT by the funds are as stipulated in the documentation establishing the fund or otherwise on an “arm’s length” basis.

GPT’s funds management business currently comprises the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund (Funds). GPT Funds Management Limited, a subsidiary of GPTMHL, is the Responsible Entity of these Funds. The Board of the Responsible Entity is responsible for all decisions in respect of the Funds and, if there is a conflict between the investors’

interests and the interests of GPT, the Board of the Responsible Entity must give priority to the investors’ interests. Under the arrangements entered into between GPT and investors, it has been agreed that the Board of the Responsible Entity will be comprised of a majority of independent directors and transactions between the Funds and GPT are to be approved by the Board of the Responsible Entity (comprised only of its independent directors).

6. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

6.1. Audit and Risk Management Committee

The Board has established the Audit and Risk Management Committee. The Audit and Risk Management Committee is comprised only of Non-Executive Directors, a majority of whom are independent.

At least one member of the Audit and Risk Management Committee has relevant accounting qualifications and experience and all members have a good understanding of financial reporting and risk management.

Further details of the structure and responsibilities of the Audit and Risk Management Committee are set out under Principle 2.

6.2. External Auditor

GPT’s external Auditor is PricewaterhouseCoopers (PWC). Under the Board’s guidelines for the engagement of, and dealing with, GPT’s Auditor:

- the Auditor’s appointment will be reviewed every five years and the lead audit and review partner must be rotated every five years;
- any major non-audit work to be undertaken by the Auditor must be approved by the Audit and Risk Management Committee; and

- the Audit and Risk Management Committee regularly monitors the type of non-audit work undertaken by the Auditor and the fees paid for such work and provides advice to the Board on the independence of the Auditor.

The Audit and Risk Management Committee is responsible for making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of external Auditors.

All fees paid to the Auditors are disclosed in GPT’s Annual Financial Report. In relation to the audit of the Annual Financial Report of GPT for the year ended 31 December 2012, PWC has provided written confirmation to the Board that, to the best of its knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001; and
- any applicable code of professional conduct.

A copy of PWC’s independence declaration is included at page 37 of the Directors’ Report.

7. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

7.1. Continuous Disclosure Policy

The Board is committed to ensuring that all stakeholders are fully informed in a timely manner so that trading in GPT Securities takes place in an informed and competitive market.

GPT has a Continuous Disclosure Policy which outlines the concepts and principles of continuous disclosure, how they apply in practice, the obligations on GPT personnel to keep the market informed at all times, the procedures to be followed in the case of a disclosable event and the penalties for contravening continuous disclosure obligations. All employees receive training on GPT’s obligations to ensure disclosure of material information.

The Company Secretary is responsible for communication with the Australian Securities Exchange in relation to listing rule obligations including continuous disclosure.

A copy of the Continuous Disclosure Policy can be obtained from the GPT website.

8. PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Board is committed to effective communication with GPT's stakeholders on all major developments and events concerning GPT's operations and financial results. To achieve this, GPT has designed a communications policy which outlines GPT's procedures for disclosure of information to the market.

8.1. Communication with Stakeholders

In addition to complying with the continuous disclosure obligations required by the Australian Securities Exchange, timely and accurate information is made available to all stakeholders. Announcements are:

- released to the Australian Securities Exchange in the case of market sensitive information;
- posted to the 'News and Media' section of the GPT website (additionally, interested parties can register for GPT's 'Alert Service' to receive an emailed message following new announcements); and
- distributed to major media and investor contacts.

Major communication forums, such as Annual and Mid-Year results briefings and the Annual General Meeting, are also webcast.

GPT maintains an extensive website which includes the following information:

- copies of Annual Reports (from 1971);
- historical information in relation to distributions including all distributions paid since 1985;
- detailed property information; and
- Board and Committee charters and policies.

Executives also meet with investors and their representatives on a regular basis to discuss GPT's performance.

Additional information regarding Stakeholder Engagement can be obtained from GPT's website under the section on Sustainability.

8.2. Annual General Meeting

GPT's Annual General Meeting is held each year, typically between April and June. In addition to formal business, the meeting is an opportunity for Securityholders to be briefed on GPT's activities and to ask questions of the Board and management.

A Notice of Meeting and accompanying Explanatory Memorandum on proposed resolutions is provided to Securityholders well in advance of any meeting of Securityholders. It is also posted on GPT's website and lodged with the Australian Securities Exchange.

Securityholders who are not able to attend GPT's Annual General Meeting are able to vote by proxy in accordance with the Corporations Act.

The Auditor attends the Annual General Meeting and is available to answer Securityholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

The Annual General Meeting is webcast via GPT's website for those Securityholders who are unable to attend in person. Additionally, the Chairman's address is immediately announced to the Australian Securities Exchange.

9. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

9.1. Risk Management Compliance Framework

Whilst GPT recognises that risk is inherent in all enterprises, GPT adopts a pro-active risk management approach directed toward realising potential opportunities whilst managing possible adverse effects. GPT also recognises that risk management is not static and systems and procedures must be able to respond to the demands of a rapidly changing market.

GPT's approach to risk management follows the 'International Standard on Risk Management ISO31000:2009'. It is also guided by the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

The Board has adopted a Risk Management Policy outlining GPT's objectives, strategies and resources to identify, evaluate, treat, monitor, quantify and report significant risks to the Audit and Risk Management Committee and, through the Audit and Risk Management Committee, to the Board. Management, through the Chief Executive Officer, is responsible for designing, implementing and reporting on the adequacy of GPT's risk management and internal control system.

The objectives of GPT's approach are to provide effective identification, assessment and management of risks that may impact on Securityholder value. Specifically:

- strategic and operational risks are reviewed at least annually by all core portfolios/businesses;
- operational risk profiles are also reviewed more frequently by portfolio risk committees; and
- executive management committees also meet regularly to deal with specific areas of risk such as WH&S and Treasury.

Underpinning this system is the recognition that while the Board retains ultimate responsibility, each level of the business is responsible for risk management, not just within GPT, but also through GPT's associated entities, service providers and business partners.

In addition, GPT's risk management system incorporates a system of assurance and internal audit activities to confirm that GPT's risk management system is functioning, key risks are being considered and appropriate management plans are being implemented to minimise key risks. GPT has an internal risk management team who assist the Chief Risk Officer in undertaking these assurance and internal audit activities.

An annual work program of assurance and internal audit activities is prepared based on the results of GPT's annual risk review. Results of assurance and internal audit reviews are reported to the Audit and Risk Management Committee and, through the Committee, to the Board.

Reporting to the General Counsel, the Compliance Manager promotes a compliance culture across GPT, while assisting management to comply with the regulatory framework within which GPT operates. This includes monitoring compliance with the Trust's Compliance Plan and other key compliance policies and procedures of GPT. Reports on compliance activities are provided to the Audit and Risk Management Committee and, through the Committee, to the Board.

The Audit and Risk Management Committee and, through it the Board, receive reports on GPT's risk management practices and control systems and the effectiveness of GPT's management of its material business risks.

9.2. Integrity in Financial Reporting, Risk Management and Internal Control

For the period ended 31 December 2012, the Board has received written assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board and that this system is operating effectively and efficiently in all material respects in relation to financial reporting. Since 31 December 2012 nothing has come to the attention of the Chief Executive Officer and Chief Financial Officer that would indicate any material change to these statements.

10. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

10.1. Nomination and Remuneration Committee

GPT's Nomination and Remuneration Committee is responsible for:

- reviewing and making recommendations to the Board on remuneration policies (including performance management and short and long term incentive schemes) applicable to GPT employees;
- reviewing the Chief Executive Officer's performance and remuneration annually, and reporting to and making recommendations to the Board thereon; and
- making recommendations to the Board on remuneration policies and packages applicable to Board members.

Further information concerning the Nomination and Remuneration Committee is set out above under Principle 2.

10.2. Remuneration Policy

GPT is a performance-based culture that creates opportunities for market competitive rewards to employees in line with their performance. As a result, GPT's remuneration strategy is focused on aligning and rewarding superior employee performance. GPT's remuneration processes are also designed to demonstrate a clear and direct link between GPT's performance and an individual's performance and remuneration.

The Board, with the assistance of the Nomination and Remuneration Committee, aims to create a remuneration system that:

- is transparent;
- is fair and market competitive;

- encourages superior performance by aligning employee rewards with the interests of all stakeholders;
- attracts, motivates, retains and rewards talented and skilled directors, executives and employees; and
- rewards employees who align their conduct and performance with the core values and culture of GPT.

Non-Executive Directors receive fees which reflect their skills, responsibility and time commitment in the discharge of their duties. There is no performance link, in that fees are fixed with no short or long term incentive schemes in place. Non-Executive Directors do not receive any retirement benefits.

GPT's philosophy and the policies and procedures that are applied to determine the nature and amount of remuneration paid to Directors and employees of GPT are set out in the Remuneration section of the Directors' Report (pages # to #).

All Senior Executives have formal agreements governing their employment. These agreements prescribe:

- job description;
- remuneration*;
- compliance with governance policies (including Code of Conduct, Personal Dealing Policy and Conflicts Management Policy);
- confidentiality; and
- notice and rights on termination*.

* Further details on these in relation to the Key Management Personnel are set out in the Remuneration section of the Directors' Report.

REQUIREMENT/RECOMMENDATIONS		REFERENCE	COMPLY
1	Lay solid foundations for Management and oversight	3	Yes
1.1	Establish functions reserved to the Board and those delegated to senior executives and disclose those functions	3.1 Board Charter Directors' Report	Yes
1.2	Disclose the process for evaluating the performance of senior executives	4.7, 4.9, 10.1, 10.2	Yes
1.3	Provide information indicated in the Guide to reporting on Principle 1.	3, 3.1, 4.7, 4.9, 10.1, 10.2 Board Charter Directors' Report	Yes
2	Structure of the Board to add value	4	Yes
2.1	A majority of the board should be independent directors	4.1, 4.2, 4.3 Board Charter Directors' Report	Yes
2.2	Chair should be an independent director	4.1, 4.2, 4.3 Board Charter Directors' Report	Yes
2.3	Roles of the chair and chief executive officer should not be exercised by the same individual	4.1, 4.2, 4.3 Board Charter Directors' Report	Yes
2.4	The Board should establish a nomination committee	4.11, 10.1, Nomination and Remuneration Committee Charter	Yes
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual directors	4.7 Board Charter	Yes
2.6	Provide the information indicated in the Guide to Reporting in Principle 2	4, 4.1, 4.2, 4.3, 4.5, 4.6, 4.7, 4.8, 4.11, Nomination and Remuneration Committee Charter, Directors' Report	Yes
3.	Promote ethical and responsible decision-making	5	Yes
3.1	Establish a code of conduct and disclose the code or a summary of the code	5.1	Yes
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and the progress in achieving them	5.2	Yes
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	5.2	Yes
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior positions and women on the board	5.2	Yes
3.5	Provide the information indicated in the Guide to Reporting in Principle 3.	5, 5.1, 5.2	Yes
4.	Safeguard integrity in financial reporting	6	Yes
4.1	Board should establish an audit committee	4.10, 4.12, 6.1	Yes
4.2	Audit committee should be structured so that: <ul style="list-style-type: none"> • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not a chair of the Board • Has at least 3 members 	4.12, 6.1 Audit Committee Charter, Directors' Report	Yes
4.3	Audit committee should have a formal charter	4.10, 4.12	Yes
4.4	Provide the information indicated in the Guide to reporting on Principle 4	4.10, 4.12, 6.1, 6.2, Audit Committee Charter, Directors' Report	Yes

REQUIREMENT/RECOMMENDATIONS		REFERENCE	COMPLY
5.	Make timely and balanced disclosure	7, 8	Yes
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Introduction, 5.3, 7.1, Directors' Report	Yes
5.2	Provide the information indicated in the Guide to Reporting on Principle 5	Introduction, 5.3, 7, 8 Directors' Report	Yes
6.	Respect the rights of shareholders	8	Yes
6.1	Design a communications policy for promoting effective communications with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy	Introduction, 8.1, 8.2	Yes
6.2	Provide the information indicated in Guide to Reporting on Principle 6	Introduction, 8, 8.1, 8.2	Yes
7.	Recognise and manage risk	9	Yes
7.1	Establish policies for the oversight and management of material business risks and disclose summary of those policies	9.1	Yes
7.2	Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	9.1, 9.2	Yes
7.3	Board should disclose whether it has received assurances from the chief financial officer that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks	9.2	Yes
7.4	Provide the information indicated in Guide to Reporting on Principle 7	9, 9.1, 9.2	Yes
8.	Remunerate fairly and responsibly	10	Yes
8.1	Board should establish a remuneration committee	4.10, 4.11	Yes
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> Consists of a majority of independent directors Is chaired by an independent chair Has at least three members 	4.11 Nomination and Remuneration Committee Charter, Directors' Report	Yes
8.3	Clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives	10.2	Yes
8.3	Provide the information indicated in Guide to Reporting on Principle 8	4.10, 4.11, 10	Yes

ANNUAL FINANCIAL REPORT OF GENERAL PROPERTY TRUST

For the year ended 31 December 2012 – THE GPT GROUP

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

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

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

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial report of the General Property Trust (the Trust) and its controlled entities (consolidated entity) for the financial year ended 31 December 2012. The consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, the GPT Group (GPT or the Group).

During the financial year, GPT RE Limited acted as the Responsible Entity of the Trust. GPT RE 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.

1. Operations and Activities

1.1 Principal Activities

The principal activities of the GPT Group remain unchanged from 31 December 2011 and are:

- investment in income producing retail, office and logistics and business parks assets;
- development of retail, office and logistics and business parks properties;
- property funds management; and
- property management.

1.2 Review of Operations

The following provides a summary of GPT's performance for the year ended 31 December 2012. Further information is provided in the Annual Review which is available on GPT's website www.gpt.com.au. Hard copies are also available on request.

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain significant items that are relevant to an understanding of GPT's result have been identified. The reconciliation of Realised Operating Income (ROI) to net profit after tax is useful as ROI is the measure of how GPT's profitability is assessed.

ROI is a financial measure that is based on the 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 ROI to net profit after tax for the 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. The ROI results are included in the Segment note (note 2) which forms part of the financial report.

The net profit after tax for the year ended 31 December 2012 is \$594.5 million (2011: \$246.2 million).

The reconciliation of ROI to Net profit after tax is set out below:

	Consolidated entity	
	2012	2011
	\$M	\$M
Core operations	566.3	555.8
Non-core operations	14.5	31.9
Financing and corporate overheads	(124.4)	(148.9)
Realised Operating Income	456.4	438.8
Change in fair value of assets (non-cash):		
Valuation increase / (decrease)		
Core Domestic Portfolios and Funds Management Australia	221.0	89.8
Non-Core Operations	0.3	(39.0)
Release of Foreign Currency Translation Reserve	-	(47.6)
Financial instruments mark to market value movements and net foreign exchange loss	(40.4)	(150.3)
Other items*	(42.8)	(45.5)
Net profit after tax	594.5	246.2

*Other items include non-cash IFRS adjustments, amortisation of intangibles, profit / loss on sale, impairment expense of assets, one-off restructuring costs and relevant tax impact.

DIRECTORS' REPORT

For the year ended 31 December 2012 – THE GPT GROUP

1. Operations and Activities (continued)

1.2 Review of Operations (continued)

Financial results

- Realised Operating Income increased by 4.0% to \$456.4 million (2011: \$438.8 million)
- Profit after tax increased by 141.5% to \$594.5 million (2011: \$246.2 million)
- Total assets increased by 0.6% to \$9,343.2 million (2011: \$9,287.6 million)
- Total borrowings decreased by \$0.5 million to \$2,143.6 million (2011: \$2,144.1 million)
- Headline gearing (net debt basis) decreased to 21.7% (2011: 22.9%). Look through gearing (net debt basis) decreased to 23.9% (2011: 24.4%)
- ROI per ordinary stapled security increased by 8.0% to 24.2 cents (2011: 22.4 cents)
- Distribution per ordinary stapled security increased by 8.4% to 19.3 cents (2011: 17.8 cents)
- Net tangible assets per stapled security* increased to \$3.73 (2011: \$3.59)

* Includes the impact of potential securities assuming the conversion of the exchangeable securities at an exchange price of \$3.883 (2011: \$3.883).

Portfolio/operational highlights

The financial performance and total assets by portfolio are summarised below along with commentary on each portfolio's operational performance.

Portfolio/Segment	Note	Realised Operating Income 2012	Realised Operating Income 2011	Total Assets 2012	Total Assets 2011
		\$M	\$M	\$M	\$M
Core					
Retail	1.2 (a)	294.0	295.4	4,489.9	4,918.4
Office	1.2 (b)	125.9	123.0	2,085.5	1,938.1
Logistics and Business Parks	1.2 (c)	66.3	55.8	989.5	832.5
Funds Management	1.2 (d)	80.1	81.6	1,152.8	1,021.7
Non-core	1.2 (e)	14.5	31.9	153.2	233.1
Financing and corporate overheads					
Corporate		(124.4)	(148.9)	472.3	343.8
Total		456.4	438.8	9,343.2	9,287.6

A description of each segment along with further detail on the types of segment income and expense is set out in note 2 of the financial report.

(a) Retail Portfolio

The Retail Portfolio delivered comparable income growth of 3.0% (excluding the Homemaker assets), underpinned by a high proportion of structured rental increases. Occupancy for the portfolio remains high at 99.5%.

The retail environment remained subdued in 2012, with comparable retail sales growth of 1.3% for total centre and 1.5% for speciality stores, but showed signs of improvement in the second half.

(b) Office Portfolio

The Office Portfolio continued its solid performance during the year, with comparable income growth of 3.8%. This performance was driven by GPT's high quality property fundamentals, including a high proportion of structured rental increases and low expiry by area.

The portfolio achieved significant leasing activity in 2012, with 135,646 sqm of new leases signed over the period. Occupancy remains high at 95.8% and the weighted average lease expiry for the portfolio increased to 5.4 years.

In 2012, GPT completed the development of One One One Eagle Street in Brisbane which has 84% of floor space committed.

(c) Logistics and Business Parks Portfolio

The Logistics and Business Parks Portfolio delivered comparable income growth for the year of 2.7%, maintaining its high levels of occupancy of 98.2% and long lease expiry of 5.8 years. The portfolio increased in size by \$157 million throughout the year, primarily as a result of acquisitions and the completion of the 5 Murray Rose development in April 2012.

1. Operations and Activities (continued)

1.2 Review of Operations (continued)

(d) Funds management

GPT Wholesale Office Fund (GWOF) has ownership interests in 14 assets with a value of \$3.6 billion. GPT Wholesale Shopping Centre Fund (GWSCF) has ownership interests in 10 assets with a value of \$2.9 billion.

The performance across the Funds' assets continues to be solid, with GWOF achieving a total return of 12.0% and GWSCF a total return of 6.2% for the year, GWSCF was impacted by writing off of stamp duty in relation to the Casuarina and Woden acquisitions at 30 June 2012.

A capital raising for both funds was launched in the September 2012 quarter with GWOF seeking equity of up to \$250 million and GWSCF seeking equity of up to \$500 million. Due to significant demand the capital raising for GWOF was increased to \$275 million, with the raising completed fully subscribed by December 2012. A total of \$161 million was raised for GWSCF, including a \$100 million investment by GPT.

(e) Non-Core Operations

Hotel/Tourism Portfolio

On 23 May 2011, GPT completed the sale of Ayers Rock Resort to the Indigenous Land Corporation. Total consideration for the sale was \$300 million, to be received in three instalments with \$81 million paid on settlement, \$81 million to be received 12 months after settlement and \$138 million to be received five years after settlement. Proceeds from the first and second instalments were used to reduce borrowings. GPT has been provided with security guaranteeing the deferred payments and will receive interest on the deferred payments at a rate of 6.5% per annum. GPT will share in 46% of the increase in capital value of Ayers Rock Resort over \$300 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of \$17 million at the end of the five year period. GPT will accrue increments of the \$17 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT has contributed \$22.2 million towards capital expenditure in March 2012 in accordance with the sale agreement.

US Seniors Housing Portfolio

On 29 March 2011 GPT completed the sale of the US Seniors Housing Portfolio to Health Care REIT Inc (HCN). The US Seniors Housing Portfolio, which consisted of a 95% interest in 34 senior living communities, was sold to HCN for US \$890 million with the proceeds used to reduce borrowings.

(f) Developments

GPT currently has five developments underway (including properties held through GWOF and GWSCF):

- Highpoint Shopping Centre is being expanded by 30,000 sqm bringing the first David Jones to Western Melbourne in additional to approximately 100 specialty shops. The development is fully leased and is due to open in March 2013;
- Wollongong Central, West Kiera is being expanded by 18,000 sqm, addressing a significant undersupply of food retail in Wollongong's city centre. The development is on track for completion in March 2014;
- 161 Castlereagh Street is a new 59,220 sqm premium grade office tower in the Sydney CBD which is on track for completion in mid-2013. The project is 96% leased with a 24 month rental guarantee on the vacant space;
- 150 Collins Street is a new 20,000 sqm A grade office tower with Premium Grade services in the Melbourne CBD due for completion in mid- 2014. It is 71% leased to Westpac with a 24 month rental guarantee on the vacant space; and
- Toll NQX in Karawatha QLD is a new 44,000 sqm logistics facility being developed for Toll Group on a 13.4 hectare site. The development is scheduled for completion in early 2014.

GPT retains a \$2.3 billion pipeline of projects underway and planned development opportunities for the medium term, subject to approvals and an appropriate level of pre-commitments.

(g) Reconciliation items from Realised Operating Income to Net Profit After Tax

These items comprise of 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.

The total of the reconciliation items increased to a profit of \$138.1 million (2011: a loss of \$192.6 million). This is caused by \$221.3 million revaluation of properties in the core and non-core portfolios (2011: \$50.8 million) and a mark-to-market fair value movement of financial instruments (a loss of \$39.9 million, 2011: a loss of \$147.0 million)). The prior year comparative also included a loss from the release of the foreign currency translation reserve of \$47.6m.

1. Operations and Activities (continued)

1.2 Review of Operations (continued)

Portfolio / operational highlights (continued)

(h) Capital Management

Highlights

At 31 December 2012

- GPT's percentage of net debt to total tangible assets is 21.7% (2011: 22.9%)
- GPT's average cost of debt has reduced from 6.6% in 2011 to 5.6% in 2012.

Debt facilities

At 31 December 2012, GPT had \$219.1 million of liquidity available in cash and committed but undrawn debt facilities. For further details refer to note 14(a).

Gearing

At 31 December 2012 the level of gearing net of cash and cash equivalents is 21.7%. GPT aims to manage gearing within a range of 25% to 35% (based on debt to total tangible assets). The range provides the flexibility to increase gearing beyond 30% if required, provided a reduction to 30% or below is achieved within a reasonable timeframe. This policy provides a conservative approach to gearing consistent with GPT's business strategy and risk profile and enhances GPT's ability to gain access to a range of funding sources through market cycles.

Credit rating

GPT has retained a Standard & Poor's rating of A- (stable) and Moody's rating of A3 (stable) during 2012.

1.3 Distributions

Distributions paid and payable to stapled securityholders for the financial year ended 31 December 2012 totalled \$341.9 million (2011: \$326.4 million). This represented an annual distribution of 19.3 cents (2011: 17.8 cents). This distribution includes 5.1 cents (\$90.1 million) in respect of the quarter ended December 2012, which is expected to be paid in mid March 2013. Further detail on quarterly distributions is set out in note 3 of the financial report.

Distribution policy

GPT will distribute the greater of 70-80% of Realised Operating Income (excluding development profits) and taxable income.

1.4 Significant Changes in State of Affairs

Significant changes in the state of the affairs of the Group during the financial year, apart from those discussed under section 1.2, were as follows:

- In February 2012, the GPT Group internalised the property management function of its 18 wholly owned logistics and office assets. Prior to February 2012, the property management function of these assets had been outsourced to Jones Lang LaSalle (JLL). This internalisation was undertaken to reinforce GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes.
- On 30 March 2012, GPT acquired CitiPort Business Park at 650-672 Lorimer Street and 272-310 Salmon Street, Port Melbourne, Victoria for a total consideration of \$61.0 million.
- On 11 May 2011, GPT announced an on-market buy-back of up to 5% of the Group's ordinary stapled securities. On 26 April 2012, GPT announced the extension of the on-market buy-back for an additional 12 months from 11 May 2012 and increased the maximum number of securities that can be purchased from 5% to 10% of ordinary stapled securities. As at 31 December 2012, the Group has bought back 88.7 million ordinary stapled securities for a total consideration of \$274.7 million. This represents 4.8% of total ordinary stapled securities at the time of the commencement of the buy-back.
- On 25 June 2012, GPT sold a 50% interest in Casuarina shopping centre in Darwin and its 50% interest in Westfield Woden shopping centre in Canberra to the GPT Wholesale Shopping Centre Fund for \$229.7 million and \$322.5 million respectively.
- On 3 August 2012, GPT acquired 83 Derby Street, Silverwater and 10 Interchange Drive, Eastern Creek in New South Wales for a total consideration of \$25.0 million and \$28.6 million respectively.
- On 10 December 2012, GPT has made an indicative and non-binding proposal to Australand Property Group in relation to the potential acquisition of its investment property portfolio and commercial and industrial business for cash. This offer was rejected by the Australand Property Group.
- On 17 December 2012, GPT acquired TOLL NQX, Karawatha in Queensland for a consideration of \$28.2 million.
- On 21 December 2012, GPT has exchanged contracts for the sale of Homemaker City Aspley and Homemaker City Jindalee for \$41.2 million and \$50.5 million respectively. The settlement is due to occur in March 2013 for Aspley and April 2013 for Jindalee.

1. Operations and Activities (continued)

1.5 Likely Developments and Expected Results of Operations

Likely developments and commentary on the expected results of operations are included in Section 1.2 of this Report.

Further information on likely developments and expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to GPT.

1.6 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 Act") and the National Greenhouse and Energy Reporting Act 2007 ("NGER Act").

The EEO Act 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 2011 to 30 June 2012 period to ensure that the Energy Efficiency Opportunities data is made available in a public report on the GPT website by the required date of 31 December 2012.

The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2011 to 30 June 2012. GPT has implemented systems and processes for the collection and calculation of the data required which enabled submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2012.

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

1.7 Events Subsequent to Reporting Date

On 13 February 2013, a distribution of 5.1 cents per stapled security (\$90.1 million) was declared for the quarter ended 31 December 2012 (refer to note 3(a)(ii)).

During January and February 2013, GPT priced HKD 800 million (AUD \$100 million) fixed rate Medium Term Notes (MTNs) for a term of 15 years providing additional liquidity to the Group. HKD 600 million of these MTNs were settled on 5 February 2013 and the remaining MTNs will be settled on 22 February 2013.

Other than above, the Directors are not aware of any matter or circumstance occurring since 31 December 2012 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.

2. Directors and Secretary

2.1 Directors

(i) Chairman – Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan (retired on 7 May 2012)

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

2. Directors and Secretary (continued)

2.2 Information on Directors

Rob Ferguson – Chairman

Mr Ferguson joined the Board on 25 May 2009.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson is currently the Non-Executive Chairman of IMF (Australia) Limited, Non-Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited.

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust for 15 years and was an independent Non- Executive Director of Westfield for 10 years.

Mr Ferguson is a member of the Nomination and Remuneration Committee.

Michael Cameron – Chief Executive Officer and Managing Director

Mr Cameron joined The GPT Group as CEO and Managing Director on 1 May 2009.

Mr Cameron has over 30 years' experience in Finance and Business, including 10 years with Lend Lease, where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business.

More recently Michael was Chief Financial Officer then Group Executive of the Retail Bank Division for the Commonwealth Bank of Australia, and Chief Financial Officer of St George Bank.

Mr Cameron is a Non-Executive Director of the Great Barrier Reef Foundation and a Non-Executive Director of Suncorp Group Limited and its regulated entities.

Eric Goodwin

Mr Goodwin was appointed to the Board in November 2005.

Mr Goodwin has experience in design, construction, and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio and he was the founding Fund Manager of the Australian Prime Property Fund.

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and DUET Management No 2 Limited (responsible entity of Diversified Utility and Energy Trust No. 2).

Mr Goodwin is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Anne McDonald

Ms McDonald was appointed to the Board on 2 August 2006.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non-Executive Director of Westpac's Life and General Insurance businesses. Ms McDonald provides an advisory role to the Norton Rose Australian Partnership Council.

Ms McDonald is Chair of the Audit and Risk Management Committee.

Lim Swe Guan (retired from the Board on 7 May 2012).

Mr Lim was appointed to the Board on 21 April 2009. Mr Lim has over two decades experience in the real estate sector in Australia and internationally, most recently as Managing Director of GIC Real Estate until February 2011.

Mr Lim was a member of the Audit and Risk Management Committee.

Brendan Crotty

Mr Crotty was appointed to the Board on 22 December 2009.

Mr Crotty brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

He is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific and a director of the Barangaroo Delivery Authority.

Mr Crotty is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

2. Directors and Secretary (continued)

2.2 Information on Directors (continued)

Eileen Doyle

Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non-Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Hunter Valley Research Foundation (Chairman), CSIRO (Deputy Chairman), Bradken Limited and Boral Limited.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

Gene Tilbrook

Mr Tilbrook was appointed to the Board on 11 May 2010.

Mr Tilbrook brings extensive experience in finance, corporate strategy, investments and capital management.

Mr Tilbrook is a Non-Executive Chairman of Transpacific Industries Group Ltd (retiring in March 2013) and a Non-Executive Director of Fletcher Building Ltd and Aurizon Holdings Limited.

Mr Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and Curtin University and a member of the board of the UWA Perth International Arts Festival and the Bell Shakespeare Company.

Mr Tilbrook is Chair of the Nomination and Remuneration Committee.

James Coyne – Company Secretary

Mr Coyne is responsible for the legal, compliance and company secretarial activities of GPT. He was appointed the General Counsel/ Company Secretary of GPT in 2004. Previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and unlisted).

2.3 Attendance of Directors at Meetings

The number of Board meetings, including meetings of Board Committees, held during the financial year and the number of those meetings attended by each Director is set out below:

	Board		Audit and Risk Management Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chairman	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	12	12	-	-	7	7	-	-
Michael Cameron	12	12	-	-	-	-	-	-
Brendan Crotty ¹	12	12	2	2	4	4	4	4
Eileen Doyle	12	12	-	-	7	7	4	4
Eric Goodwin	12	12	5	5	-	-	4	4
Lim Swe Guan ²	2	3	2	2	-	-	-	-
Anne McDonald	12	12	5	5	-	-	-	-
Gene Tilbrook	12	12	-	-	7	7	-	-

¹ Brendan Crotty was appointed to the Audit and Risk Management Committee on 22 June 2012 and resigned from the Nomination and Remuneration Committee on 22 June 2012.

² Lim Swe Guan retired as a director on 7 May 2012.

DIRECTORS' REPORT

For the year ended 31 December 2012 – THE GPT GROUP

2. Directors and Secretary (continued)

2.4 Directors' Relevant Interests

The relevant interests of each Director in GPT stapled securities as at the date of this Report are shown below:

	Number of GPT Stapled Securities
Rob Ferguson	204,082
Michael Cameron	537,094 Stapled Securities 1,997,060 Performance Rights
Brendan Crotty	30,000
Eileen Doyle	1,600
Eric Goodwin	15,584
Lim Swe Guan	Nil
Anne McDonald	9,450
Gene Tilbrook	20,000

2.5 Directors' Directorships of Other Listed Companies

Details of all directorships of other listed entities held by each current Director in the three years immediately before 31 December 2012 and the period for which each directorship was held are set out below:

Rob Ferguson	IMF (Australia) Limited (since 2004) Primary Health Care Limited (since 2009)
Brendan Crotty	Brickworks Limited (since 2008)
Eileen Doyle	One Steel Limited (from 2000 until 2010) Boral Limited (since 2010) Ross Human Directions Limited (from 2005 until 2010) Bradken Limited (since 2011)
Eric Goodwin	DUET Management No. 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No. 2 (one of the stapled entities within the DUET Group) (since 2004)
Lim Swe Guan	Thakral Holdings Limited (from 2004 until 2012)
Anne McDonald	Speciality Fashion Group Limited (since 2007) Spark Infrastructure Group (since 2009)
Gene Tilbrook	Transpacific Industries Group Limited (from 2009 to 2013) Fletcher Buildings Limited (since 2009) Aurizon Holdings Limited (since 2010)
Michael Cameron	Suncorp Group Limited (since 2012)

3. 2012 Remuneration Report

3.1 Remuneration in Brief

The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2012 Remuneration in Brief, outlines the key remuneration decisions taken by GPT during the year, and shows the actual cash value of remuneration paid to GPT executives who – along with the non-executive Directors – comprise the key management personnel (KMP)³. The full Remuneration Report for 2012, starting on page 22, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2012 in accordance with statutory obligations and accounting standards.

³ It should be noted that the KMP also includes the five highest paid executives, and should be interpreted as such throughout this report.

Key remuneration drivers and actions in 2012

In 2012, the Board continued to take a conservative approach to executive remuneration. The Board actively engaged with GPT investors and stakeholders and was proactive about ensuring that there was strong alignment between GPT's performance and executive reward outcomes. Each of these actions is outlined below and in greater detail throughout the remainder of the Remuneration Report.

Base (Fixed) Pay

The disciplined execution of GPT's strategy during the year which focussed on owning and actively managing quality Australian property assets generated pleasing financial results for investors in 2012. The Board maintained a prudent approach to executive remuneration, the growth of which continued to be moderate. In the review of employee base salaries in December 2011, the Board decided to:

- implement only a modest review of base pay, effective 1 January 2012, averaging 2%; and
- maintain the freeze on Non-Executive Director fees in 2012 for the 5th successive year.

Short Term Incentives

The Board also continued to maintain a focus on ensuring that the quantum of short term incentives (STI) received by executives was:

- market based and appropriate;
- aligned to GPT's performance; and
- demanding of performance that was sufficiently challenging.

In line with the financial performance delivered by management in 2012, actual STI's received by management were towards the upper end of potential.

During calendar year 2012 the Committee undertook a review of STI arrangements with a view to:

- ensuring that the targets set continue to represent the appropriate degree of stretch for management; and
- reducing the overall STI pool to reflect a more moderate market for employee Total Compensation.

With these objectives in mind, in 2013 the Committee will:

- consider the 2012 business results and the 2013 budget in detail before setting the 2013 STI targets. With the consistent strong performance of the business in 2010, 2011 and 2012, both management and the Board are keen to set higher and more challenging targets within our prevailing risk appetite; and
- introduce an STI funding model that will reduce the overall STI outcome at benchmarks, while retaining a potential stretch STI for commensurate performance. The Committee and management are of the view that greater scarcity in STI funds will lead to better performance outcomes and a more merit based differentiation of rewards.

These changes to the STI framework will be outlined in more detail in the 2013 Remuneration Report.

3. 2012 Remuneration Report

3.1 Remuneration in Brief (continued)

Long Term Incentives

The Board sought and received approval from GPT security holders at the 2012 Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme. The scheme has three performance measures of GPT's performance, each of equal weight:

- **Total Shareholder Return (TSR)** – TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.
- **Adjusted Earnings per Security Growth (EPS Growth) relative to the Consumer Price Index (CPI)** – This performance measure sets an EPS growth range (EPS excluding fair value adjustments) for each Performance Period calculated by reference to the CPI; and
- **Total Return (TR)** – Total Return is defined as the sum of the change in Net Tangible Assets (NTA) excluding movements in GPT's equity base arising from capital raisings or capital returns, plus distributions over the Performance Period, divided by the NTA at the beginning of the Performance Period.

Taking into account feedback from investors and other stakeholders, and to ensure that performance levels were sufficiently challenging for executives, the Board increased the threshold level of performance required for an LTI award in both the EPS Growth and TR measures in the 2012 LTI.

The 2010 LTI, covering GPT's performance for the three calendar years of 2010-2012, concluded at the end of 2012. For the first time since the commencement of LTI plans at GPT the Group's performance exceeded the threshold performance hurdle on two of the three LTI performance measures, leading to the delivery of LTI awards to participants in the form of GPT stapled securities. The Committee believes that achievement of this ownership position by participants further strengthens their alignment with investors.

Employee Ownership

The Board believes in creating ways for employees to build an ownership stake in the business, and the benefits that this 'culture of ownership' brings in terms of loyalty, commitment and discretionary effort. For executives, and based on performance, this is achieved through the LTI.

Employees who are not eligible for the LTI may participate in the General Employee Security Ownership Plan (GESOP). Under GESOP individuals receive an additional benefit equivalent to 10% of their STI which is - after the deduction of income tax - invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

External environment

In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, and is actively monitoring the tax, regulatory and governance activities impacting remuneration. In 2012, the Board sought external advice on market practice and prevailing regulatory and governance standards from Ernst & Young, Johnson, and Freehills. The Board did not receive any Remuneration Recommendations from Remuneration Consultants as defined under the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel

The disclosed remuneration of GPT's KMP in the Remuneration Report on page 32 is calculated in accordance with statutory obligations and accounting standards. As a result, it is based on accounting principles and includes accounting values for current and prior years' LTI grants which have not vested (and may never vest) as they are dependent on performance measures being met.

GPT has chosen to include in the Remuneration in Brief the following table (Table 1) on the next page, which discloses the Cash and Other Benefits received by GPT's KMP, as distinct from the accounting expense. As a result, it does not align to Australian Accounting Standards as it is on a cash basis; Table 13 on page 32 details the statutory accounting balances. Table 1 also includes an outline of the current and potential GPT security ownership position of executives effective 31 December 2012 that has been established during their career to date with GPT.

3. 2012 Remuneration Report (continued)

3.1 Remuneration in Brief (continued)

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel (continued)

Table 1 – Cash and Other Benefits received by GPT's KMP

Senior Executives	Position	Cash & Other Benefits actually received by executives in 2012					Current GPT security ownership at 31/12/12		GPT Performance Rights that Lapsed in 2012	Future GPT securities subject to performance at 31/12/12
		Base (Fixed) Pay	STI	LTI ¹	Other ²	Total	Previously Vested GPT Security Holding ³	GPT Securities that Vested in 2012 ⁴	2010 LTI Performance Rights that Lapsed ⁵	Unvested GPT Securities & Performance Rights ⁶
		\$'000	\$'000	\$'000	\$'000	\$'000	# of securities	# of securities	# of rights	# of securities & rights
Michael Cameron	Managing Director and Chief Executive Officer	1,450.0	1,512.9	1,214.6	226.0	4,403.5	66,103	490,940	247,102	1,730,010
James Coyne	General Counsel / Company Secretary	480.0	247.2	317.1	3.3	1,047.6	-	89,552	64,522	322,171
Matthew Faddy	Head of Asset Management	500.0	438.7	227.7	2.4	1,168.8	-	64,305	46,333	282,307
Mark Fookes ⁷	Chief Financial Officer	775.0	586.7	506.1	5.3	1,873.1	-	142,902	102,960	520,173
Nicholas Harris	Head of Funds Management	725.0	595.5	411.6	4.2	1,736.3	-	116,227	83,741	450,677
Carmel Hourigan ⁸	Head of Investment Management	104.7	-	-	350.0	454.7	-	-	-	315,690
Anthony McNulty	Head of Development Retail and Major Projects	563.7	455.7	276.3	3.0	1,298.7	-	78,024	56,217	369,155
Michael O'Brien ⁹	Group Executive Corporate Development	830.0	692.8	556.7	3.8	2,083.3	76,909	157,193	113,255	557,089
John Thomas ¹⁰	Head of Development Commercial and Industrial	337.2	265.0	-	1.0	603.2	-	-	-	172,720

1 For the purposes of recording a value in Table 1 for LTI, the number of GPT Group performance rights that vested under the 2010 LTI for each participant have been valued using GPT's fourth quarter 2012 volume weighted average security price (VWAP) of \$3.5415. More details about the 2010 LTI and GPT's performance against the various performance measures are set out in Tables 9 and 10.

2 Other includes the value of sign on Performance Rights from 2009 that vested in 2012 (Michael Cameron), sign on payments (Carmel Hourigan), Death & Total/Permanent Disablement insurance premiums, superannuation plan administration fees, executive health assessments, and other benefits.

3 Vested GPT Security Holding is the actual number of vested GPT securities held by individuals as a result of their employment that vested prior to 2012. This *excludes* GPT securities bought privately by the individual.

4 GPT Securities that Vested in 2012 represent the actual number of GPT securities that have vested to the individual in 2012. For all individuals, this figure represents GPT securities that vested as a result of GPT's performance in the 2010 LTI covering the performance period 2010-2012. For Michael Cameron specifically, the figure comprises

- 342,966 Performance Rights that vested under the 2010 LTI;
- 81,871 deferred securities from his 2009 Short Term Incentive that vested on 31 March 2012; and
- 66,103 Performance Rights from his sign on package at the commencement of his employment on 1 May 2009 that vested on 30 June 2012.

5 2010 LTI Performance Rights that Lapsed sets out the number of performance rights that were awarded to a participant in the 2010 LTI that did not vest at the end of the 2010-2012 performance period, and as a result, lapsed.

6 Unvested GPT Securities and Performance Rights is the total of unvested GPT securities and Performance Rights granted over the years that are currently on foot and *excludes* any GPT securities or Performance Rights that may have lapsed up to 31 December 2012. This number comprises sign on rights that are yet to vest (Carmel Hourigan), deferred STI into equity that is yet to vest (Michael Cameron) and grants of Performance Rights under the various LTI schemes that are subject to the various performance measures and are yet to vest (all executives). This highlights the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, any securities or Performance Rights listed in this column should be considered "at risk", are not guaranteed, and indeed may never vest.

7 Mark Fookes was Head of Investment Management until he was appointed Chief Financial Officer on 1 October 2012.

8 Carmel Hourigan joined GPT on 8 November 2012.

9 Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

10 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report

Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2012, which forms part of the Directors Report and has been prepared in accordance with section 300A of the *Corporations Act 2001* for the Group for the year ended 31 December 2012.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's key management personnel (KMP) – including the five highest paid executives - who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives). The data provided in the Remuneration Report was audited as required under section 308(3C) of the *Corporations Act*.

In 2012 the Nomination & Remuneration Committee (the Committee) initially comprised 4 Non-Executive Directors:

- Gene Tilbrook (Chairman)
- Brendan Crotty⁴
- Eileen Doyle
- Rob Ferguson

⁴ Brendan Crotty left the Committee on 22 June 2012, and as a result the Committee concluded the year with the 3 remaining members.

The Committee provides advice and recommendations to the Board on:

- criteria for selection of Directors;
- nominations for appointment as Directors (either between AGMs or to stand for election);
- criteria for reviewing the performance of Directors individually and the GPT Board collectively;
- remuneration policies for Directors and Committee members;
- remuneration policy for senior executives;
- incentive plans for employees; and
- any other related matters regarding executives or the Board.

Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).

Key Issues and Changes made in 2012

Remuneration Outcomes aligned to GPT's Performance

In 2012 GPT continued to resolutely pursue the Group's articulated strategy of owning and actively managing quality Australian property assets. While the financial performance was pleasing, market conditions remained cautious and growth in executive pay levels continued to be moderate. Against that background the Board continued to exercise caution with regard to executive remuneration. The main areas of activity in 2012 are outlined in Table 2, below:

Table 2 – Main areas of activity in 2012

Activity	Who is affected?	Explanation
Maintain restraint on executive salaries	Leadership Team and other employees	Base remuneration increases for 2012 were capped at an average 2% across the business.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees in 2012 for Non-Executive Directors for the 5th successive year.
Review of STI targets and overall STI quantum	All employees	In 2012 the Committee has worked with management and agreed that in 2013 STI will be driven off higher targets than in 2012. In addition, in 2013 the Group will introduce an STI funding model that will lead to a lower overall potential STI pool; by infusing greater scarcity into STI funding the Board and management believe better performance outcomes can be achieved by a more merit based differentiation of rewards.
Strengthened 2012 LTI Performance Measures	Leadership Team and other participating executives	To more tightly align with GPT's articulated financial performance objectives, the Board decided to increase the Threshold level of performance required for an LTI award in both the EPS growth and TR measures in the 2012 LTI (see Table 9 on page 29). These adjustments were approved by security holders at the Annual General Meeting in May 2012.
Continued initiative to build culture of ownership	All employees excluding the LTI participants	Under the General Employee Security Ownership Plan (GESOP) an amount equivalent to 10% of an individuals' STI was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Key Issues and Changes made in 2012 (continued)

CEO Remuneration Structure and Contract Terms

The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Table 3 – Key terms of Michael Cameron's Remuneration Arrangements

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of the CEO against: <ul style="list-style-type: none"> • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
Remuneration mix	In 2012, Mr Cameron's remuneration mix was as follows: Base (Fixed) Pay: \$1,450,000. STI: \$0 to \$1,812,500 based on performance and paid in cash (ie 0% to 125% of base pay). Further details on STI terms are set out on pages 26 and 27. LTI: \$0 to \$2,175,000 based on performance and continued service and delivered in GPT stapled securities (ie 0% to 150% of base pay). Further details on LTI terms (including performance measures) are set out on pages 28, 29 and 30.
External Directorships	Under GPT policy Mr Cameron is eligible to take up one external Directorship. In 2012 Mr Cameron was invited to join the Suncorp Group Board. All Board fees received by Mr Cameron associated with this appointment are paid to GPT.
Contract duration	A rolling 12 month contract.
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) pay.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

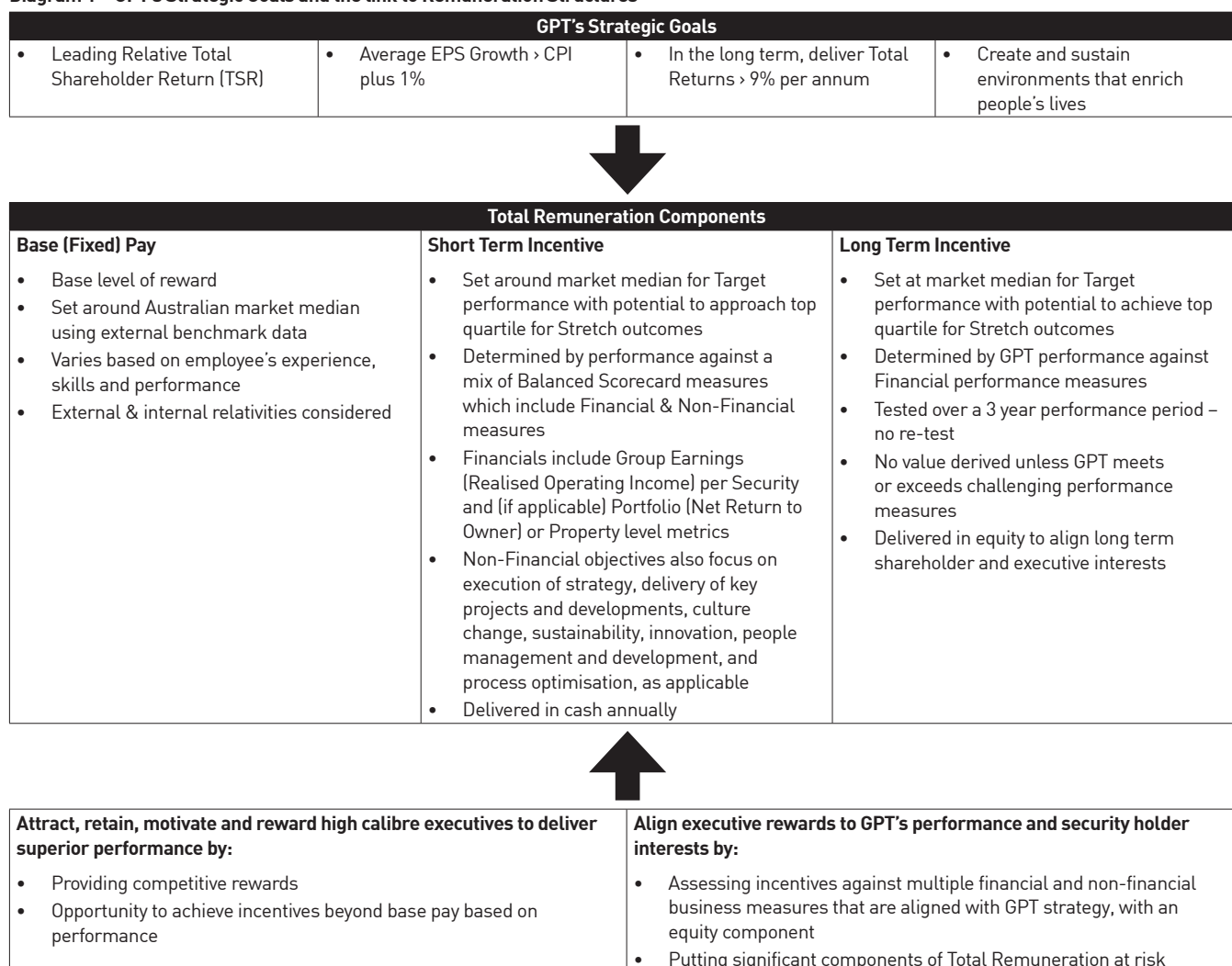
GPT's Remuneration Strategy

Alignment of GPT's Remuneration Strategy and Business Strategy

The Board is conscious of the need to set a remuneration strategy that supports and drives achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving challenging targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The following diagram (Diagram 1) shows the key objectives of GPT's remuneration policy and how these are implemented through our remuneration structures.

Diagram 1 – GPT's Strategic Goals and the link to Remuneration Structures



3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Total Remuneration Mix

As depicted in Diagram 1 above, the remuneration structure at GPT is a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base pay is designed to provide a predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance measures are met or exceeded.

The Total Remuneration mix of components for those executives with ongoing employment at the end of 2012 is set out in Table 4, below:

Table 4 – Total Remuneration Mix of Fixed and At Risk Remuneration

Senior Executives	Position	Fixed Remuneration	Variable or "At Risk" Remuneration ¹	
		Base Pay	STI	LTI
Michael Cameron	Managing Director and Chief Executive Officer	36%	36%	28%
James Coyne	General Counsel / Company Secretary	50%	25%	25%
Matthew Faddy	Head of Asset Management	43%	35%	22%
Mark Fookes	Chief Financial Officer	43%	35%	22%
Nicholas Harris	Head of Funds Management	43%	35%	22%
Carmel Hourigan	Head of Investment Management	43%	35%	22%
Anthony McNulty	Head of Development Retail and Major Projects	43%	35%	22%
Michael O'Brien	Group Executive Corporate Development	43%	35%	22%
John Thomas	Head of Development Commercial and Industrial	40%	40%	20%

¹ The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.

Base (Fixed) Pay

Base remuneration is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, responsibility and general performance. This process involves market-based reviews conducted by independent experts benchmarking GPT executives against comparable peers in companies in the A-REIT and, where relevant, broader ASX 200 sectors. GPT generally aims to pay around market median base salary.

Table 5 – Base Pay

What is included in Base (Fixed) Pay?	Base pay includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base Pay reviewed?	Base pay is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are appropriate and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of the CEO annually by Ernst & Young, much of it focussed on publicly available data from annual reports. In 2012, the Committee also sought market data on the Leadership team from Johnson. More broadly, the business relies on benchmarking relevant to the property sector including the Avdiev Property Industry Remuneration Report. For more specialist functional roles management will source multiple benchmarks from reputable recruitment agencies and other informed sources.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Short Term Incentives (STI) (variable component)

GPT employees have an opportunity to receive an STI based on calendar year performance. STI levels are set as part of the process of benchmarking the Total Remuneration opportunity for each role. GPT generally aims to set STI opportunity at market median for Target performance with potential to approach top quartile for Stretch outcomes.

Table 6 – GPT's STI Plan

What is the STI plan?	The STI is an 'at-risk' incentive awarded annually in the form of cash subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).		
Who participates in the STI plan?	All permanent GPT employees with greater than 3 months service at the end of the applicable calendar year are eligible – subject to performance – to receive an STI.		
Why does the Board consider the STI an appropriate incentive?	Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.		
Are both target and stretch performance measures set?	Yes. Stretch performance measures can reward exceptional performance beyond the acceptable Target outcomes and can motivate individuals to strive for the mutual benefit of themselves and the business.		
What is the value of the STI opportunity?	The STI opportunity is expressed as a percentage of Base (fixed) pay, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges:		
	Level	Target Incentive Range	Stretch Incentive Range
	CEO	100%	125%
	Executives	50-80%	62.5-100%
	General employees	10-30%	12.5-37.5%
	If a minimum or Threshold level of objective achievement is not delivered then STI would be nil. STI outcomes are capped at the Stretch level.		
What are the Financial performance measures?	In 2012 the main Group Financial performance measure was Earnings (Realised Operating Income) per Ordinary Security and based on Board discretion of: Threshold: 22.8cps (2% growth on the 2011 result) Target: 23.3cps (4% growth on the 2011 result) Stretch: 23.7cps (6% growth on the 2011 result) While all employees have a common Group Financial performance measure, whether there are other additional performance measures depends on the individuals' role, as does the (indicative) mix between Financial and Non-Financial measures:		
	Level	Financial Measures	Non-Financial Measures
	CEO	70%	30%
	Executives	60%	40%
	General employees	20%	80%
	Financial measures are applied at the Group, Portfolio, and Asset level		
What are the Non-financial performance measures?	Non-Financial measures include Balanced Scorecard items focussed on the Customer, Internal processes, and People & Knowledge perspectives. In addition, they may also focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation.		
How is performance measured?	Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal Performance Agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.		
Who assesses performance against targets?	The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Leadership Team.		

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Short-term Incentive Outcomes

In 2012 GPT achieved an Earnings (Realised Operating Income) per Ordinary Security growth result of 8% (24.2cps) which would exceed the Stretch target of 6% (23.7cps). However, the Committee exercised its discretion to adjust ROI down by adding back some below the line costs and eliminating the benefits of interest rate hedge changes, and as a result the STI award was based on an adjusted EPS growth of 4.65%.

Table 7 – Short Term Incentive Outcomes

Senior Executives	Position	Actual STI Awarded (\$'000)	Actual STI Awarded as a % of Maximum STI	% of Maximum STI Award Forfeited
Michael Cameron	Managing Director and Chief Executive Officer	\$1,512,939	83.47%	16.53%
James Coyne	General Counsel / Company Secretary	\$247,174	82.39%	17.61%
Matthew Faddy	Head of Asset Management	\$438,725	87.75%	12.26%
Mark Fookes	Chief Financial Officer	\$586,672	75.70%	24.30%
Nicholas Harris	Head of Funds Management	\$595,483	82.14%	17.86%
Carmel Hourigan ¹	Head of Investment Management	-	-	-
Anthony McNulty	Head of Development Retail and Major Projects	\$455,690	80.83%	19.17%
Michael O'Brien	Group Executive Corporate Development	\$692,822	83.47%	16.53%
John Thomas ²	Head of Development Commercial and Industrial	\$264,978	65.23%	34.77%

¹ As Carmel Hourigan joined GPT on 8 November 2012 she was not eligible for an STI in 2012.

² As John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012, his Actual STI Awarded only relates to the period from 1 July – 31 December 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Long Term Incentives (LTI) (variable component)

GPT executives who have the most ability to influence the long term commercial performance of the Group are invited by the Board to participate in an equity-based LTI scheme under which awards may vest if specified performance measures are achieved over a 3 year performance period. Combined with the Base (fixed) pay and STI potential, the LTI provides a further opportunity to achieve Total Remuneration around market median for Target performance, with potential to approach top quartile for Stretch performance outcomes.

Table 8 – GPT's LTI Plan

What is the purpose of the LTI plan?	The purpose of the LTI plan is to align senior executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, his direct reports, and a small number of other senior executives with the greatest ability to impact on the long term performance of GPT. In 2012, 29 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2012 LTI is based on a percentage of the participants' base pay with the maximum (Stretch) opportunity in 2012 as follows: <ul style="list-style-type: none"> • for the CEO it was equivalent to 150% of base pay • for Leadership Team members it was 100% of base pay • for all other participants it was equivalent to 75% of base pay
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. For the 2012 LTI, the number of Rights granted was determined by dividing GPT's last quarter 2011 volume weighted average security price (VWAP) of \$3.1361 into the grant value.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive dividends, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise. During 2012, several executives left the group in 'good leaver' scenarios and were allowed to retain a portion of the performance rights granted to them, pro-rated to their period of service during the life of the applicable plan(s), to be measured at the end of the applicable plan(s) life in the same manner as ongoing employees.
What are the performance hurdles?	See table 9.
Are Rights subject to retesting if they do not vest on initial testing?	No. There is no retesting of Rights that do not vest after being first tested for satisfaction against the performance measures at the end of the 3 year period.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Long Term Incentives (LTI) (variable component) (continued)

The performance measures and hurdles for GPT's LTI plan, which have been approved by GPT security holders, are summarised in table 9, below, along with the results for each plan at the end of the applicable three year period (where known).

Table 9 – GPT LTI Plan Performance Measures, Hurdles & Results

LTI	LTI Performance Measurement Period	Performance Measure	Performance Measure Hurdle	Weighting	Results	Percentage of 2010 Performance Rights vesting for each Performance Measure ¹ (%)
2010	2010-2012	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd	GPT's TSR performance of 43% ranked 3rd out of the 7 participants, which translated to a percentile of 66.7.	82.70%
		Earnings per security growth (EPS) vs the CPI. ²	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3 rd	GPT achieved EPS growth of 10.5% versus CPI of 8% and CPI plus 1% of 11%.	91.67%
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3 rd	GPT achieved a compound annual TR of 7.32%, which was below the Threshold of 8%.	0%
2011	2011-2013	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd		
		Earnings per security growth (EPS) vs the CPI.	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3 rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3 rd		
2012	2012-2014	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd		
		Earnings per security growth (EPS) vs the CPI.	50% of rights vest if EPS growth = CPI plus 1%, up to 100% if EPS growth = CPI plus 1.5% percentile (pro rata vesting in between).	1/3 rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	50% of rights vest at 9% TR, up to 100% at 9.5% TR (pro-rata vesting in between).	1/3 rd		

¹ Refer to Table 1 to see how many Performance Rights vested and lapsed for each participant in the 2010 LTI.

² The EPS growth calculation for 2010 relies on a rebased 2009 EPS figure of 21.30cps versus the 2010 result of 20.74cps. The rebasing of 2009 was required to adjust the 2009 EPS result of 23.83cps (4.77 cps on a pre 5:1 consolidation basis) to take into account the dilutive effect of the capital raising. The approach is to assume the raising happened on 1 January 2009, that is, the interest saving from reducing debt starts on 1 January 2009 rather than 17 June 2009, with the adjusted earnings for the 2009 year divided by the greater number of average shares.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Long Term Incentives (LTI) (variable component) (continued)

Table 10 (below) sets out the executives' LTI plan participation level (i.e. in terms of grant size), fair value, and the maximum recognised value in future years (see footnote 2 to table 10 for an explanation of these concepts):

Table 10 – LTI Plan Participation Levels and Fair Value

Senior Executives	Position	LTI Scheme	Performance Rights Granted	Grant Date	Fair Value per Performance Right	Vesting Date ¹	Maximum Value Recognised in Future Years ²
Michael Cameron	Managing Director and Chief Executive Officer	2010	590,068	19-May-10	\$2.06	31-Dec-12	-
		2011	713,455	08-Jun-11	\$2.38	31-Dec-13	\$661,450
		2012	693,537	08-May-12	\$2.34	31-Dec-14	\$1,244,433
James Coyne	General Counsel / Company Secretary	2010	154,074	19-May-10	\$2.06	31-Dec-12	-
		2011	169,115	08-Jun-11	\$2.38	31-Dec-13	\$156,788
		2012	153,056	08-May-12	\$2.34	31-Dec-14	\$274,633
Matthew Faddy	Head of Asset Management	2010	110,638	19-May-10	\$2.06	31-Dec-12	-
		2011	122,873	08-Jun-11	\$2.38	31-Dec-13	\$113,916
		2012	159,434	08-May-12	\$2.34	31-Dec-14	\$286,077
Mark Fookes	Chief Financial Officer	2010	245,862	19-May-10	\$2.06	31-Dec-12	-
		2011	273,051	08-Jun-11	\$2.38	31-Dec-13	\$253,147
		2012	247,122	08-May-12	\$2.34	31-Dec-14	\$443,418
Nicholas Harris	Head of Funds Management	2010	199,968	19-May-10	\$2.06	31-Dec-12	-
		2011	219,498	08-Jun-11	\$2.38	31-Dec-13	\$203,498
		2012	231,179	08-May-12	\$2.34	31-Dec-14	\$414,811
Carmel Hourigan ³	Head of Investment Management	2010	-	19-May-10	\$2.06	31-Dec-12	-
		2011	-	08-Jun-11	\$2.38	31-Dec-13	-
		2012	160,073	08-Nov-11	\$2.34	31-Dec-14	\$349,217
Anthony McNulty	Head of Development Retail and Major Projects	2010	134,241	19-May-10	\$2.06	31-Dec-12	-
		2011	193,778	08-Jun-11	\$2.38	31-Dec-13	\$179,653
		2012	175,377	08-May-12	\$2.34	31-Dec-14	\$314,684
Michael O'Brien	Group Executive Corporate Development	2010	270,448	19-May-10	\$2.06	31-Dec-12	-
		2011	292,429	08-Jun-11	\$2.38	31-Dec-13	\$271,113
		2012	264,660	08-May-12	\$2.34	31-Dec-14	\$474,887
John Thomas ⁴	Head of Development Commercial and Industrial	2010	-	19-May-10	\$2.06	31-Dec-12	-
		2011	-	08-Jun-11	\$2.38	31-Dec-13	-
		2012	172,720	01-Jul-12	\$2.34	31-Dec-14	\$323,155

1 Vesting date is the date that marks the end of the 3-year LTI performance period. At this point the performance measure will be assessed against the performance hurdle to see if any Performance Rights vest.

2 This represents the fair value of rights as at grant date that are yet to be expensed. "Fair value" is independently determined on the grant date of each tranche of Performance Rights using Monte Carlo and Binomial tree pricing models which take into account the following factors: the expected life of the Performance Rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the Performance Rights. As a result, the figures derived, while accurate for the valuation requirements of the relevant accounting standards, do not bear any resemblance to the actual gross value that may or may not be realised by a participating executive. The LTI accrual numbers in the Senior Executive Remuneration Disclosures in Table 13 on page 32 represent the current (2012) calendar year expenses of the executives participation in the various plans on foot whereas the maximum recognised value in future years represents the expenses which will be recognised from an accounting perspective in the future until the end of the relevant LTI plan performance period.

3 Carmel Hourigan joined GPT on 8 November 2012 hence her grant date for the 2012 LTI differs from her peers.

4 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012; as a result his grant date for the 2012 LTI also differs from his peers.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT Performance Outcomes

Table 11 (below) shows GPT's performance against key metrics over the last 5 years. It should be noted that during FY2010 GPT undertook a five for one unit consolidation.

Table 11 – GPT's 5 Year Performance

		2008	2009	2010	2011	2012
Realised operating income	\$m	468.8	375.8	410.0	438.8	456.4
Total Securityholder Return (TSR)	%	(74.9)	(14.4)	2.9	10.5	26.9
Earnings (Realised Operating Income) per security (EPS) ¹	cents	88.5	24.0	20.7	22.4	24.2
EPS growth	%	(37.1)	(74.2)	(13.0)	8.1	8.0
Distributions per security (DPS) ¹	cents	88.5	22.5	16.3	17.8	19.3
Total Return	%	(46.6)	(40.7)	9.1	4.9	9.5
NTA (per security) ¹	\$	7.15	3.45	3.60	3.59	3.73
Security price at end of calendar year	\$	4.60	3.05	2.94	3.07	3.68

¹ Adjusted for 5 to 1 security consolidation in May 2010.

Service Agreements

All employees have service agreements in place that set out the basic terms and conditions of employment. In 2009 the Board took steps to increase the notice periods for all Senior Executives to a minimum of 3 months. No notice provisions apply where termination occurs as a result of misconduct or serious or persistent breach of the agreement.

Remuneration arrangements for early termination of an executive's contract for reasons outside the control of the individual or where the executive is made redundant may give rise to a severance payment at law. In the absence of any express entitlement, these payments would vary between individuals.

The Board has approved a policy with respect to severance entitlements specifically capping the maximum severance payment that would be made to twelve months base remuneration. In addition the executive may be entitled to any STI and LTI at the end of the relevant period subject to the achievement of key performance indicators that had been set.

The terms of Mr Cameron's contract were outlined on page 23. The material terms of the service agreements for the remainder of the KMP (i.e. other than the CEO) who were employed by the Group at 31 December 2012 are set out in Table 12 (below):

Table 12 – Material terms of service agreements for the KMP

Term	Conditions
Duration	Open ended.
Termination by Executive	3 months notice. GPT may elect to make a payment in lieu of notice.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months notice. Severance payments may be made subject to GPT policy. Treatment of unvested STI and LTI will be at Board and management discretion under the terms of the relevant plans.
Post-employment restraints	Non-solicitation of GPT employees for 12 months post-employment.

DIRECTORS' REPORT

For the year ended 31 December 2012 – THE GPT GROUP

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures

The following table provides a breakdown of GPT's KMP in accordance with statutory requirements and accounting standards. It should be noted that of the Variable or "At Risk" components, STI Bonus shows actual cash payments made to executives, whereas the LTI Award Accrual and the Grant or Vesting of Performance Rights are accounting valuations and may only be payable to executives under certain performance conditions or circumstances (as per the footnotes).

Table 13 – Senior Executive Remuneration Disclosures

Senior Executives	Fixed Pay			Variable or "At Risk"				Total
	Base Pay	Superannuation	Non-Monetary ¹	STI Bonus	LTI Award Accrual ²	Grant or Vesting of Performance Rights ^{3,4,5}	Cash Payment on Termination	
M. Cameron Managing Director and Chief Executive Officer								
31 December 2012	\$1,455,313	\$16,123	\$9,160	\$1,512,939	\$1,503,501	\$18,220	-	\$4,515,256
31 December 2011	\$1,382,201	\$15,487	\$13,542	\$1,597,955	\$989,895	\$74,873	-	\$4,073,953
J. Coyne General Counsel / Company Secretary								
31 December 2012	\$469,124	\$16,123	\$3,330	\$247,174	\$361,360	-	-	\$1,097,111
31 December 2011	\$488,781	\$15,487	\$3,523	\$284,081	\$280,703	-	-	\$1,072,575
M. Faddy⁶ Head of Asset Management								
31 December 2012	\$489,457	\$16,123	\$2,405	\$438,725	\$287,842	-	-	\$1,234,552
31 December 2011	-	-	-	-	-	-	-	-
M. Fookes⁷ Chief Financial Officer								
31 December 2012	\$769,030	\$16,123	\$5,288	\$586,672	\$581,165	-	-	\$1,958,278
31 December 2011	\$808,044	\$15,487	\$4,128	\$682,000	\$442,081	-	-	\$1,951,740
N. Harris Head of Funds Management								
31 December 2012	\$718,219	\$16,123	\$4,192	\$595,483	\$486,758	-	-	\$1,820,775
31 December 2011	\$650,263	\$15,487	\$3,835	\$534,618	\$362,816	-	-	\$1,567,019
C. Hourigan⁸ Head of Investment Management								
31 December 2012	\$100,630	\$4,118	\$350,000	-	\$25,354	\$47,068	-	\$527,170
31 December 2011	-	-	-	-	-	-	-	-
A. McNulty Head of Development Retail and Major Projects								
31 December 2012	\$547,627	\$16,123	\$2,960	\$455,690	\$380,822	-	-	\$1,403,222
31 December 2011	\$553,592	\$15,487	\$2,761	\$354,750	\$267,177	-	-	\$1,193,767
M. O'Brien⁹ Chief Financial Officer								
31 December 2012	\$824,947	\$16,123	\$3,789	\$692,822	\$628,017	-	-	\$2,165,698
31 December 2011	\$841,513	\$15,487	\$2,761	\$827,452	\$486,635	\$21,730	-	\$2,195,578
J. Thomas¹⁰ Head of Development Commercial and Industrial								
31 December 2012	\$328,948	\$8,235	\$982	\$264,978	\$81,010	-	-	\$684,153
31 December 2011	-	-	-	-	-	-	-	-
Former KMP's¹¹								
M. Tierney Funds Manager, GPT Wholesale Shopping Centre Fund								
31 December 2012	-	-	-	-	-	-	-	-
31 December 2011	\$500,518	\$15,487	\$3,597	\$330,233	\$241,172	-	-	\$1,091,007
J. Johnstone Head of Transactions								
31 December 2012	-	-	-	-	-	-	-	-
31 December 2011	\$590,318	\$15,487	\$1,095	\$495,264	\$329,860	-	-	\$1,432,024
Total								
31 December 2012	\$5,703,295	\$125,214	\$382,106	\$4,794,483	\$4,335,829	\$65,288	-	\$15,406,215
31 December 2011	\$5,815,230	\$123,896	\$35,242	\$5,106,353	\$3,400,339	\$96,603	-	\$14,577,663

1 The amount set out under 'Non-Monetary' may include Death & Total/Permanent Disability Insurance Premiums, superannuation plan administration fees, executive health assessments and other benefits.

2 The purpose of the LTI Award Accrual column is to record the amount of the fair value of Performance Rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures (continued)

3 One off grants of Performance Rights were made in 2009 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	\$300,000	115,363	Service: 50% of the Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.
Michael O'Brien	Recognition of 7 month's service as Acting CEO	\$200,000	76,909	Service: 50% of Performance Rights converted to GPT securities for nil consideration on 1 July 2010. The remaining 50% converted to GPT securities for nil consideration on 1 July 2011.

4 One off grants of Performance Rights were made in 2010 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Michael Cameron	To address the impact of the May 2009 one for one rights issue on Mr Cameron's sign-on grant of rights (see detailed explanation in the 2010 Remuneration Report)	\$34,697	16,843	Service: 50% of Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.

5 One off grants of Performance Rights were made in 2012 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Carmel Hourigan	Sign on package	\$500,000	155,617	Service: 50% of Performance Rights will convert to GPT securities for nil consideration on 1 September 2013. The remaining 50% will convert to GPT securities for nil consideration on 1 September 2014.

6 Matt Faddy became a KMP on 1 January 2012.

7 Mark Fookes was Head of Investment until he was appointed Chief Financial Officer on 1 October 2012.

8 Carmel Hourigan joined GPT on 8 November 2012.

9 Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

10 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Industrial and Commercial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

11 Michelle Tierney and Jonathan Johnstone were not KMP in calendar year 2012.

Remuneration – Non-Executive Directors

Remuneration Policy

The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Nomination and Remuneration Committee. The principal features of this policy are as follows:

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
 - Main Board fees
 - Committee fees
 - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is remunerated via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any short or long term incentive arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors (continued)

Remuneration Arrangements

As noted earlier in the Remuneration Report, the Board determined that there would be no increase in Non-Executive Director fees for 2012, continuing the freeze on Non-Executive Director fees that commenced in 2008.

The Chair is paid a main board fee which is 2.5 times the standard Board member fee to reflect the additional workload and responsibilities associated with the role. The Chairman does not receive fees for any Committees on which he serves.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of \$1,650,000 per annum which was approved by GPT security holders at the Annual General Meeting on 11 May 2011. As an executive director, Michael Cameron does not receive fees from this pool but was remunerated as one of GPT's Senior Executives.

Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2012 were as follows:

Table 14 – Board and Board Committee Fees

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee
Chairman¹	2012	\$346,500	\$34,650	\$11,000	\$23,100
	2011	\$346,500	\$34,650	\$11,000	\$23,100
Members	2012	\$138,600	\$17,325	\$8,000	\$11,550
	2011	\$138,600	\$17,325	\$8,000	\$11,550

¹ 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee

In addition to the above fees, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the 2012 and 2011 calendar years is as follows on the next page.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors (continued)**Remuneration Arrangements (continued)**

The following table provides a breakdown of Non-Executive Director remuneration in accordance with statutory requirements and accounting standards.

Table 15 – Non-Executive Remuneration Disclosures

Directors	Fixed Pay			Total
	Salary & Fees	Superannuation ¹	Non-Monetary ²	
R. Ferguson				
Chairman				
31 December 2012	\$346,788	\$16,123	-	\$362,911
31 December 2011	\$346,500	\$15,487	-	\$361,987
B. Crotty				
31 December 2012	\$161,182	\$14,506	-	\$175,688
31 December 2011	\$158,150	\$14,442	-	\$172,592
E. Doyle				
31 December 2012	\$161,150	\$14,503	-	\$175,653
31 December 2011	\$161,150	\$14,503	-	\$175,653
E. Goodwin				
31 December 2012	\$163,925	\$14,753	-	\$178,678
31 December 2011	\$163,925	\$14,753	-	\$178,678
S. G. Lim³				
31 December 2012	\$54,909	-	-	\$54,909
31 December 2011	\$155,925	-	-	\$155,925
A. McDonald				
31 December 2012	\$173,430	\$15,609	\$1,310	\$190,349
31 December 2011	\$173,250	\$15,396	\$1,343	\$189,989
G. Tilbrook				
31 December 2012	\$161,700	\$14,533	\$1,265	\$177,518
31 December 2011	\$161,700	\$14,533	\$1,300	\$177,533
Total				
31 December 2012	\$1,223,084	\$90,047	\$2,575	\$1,315,706
31 December 2011	\$1,320,600	\$89,114	\$2,643	\$1,412,357

No termination benefits were paid during the financial year.

- 1 Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.
- 2 The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan and Death & Total/Permanent Disability Insurance Premiums.
- 3 S.G Lim retired from the Board on 7 May 2012

4. Other Disclosures

4.1 Indemnification and Insurance of Directors and Officers

GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Secretary of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

4.2 Proceedings on behalf of the Trust

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. At Slater & Gordon's invitation, GPT entered into mediation discussions on a without prejudice basis in an attempt to determine whether the parties could reach agreement in relation to the dispute. Failing an agreed resolution of the matter, Slater & Gordon has now commenced proceedings on behalf of certain persons who claim that they 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.

GPT rejects the allegations and intends to defend the claim which is listed for hearing in 2013. 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.

4.3 Non-Audit Services

During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 27 to the financial report.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit and Risk Management Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit & Risk Management Committee reviewed the non-audit services and other assurance services at the time of appointment to ensure that they did not impact upon the integrity and objectivity of the auditor;
- the Board's own review conducted in conjunction with the Audit and Risk Management Committee, having regard to the Board's policy with respect to the engagement of GPT's auditor; and
- the fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

4.4 Rounding of Amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the Directors' Report have been rounded to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

4.5 Auditor

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

4.6 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 the following page.

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman

Sydney
13 February 2013



Michael Cameron
Managing Director and Chief Executive Officer



Auditor's Independence Declaration

As lead auditor for the audit of GPT Group for the year ended 31 December 2012, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GPT Group and the entities it controlled during the period.

A handwritten signature in black ink that reads 'AJ Loveridge'. The signature is written in a cursive, slightly slanted style.

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
13 February 2013

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012 – THE GPT GROUP

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Revenue			
Rent from property investments		587.4	573.8
Property and fund management fees		42.0	35.4
Development project revenue		9.4	8.3
		638.8	617.5
Other income			
Fair value adjustments to investment properties		175.1	63.1
Share of after tax profit of equity accounted investments		172.1	158.1
Interest revenue - cash and short term money market securities		7.3	2.0
Net foreign exchange gain		0.1	2.5
Net profit on disposal of assets		-	2.3
		354.6	228.0
Total revenue and other income		993.4	845.5
Expenses			
Property expenses and outgoings		164.5	156.9
Management and other administration costs		92.9	92.4
Depreciation and amortisation expense	4(a)	7.1	7.3
Finance costs	4(b)	111.0	133.9
Impairment expense - loan and receivables		-	5.6
Impairment expense - other		0.2	-
Net loss on fair value of derivatives	4(c)	39.9	147.0
Net loss on disposal of assets		4.3	-
		419.9	543.1
Profit before income tax expense		573.5	302.4
Income tax benefits	5(a)	-	6.8
Profit after income tax expense		573.5	309.2
Profit / (loss) from discontinued operations	6(d)	21.0	(63.0)
Net profit for the year		594.5	246.2
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		-	52.1
Total comprehensive income for the year		594.5	298.3
Net profit / (loss) attributable to:			
- Securityholders of the Trust		623.2	300.5
- Securityholders of other entities stapled to the Trust		(28.7)	(54.3)
Total comprehensive income / (loss) attributable to:		623.2	351.8
- Securityholders of the Trust		623.2	351.8
- Securityholders of other entities stapled to the Trust		(28.7)	(53.5)
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	28(a)	32.4	17.7
Earnings per unit (cents per unit) - profit / (loss) from discontinued operations	28(a)	1.2	(2.8)
Earnings per unit (cents per unit) - Total	28(a)	33.6	14.9
Basic earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	28(b)	30.8	15.4
Earnings per security (cents per security) - profit / (loss) from discontinued operations	28(b)	1.2	(3.4)
Earnings per security (cents per security) - Total	28(b)	32.0	12.0
Diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	28(c)	30.8	15.4
Earnings per security (cents per security) - profit / (loss) from discontinued operations	28(c)	1.2	(3.4)
Earnings per security (cents per security) - Total	28(c)	32.0	12.0

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012 – THE GPT GROUP

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
ASSETS			
Current Assets			
Cash and cash equivalents	23(b)	159.9	42.0
Loans and receivables	7	71.7	151.5
Derivative assets	8	5.1	0.2
Tax receivables		-	34.9
Prepayments		4.8	5.6
		<u>241.5</u>	<u>234.2</u>
Non-current assets classified as held for sale	6(c)	203.1	440.6
Total Current Assets		<u>444.6</u>	<u>674.8</u>
Non-Current Assets			
Investment properties	9	6,500.6	6,423.6
Equity accounted investments	10	2,010.8	1,859.6
Property, plant & equipment	11	10.7	12.8
Loans and receivables	7	152.0	150.9
Other assets		4.1	0.2
Intangible assets	12	49.9	51.3
Derivative assets	8	135.7	78.2
Deferred tax assets	5(b)	34.8	36.2
Total Non-Current Assets		<u>8,898.6</u>	<u>8,612.8</u>
Total Assets		<u>9,343.2</u>	<u>9,287.6</u>
LIABILITIES			
Current Liabilities			
Payables	13	167.9	208.0
Borrowings	14	211.0	512.6
Derivative liabilities	8	0.1	1.0
Provisions	15	14.0	16.6
		<u>393.0</u>	<u>738.2</u>
Non-current liabilities classified as held for sale	6(c)	-	2.6
Total Current Liabilities		<u>393.0</u>	<u>740.8</u>
Non-Current Liabilities			
Borrowings	14	1,932.6	1,631.5
Derivative liabilities	8	140.1	127.5
Provisions	15	1.3	1.4
Total Non-Current Liabilities		<u>2,074.0</u>	<u>1,760.4</u>
Total Liabilities		<u>2,467.0</u>	<u>2,501.2</u>
Net Assets		<u>6,876.2</u>	<u>6,786.4</u>
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	16	7,883.5	8,030.2
Reserves	17	(15.2)	(15.2)
Accumulated losses	18	(368.1)	(625.8)
Total equity of GPT Trust securityholders		<u>7,500.2</u>	<u>7,389.2</u>
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	16	321.8	323.0
Reserves	17	49.8	41.1
Accumulated losses	18	(995.6)	(966.9)
Total equity of other stapled securityholders		<u>(624.0)</u>	<u>(602.8)</u>
Total Equity		<u>6,876.2</u>	<u>6,786.4</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012 - THE GPT GROUP

	Consolidated entity									
	Attributable to the Securityholders of the General Property Trust					Attributable to the Securityholders of other entities stapled to the General Property Trust				
	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	Contributed equity \$M	Reserves \$M	Accumulated losses \$M	Total \$M	Total equity \$M	
Balance at 1 January 2011	8,155.3	(69.7)	(578.2)	7,507.4	324.7	35.0	(912.6)	(552.9)	6,954.5	
Movement in foreign currency translation reserve	-	51.3	-	51.3	-	0.8	-	0.8	52.1	
Net income recognised directly in equity	-	51.3	-	51.3	-	0.8	-	0.8	52.1	
Profit / (loss) for the year	-	-	300.5	300.5	-	-	(54.3)	(54.3)	246.2	
Total comprehensive income / (loss) for the year	-	51.3	300.5	351.8	-	0.8	(54.3)	(53.5)	298.3	
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	(125.1)	-	-	(125.1)	(1.7)	-	-	(1.7)	(126.8)	
Movement in treasury stock reserve	-	3.2	-	3.2	-	(0.6)	-	(0.6)	2.6	
Movement in employee incentive security scheme reserve	-	-	-	-	-	5.9	-	5.9	5.9	
Distribution paid and payable	-	-	(348.1)	(348.1)	-	-	-	-	(348.1)	
Balance at 31 December 2011	8,030.2	(15.2)	(625.8)	7,389.2	323.0	41.1	(966.9)	(602.8)	6,786.4	
Balance at 1 January 2012	8,030.2	(15.2)	(625.8)	7,389.2	323.0	41.1	(966.9)	(602.8)	6,786.4	
Movement in foreign currency translation reserve	-	-	-	-	-	-	-	-	-	
Net income recognised directly in equity	-	-	623.2	623.2	-	-	(28.7)	(28.7)	594.5	
Profit / (loss) for the year	-	-	623.2	623.2	-	-	(28.7)	(28.7)	594.5	
Total comprehensive income / (loss) for the year	-	-	623.2	623.2	-	-	(28.7)	(28.7)	594.5	
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	(146.7)	-	-	(146.7)	(1.2)	-	-	(1.2)	(147.9)	
Movement in treasury stock reserve	-	-	-	-	-	0.3	-	0.3	0.3	
Movement in employee incentive security scheme reserve	-	-	-	-	-	8.4	-	8.4	8.4	
Distribution paid and payable	-	-	(365.5)	(365.5)	-	-	-	-	(365.5)	
Balance at 31 December 2012	7,883.5	(15.2)	(368.1)	7,500.2	321.8	49.8	(995.6)	(624.0)	6,876.2	

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

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2012 – THE GPT GROUP

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		689.1	731.9
Cash payments in the course of operations (inclusive of GST)		(296.9)	(319.8)
Distributions received from equity accounted investments		129.9	140.2
Interest received		18.5	12.5
Income taxes paid		-	(0.5)
		<u>540.6</u>	<u>564.3</u>
Finance costs		(120.2)	(151.1)
Net cash inflows from operating activities	23(a)	<u>420.4</u>	<u>413.2</u>
Cash flows from investing activities			
Payments for investment properties		(217.3)	(61.1)
Proceeds from disposal of investment properties		614.6	4.3
Payments for properties under development		(84.0)	(135.0)
Payments for property, plant and equipment		(0.2)	(10.0)
Proceeds from sale of property, plant & equipment		58.8	81.0
Payments for intangibles		(4.9)	(4.6)
Investment in unlisted equities		(3.9)	-
Investment in equity accounted investments		(116.6)	(6.2)
Proceeds from disposal of controlled entities and associates		-	301.0
Proceeds from disposal of assets in US Seniors Housing Portfolio (net of tax)		46.2	230.3
Loan to joint ventures and associates		-	(2.7)
Loan repayment from equity accounted investments		2.4	60.0
Payments for cost to sell on assets held for sale		(0.4)	(9.1)
Net cash inflows from investing activities		<u>294.7</u>	<u>447.9</u>
Cash flows from financing activities			
Net repayment of bank facilities		(330.6)	(312.0)
Proceeds from issue of medium term notes		336.9	-
Repayments of employee incentive scheme loans, net of distributions		-	2.1
Purchase of securities for the employee incentive scheme		(0.3)	-
Payments on termination and restructure of derivatives		(90.7)	(78.1)
Payments for the on-market buy back of securities		(147.9)	(126.8)
Distributions paid to securityholders		(365.6)	(348.1)
Net cash (outflows) from financing activities		<u>(598.2)</u>	<u>(862.9)</u>
Net increase in cash and cash equivalents		<u>116.9</u>	<u>(1.8)</u>
Cash and cash equivalents at the beginning of the year		<u>43.0</u>	<u>44.8</u>
		<u>159.9</u>	<u>43.0</u>
Less: Cash balance classified as assets held for sale		-	(1.0)
Cash and cash equivalents at the end of the year	23(b)	<u>159.9</u>	<u>42.0</u>

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

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the consolidated entity, GPT Group (GPT), consisting of General Property Trust, GPT Management Holdings Limited and their subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Trust's Constitution, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

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

New accounting standards and interpretations issued but not yet applied

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 Presentation of Financial Statements which 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. This will not affect the measurement of any of the items recognised in the statement of financial position or the profit or loss in the current period. GPT intends to adopt the new standard from 1 January 2013.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 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 and 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. GPT has performed a detailed analysis of the new guidance in the context of various investees and does not expect the new standard to have a significant impact on its composition.

AASB 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. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. GPT has performed a detailed analysis of the new guidance in the context of various investees and does not expect the new standard to have a significant impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 128. GPT does not expect the new standard to have a significant impact on the type of information disclosed in relation to GPT's investments.

AASB 127 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by GPT will not affect any of the amounts recognised in the financial statements.

Amendments to AASB 128 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.

GPT does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual report ending 31 December 2013.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity 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 consolidated entity does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 31 December 2013.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

AASB 2012-3 Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132) and AASB 2012-2 Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7) (effective 1 January 2014 and 1 January 2013 respectively)

In June 2012, the AASB made amendments to the application guidance in AASB 132 Financial Instruments: Presentation, to clarify some of the requirements for offsetting financial assets and financial liabilities in the statement of financial position. These amendments are effective from 1 January 2014. They are unlikely to affect the accounting for any of GPT's current offsetting arrangements. However, the AASB has also introduced more extensive disclosure requirements into AASB 7 which will apply from 1 January 2013. When they become applicable, the group will have to provide a number of additional disclosures in relation to its offsetting arrangements. GPT intends to apply the new rules for the first time in the financial year commencing 1 January 2013.

AASB 2012-5 Annual Improvements Project - 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In June 2012, the AASB made a number of amendments to Australian Accounting Standards as a result of the 2009-2011 annual improvements project. GPT will apply the amendments from 1 January 2013. The group does not expect that any adjustments will be necessary as the result of applying the revised rules.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and 2012-6 Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 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 group does not plan to adopt this standard early and the extent of the impact has not yet been determined.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013)

In July 2011, the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future. The consolidated entity does not plan to adopt this standard early.

Historical cost convention

This financial report has been prepared under the historical cost convention, as modified by the revaluation for financial assets and liabilities (including derivatives) at fair value through profit and loss and investment property.

The financial report was approved by the Board of Directors on 13 February 2013.

(b) Accounting for the GPT Group

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

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

(c) Parent entity financial information

The financial information for the parent entity of GPT, General Property Trust, is disclosed in note 19 and has been prepared on the same basis as the consolidated financial report, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial report of General Property Trust. Distributions received from subsidiaries, associates and joint venture entities are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

1. Summary of significant accounting policies (continued)

(d) Principles of consolidation

(i) Controlled entities

The consolidated financial report comprises the assets and liabilities of all controlled entities and the results of all controlled entities for the financial year. The Trust and its controlled entities are collectively referred to in this financial report as GPT or the consolidated entity.

Controlled entities are all entities (including special purpose entities) over which GPT has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether GPT controls another entity. Controlled entities are fully consolidated from the date control commenced and de-consolidated from the date that control ceased.

The acquisition method of accounting is used to account for the acquisition of controlled entities by GPT. All inter-entity transactions, balances and unrealised gains on transactions between GPT entities have been eliminated in full. Unrealised losses are eliminated.

Non-controlling interests (previously referred to as minority interest) not held by GPT are allocated their share of net profit after income tax expense in the Statement of Comprehensive Income and are presented within equity in the Statement of Financial Position, separately from the Trust's equity.

(ii) Associates

Associates are entities over which GPT has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, GPT's share of the associates' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post-acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from associates are recognised in the consolidated financial report as a reduction of the carrying amount of the investment. GPT's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

(iii) Joint Ventures

Joint venture assets

GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT's proportionate share of revenues, expenses, assets and liabilities in property interests held as tenants in common are included in their respective items of the Consolidated Statement of Financial Position and Statement of Comprehensive Income.

Joint venture entities

Investments in joint venture entities are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, GPT's share of the joint ventures' post-acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post-acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from joint venture entities are recognised in the consolidated financial report as a reduction of the carrying amount of the investment.

Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where controlled entities, associates or joint ventures adopt accounting policies which differ from the Parent entity, adjustments have been made so as to ensure consistency within the GPT Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial report of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial report is presented in Australian Dollars, which is the Trust's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1. Summary of significant accounting policies (continued)

(e) Foreign currency translation (continued)

(iii) Foreign operations

Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken against a foreign currency translation reserve on consolidation.

Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint venture entities, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Statement of Comprehensive Income.

(f) Income Tax

(i) Trusts

Under current tax legislation, Trusts are not liable for income tax, provided their securityholders are presently entitled to the taxable income of the Trust including realised capital gains each financial year.

(ii) Company and other taxable entities

Income tax expense/benefit for the financial year is the tax payable/receivable on the current year's taxable income based on the national income tax rate for each jurisdiction. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(iii) Tax consolidation – Australia

GPT Management Holdings Limited (the head entity) and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 January 2006. Each member in the tax consolidated group continues to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default of the head entity, GPT Management Holdings Limited.

The Company has also entered into a tax funding agreement under which the wholly owned entities fully compensate GPT Management Holdings Limited for any current tax payable assumed and are compensated by GPT Management Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to GPT Management Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the financial report.

Assets and liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable or payable and these amounts are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments and the funding amounts are recognised as intercompany receivables or payables. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

1. Summary of significant accounting policies (continued)

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis in the Statement of Cash flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other segments. Each segment is reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, investment properties, inventory, property, plant and equipment and intangible assets, net of related provisions. Assets used jointly by two or more different segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade creditors and accruals. Segment assets and liabilities do not include income taxes.

Operating segments are identified based on the information provided to the chief operating decision maker – being the Leadership Team of the consolidated entity and also with consideration to other factors including the existence of a Portfolio Head/Manager and the level of segment information presented to the Board of Directors.

Operating segments that meet the quantitative criteria prescribed by AASB 8 are reported separately. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(i) Revenue recognition

Rental revenue from operating leases is recognised on a straight line basis over the lease term. An asset is recognised to represent the portion of operating lease revenue in a reporting period relating to fixed increases in operating lease rentals in future periods. These assets are recognised as a component of investment properties. When GPT provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight line basis, as a reduction of property rent revenue. Contingent rental income is recognised as revenue in the period in which it is earned.

Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale.

Revenue from dividends and distributions are recognised when they are declared. Interest income is recognised on an accruals basis using the effective interest method.

Gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statement of Comprehensive Income in the year of disposal. Where revenue is obtained from the sale of properties or assets, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on exchange of unconditional contracts.

If not received at reporting date, revenue is included in the Statement of Financial Position as a receivable and carried at amortised cost.

(j) Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, financing costs incurred for the construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete and prepare the asset for its intended use or sale. As all funds are borrowed by GPT, the capitalisation rate used to determine the amount of finance costs capitalised is the weighted average interest applicable to GPT's outstanding borrowings during the year.

1. Summary of significant accounting policies (continued)

(k) Expenses

Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of GPT and are recognised on an accruals basis.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at bank and short term money market deposits. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(m) Receivables

Trade and sundry debtors are initially recognised at fair value and subsequently accounted for at amortised cost. Trade debtors are due within thirty days. Collectability of trade debtors is reviewed regularly and bad debts are written off when identified. A specific provision for doubtful debts is made when there is objective evidence that GPT will not be able to collect the amounts due according to the original terms of the receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other loans and receivables

Loans and receivables are initially recognised at fair value and subsequently accounted for at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans and receivables are recognised in the Statement of Comprehensive Income over the expected life of the loans and receivables. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

(n) Non-current assets classified as held for sale and discontinued operations

Non-current assets meeting the held for sale criteria outline below are classified as held for sale and, except for investment properties, measured at the lower of their carrying amount or fair value less costs to sell. They will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate use in its present condition and its sale must be highly probable. Investment properties included as non-current assets classified as held for sale are measured at fair value as set out in note 1(o).

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a part of GPT's business that:

- it has disposed of or has classified as held for sale and that represents a major line of its business or geographical area of operations, or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Statement of Financial Position.

(o) Investment property

Property, including land and buildings, held for long-term rental yields which are not occupied by a GPT entity is classified as investment property. Land held under an operating lease is classified and accounted for as investment property when the definition of investment property is met. Investment property also includes property that is being developed for future use as investment property.

Investment property is initially recorded at cost. Cost comprises the cost of acquisition, additions, refurbishments, redevelopments, finance costs and fees incurred. Land and buildings (including integral plant and equipment) that comprise investment property are not depreciated. The carrying amount of investment property also includes components relating to lease incentives and assets relating to fixed increases in operating lease rentals in future periods.

Subsequent to initial acquisition, investment property is stated at fair value with changes in fair value recorded in the Statement of Comprehensive Income.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses an appropriate valuation method which may include discounted cash flow projections and the capitalisation method. Discount rates and capitalisation rates are determined based upon GPT's industry knowledge and expertise and where possible, direct comparison to third party rates for similar assets in a comparable location. The fair value reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditure) that could be expected in respect of the property.

Investment properties under development are classified as investment property and stated at fair value at each balance date.

Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile. Finance costs incurred on investment properties undergoing development or redevelopment are included in the cost of the development as set out in Note 1(j).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

1. Summary of significant accounting policies (continued)

(o) Investment property (continued)

The Responsible Entity of the Trust reviews the fair value of each investment property every six months, or earlier where the Responsible Entity believes there may be a material change in the carrying value of the property and where the carrying value differs materially from the Responsible Entity's assessment of fair value, an adjustment to the carrying value is recorded as appropriate. Independent valuations on all investment properties are carried out at least every three years on a rolling basis to ensure that the carrying amount of each investment property does not differ materially from its fair value.

Subsequent expenditure is charged to the investment property only when it is probable that future economic benefits of the expenditure will flow to GPT and the cost can be measured reliably.

Investment property for sale is classified as non-current assets held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Some property investments are held in joint ownership arrangements (joint venture operations). The proportionate interests in the assets, liabilities, revenues and expenses of a joint venture operation have been incorporated in the financial report under the appropriate headings (refer to note 1(d)(iii)).

(p) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to its acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to GPT and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation and amortisation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their expected useful lives, as follows:

- Motor Vehicles 4 – 7 years
- Office fixtures, fittings and operating equipment 5 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income.

(q) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Net rental payments, excluding contingent payments, are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the period of the lease.

(r) Lease incentives

Incentives such as cash, rent free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental revenue. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(s) Intangible assets

(i) Management rights

The management rights include property management and development management rights of the properties. The rights are amortised over the useful life, which ranges from 3 years to indefinite.

(ii) IT development and software

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

(t) Other investments

Unlisted investments are stated at the fair value of GPT's interest in the underlying assets which approximate fair value.

1. Summary of significant accounting policies (continued)

(u) Impairment

All other assets, including financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Where an indicator of impairment or objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

(v) Financial assets and liabilities

Classification of financial assets and liabilities depends on the purpose for which the assets and liabilities were acquired.

GPT's classification is set out below:

Financial asset/liability	Classification	Valuation basis	
Cash	Fair value through profit and loss	Fair value	Refer to note 1(l)
Receivables	Loans and receivables	Amortised cost	Refer to note 1(m)
Derivative assets	Fair value through profit and loss	Fair value	Refer to note 1(w)
Payables	Financial liability at amortised cost	Amortised cost	Refer to note 1(x)
Borrowings	Financial liability at amortised cost	Amortised cost	Refer to note 1(z)
Derivative liabilities	Fair value through profit and loss	Fair value	Refer to note 1(w)

(w) Derivatives

GPT uses derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign currency rates and the volatility of financial outcomes that arise as part of normal business operations. GPT's treasury and risk management policy sets out the policies, limits, monitoring and reporting requirements on the use of financial instruments, including derivatives, to hedge the exposures and these are discussed in detail at note 26.

GPT is exposed to changes in interest rates and uses interest rate swaps, caps and options to hedge these risks. Such derivative financial instruments are carried in the statement of financial position at fair value and classified according to their contractual maturity. Changes in the fair value of any derivative instruments are recognised immediately in the statement of comprehensive income. All derivatives are disclosed as assets when fair value is positive and disclosed as liabilities when fair value is negative.

Gains and losses on maturity or close-out of derivatives are recognised in the statement of comprehensive income.

(x) Payables

Trade payables are unsecured liabilities for goods and services provided to GPT prior to the end of the financial year but which remain unpaid at reporting date. They are recognised at amortised cost, which in the case of GPT is the fair value of consideration to be paid in the future for the goods and services received.

Loans payable

Loans payable to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. Interest payable is recognised on an accruals basis. All loans payable with maturities greater than 12 months after reporting date are classified as non-current liabilities.

(y) Provisions

Provisions are recognised when GPT has a present legal, equitable or constructive obligation as a result of past transactions or events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Refer to note 1(ac) for provisions for distributions.

(z) Borrowings

Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method or at their fair value at the time of acquisition in the case of assumed liabilities in a business combination. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. All loans and receivables with maturities greater than twelve months after reporting date are classified as non-current liabilities. Refer to note 1(j) on finance costs.

1. Summary of significant accounting policies (continued)

(aa) Employee benefits

Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are recognised in the provisions for employee benefits and measured at the amounts to be expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when leave is taken and measured at the rates paid or payable.

The employee benefit liability expected to be settled within 12 months from balance date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from balance date and are measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(i) Retirement benefit obligations

All employees of GPT are entitled to benefits on retirement, disability or death from the GPT Group Superannuation Plan. The GPT Group Superannuation Plan has a defined contribution section within its plan. The defined contribution section receives fixed contributions and GPT's legal and constructive obligation is limited to these contributions. The employees of GPT are all members of the defined contribution section of the GPT Group Superannuation Plan.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Profit sharing and bonus plans

GPT recognises a liability and expense for profit sharing and bonuses based on a formula that takes into consideration the profit attributable to GPT's securityholders after certain adjustments. A provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

(iii) Share based payments

Security based compensation benefits are provided to employees via the schemes comprising the Employee Incentive Scheme (EIS). Refer to note 21 for further detail on EIS.

(1) Legacy LTI Scheme

A full recourse loan based scheme which has been converted to limited recourse effective 31 December 2008 (the date of conversion). While the loan remained in place, the participant was committed only to the value of the underlying securities. The interest charge on the loans to participants was set at a level to approximate the net distributions receivable. This scheme has been wound up on 20 February 2012 at the conclusion of the final 3-year performance period.

(2) GPT Group Stapled Security Rights Plan

Performance rights (rights) are issued to employees under the Stapled Security Rights Plan ("the Plan"). Under the Plan, each participating employee will be granted a certain number of rights which will vest into GPT stapled securities at no cost, if all vesting conditions are satisfied.

The fair value of the rights is recognised as an employee benefit expense with a corresponding increase in the employee incentive scheme reserve in equity. Fair value is measured at grant date, recognised over the period during which the employees become unconditionally entitled to the rights and is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to become vested. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value is independently determined using Monte Carlo and Binomial tree pricing models. These models take into account the expected life of the rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the rights.

(ab) Contributed equity

Ordinary units and shares 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.

(ac) Distributions and dividends

Distributions and dividends are paid to GPT stapled securityholders each quarter. A provision for distribution or dividend is made for the amount of any distribution or dividend declared on or before the end of the financial year but not distributed at reporting date.

1. Summary of significant accounting policies (continued)

(ad) Earnings per stapled security (EPS)

Basic earnings per stapled security is calculated as net profit attributable to ordinary securityholders of GPT divided by the weighted average number of ordinary securities outstanding during the financial year, adjusted for bonus elements in ordinary securities issued during the financial year. Diluted earnings per security is calculated as net profit attributable to ordinary securityholders of GPT divided by the weighted average number of ordinary securities and dilutive potential ordinary securities, adjusted for any bonus issue. Where there is no difference between basic earnings per stapled security and diluted earnings per stapled security, the term basic and diluted earnings per stapled security is used.

(ae) Critical accounting estimates and judgements

The preparation of the financial reports requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial reports. 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 results 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 financial year to the carrying amounts of assets and liabilities recognised in these financial reports are:

(i) Valuation of property investments

Critical judgements are made by GPT in respect of the fair values of investment properties held in investments in associates and joint ventures, investment properties including investment properties under development and those that are classified as assets held for sale at 31 December 2012. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions existing at reporting date, using generally accepted market practices. The critical assumptions underlying management's estimates of fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, discount rates that reflect current market uncertainties and current and recent property investment prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of property investments may differ. Major assumptions used in valuation of property investments are disclosed in note 9(f).

(ii) Valuation of financial instruments

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for GPT's derivatives are set out in note 1(w) however the fair values of derivatives reported at 31 December 2012 may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods. The valuation techniques are discussed in detail at note 26(vi) and have been developed in compliance with requirements of AASB 139 *Financial Instruments: Recognition and Measurement*.

(iii) 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 review the allocation of cash flows to those assets and estimate a fair value for the assets. Critical judgements are made by GPT in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

(iv) Share based payment transactions

The Group 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 related assumptions are detailed in note 21. 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.

(af) Rounding of amounts

The GPT Group is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0110. Accordingly, amounts in the financial report have been rounded to the nearest tenth of a million dollars in accordance with the Class Order, unless stated otherwise.

(ag) Other Comprehensive Income

Other comprehensive income in the Statement of Comprehensive Income reflects the remeasurements of certain assets or balances as a result of movements in price or valuation. In the case of GPT, these items will mainly include foreign exchange translation adjustments on foreign subsidiaries. Where the underlying item giving rise to the foreign currency translation adjustments is sold or realised, the foreign currency translation adjustments recognised in other comprehensive income are then recognised in earnings (or comprehensive income) in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment Reporting

(a) Financial performance by segment

The segment information provided to the chief operating decision maker for the reportable segments (discussed at note 2(e)) for the year ended 31 December 2012 is set out below.

31 December 2012

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Investment Management								
Rent from investment properties	423.5	177.1	84.1	-	-	684.7	(72.4)	612.3
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	-	-	-	68.2	-	68.2	58.0	126.2
Other Income	2.8	0.8	0.5	-	-	4.1	(4.1)	-
Property expenses and outgoings	(122.6)	(41.8)	(14.8)	-	-	(179.2)	14.7	(164.5)
Property Net Income	303.7	136.1	69.8	68.2	-	577.8	(3.8)	574.0
Management & administrative expenses	(6.3)	(3.8)	(1.5)	(0.9)	(0.5)	(13.0)	4.1	(8.9)
Net Contribution - Investment Management	297.4	132.3	68.3	67.3	(0.5)	564.8	0.3	565.1
Asset Management								
Property management fees	17.9	0.4	1.4	12.4	-	32.1	(17.1)	15.0
Management & administrative expenses	(19.1)	(4.6)	(2.7)	(11.7)	-	(38.1)	17.0	(21.1)
Net Contribution - Asset Management	(1.2)	(4.2)	(1.3)	0.7	-	(6.0)	(0.1)	(6.1)
Development								
Development fees	4.7	1.1	1.8	7.8	-	15.4	(6.0)	9.4
Management & administrative expenses	(6.9)	(3.3)	(2.5)	(11.7)	-	(24.4)	6.0	(18.4)
Net Contribution - Development	(2.2)	(2.2)	(0.7)	(3.9)	-	(9.0)	-	(9.0)
Funds Management								
Funds management fees	-	-	-	27.0	-	27.0	-	27.0
Other income	-	-	-	0.2	-	0.2	(0.2)	-
Management & administrative expenses	-	-	-	(11.2)	-	(11.2)	0.2	(11.0)
Net Contribution - Funds Management	-	-	-	16.0	-	16.0	-	16.0
Support Functions								
Unallocated management & administrative expenses	-	-	-	-	(22.3)	(22.3)	0.1	(22.2)
Interest income	-	-	-	-	35.3	35.3	(12.3)	23.0
Interest expense	-	-	-	-	(138.8)	(138.8)	27.8	(111.0)
Segment Result Before Tax	294.0	125.9	66.3	80.1	(126.3)	440.0	15.8	455.8
Income tax credit	-	-	-	-	1.9	1.9	(1.3)	0.6
Segment Result for the year*	294.0	125.9	66.3	80.1	(124.4)	441.9	14.5	456.4

* The segment result is based on Realised Operating Income (ROI).

2. Segment Reporting (continued)

(a) Financial performance by segment (continued)

31 December 2012 (continued)

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Fair value adjustments to investment properties	120.6	62.7	(8.2)	-	-	175.1	-	175.1
Fair value and other adjustments to equity accounted investments	3.2	11.6	-	31.1	-	45.9	0.3	46.2
Amortisation expense - intangibles	(0.1)	(0.2)	-	-	(4.5)	(4.8)	-	(4.8)
Impairment expense - other	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Fair value movement of derivatives	-	-	-	-	(39.9)	(39.9)	-	(39.9)
Net foreign exchange gain / (loss)	-	-	-	-	0.1	0.1	(0.6)	(0.5)
Net gain / (loss) on disposal of assets	(3.6)	-	(0.6)	-	(0.1)	(4.3)	1.2	(3.1)
Non-cash IFRS revenue adjustments	(11.6)	(9.9)	(3.4)	-	-	(24.9)	-	(24.9)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	-	-	-	-	(1.9)	(1.9)	5.6	3.7
Restructuring costs	-	-	-	-	(6.2)	(6.2)	-	(6.2)
Others	(2.6)	(0.2)	(0.5)	-	(4.0)	(7.3)	-	(7.3)
Net profit / (loss) for the year	399.9	189.9	53.6	111.2	(181.1)	573.5	21.0	594.5

In 2012, GPT's management has focused more on the financial performance of each business unit within each of the core operations in order to build up a solid foundation and prepare for future growth. As a result, each of the core operations has been further split into individual business units to provide more relevant and meaningful segment information. The comparatives of segment information have been restated to be consistent with the presentation of current year.

ROI is a financial measure that is based on the 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 / (loss) for the 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 are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment reporting (continued)

(a) Financial performance by segment (continued)

The segment information provided to the chief operating decision maker for the reportable segments (discussed at note 2(e)) for the year ended 31 December 2011 is set out below.

31 December 2011

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Investment Management								
Rent from investment properties	433.3	166.3	69.2	-	-	668.8	(68.8)	600.0
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	-	-	-	76.4	-	76.4	62.9	139.3
Other Income	-	2.5	2.0	-	-	4.5	(4.5)	-
Revenue from hotel operations	-	-	-	-	-	-	40.8	40.8
Property expenses and outgoings	(120.6)	(38.6)	(11.5)	-	-	(170.7)	13.8	(156.9)
Expenses from hotel operations	-	-	-	-	-	-	(34.0)	(34.0)
Property Net Income	312.7	130.2	59.7	76.4	-	579.0	10.2	589.2
Management & administrative expenses	(7.7)	(3.4)	(1.1)	(0.9)	-	(13.1)	4.5	(8.6)
Net Contribution - Investment Management	305.0	126.8	58.6	75.5	-	565.9	14.7	580.6
Asset Management								
Property management fees	13.1	-	-	8.7	-	21.8	(10.3)	11.5
Management & administrative expenses	(16.6)	(3.3)	(2.2)	(12.8)	-	(34.9)	10.3	(24.6)
Net Contribution - Asset Management	(3.5)	(3.3)	(2.2)	(4.1)	-	(13.1)	-	(13.1)
Development								
Development fees	9.7	1.9	1.6	6.1	-	19.3	(11.0)	8.3
Management & administrative expenses	(15.8)	(2.4)	(2.2)	(11.5)	-	(31.9)	11.1	(20.8)
Net Contribution - Development	(6.1)	(0.5)	(0.6)	(5.4)	-	(12.6)	0.1	(12.5)
Funds Management								
Funds management fees	-	-	-	23.9	-	23.9	-	23.9
Management & administrative expenses	-	-	-	(8.3)	-	(8.3)	-	(8.3)
Net Contribution - Funds Management	-	-	-	15.6	-	15.6	-	15.6
Support Functions								
Unallocated management & administrative expenses	-	-	-	-	(25.4)	(25.4)	0.2	(25.2)
Interest income	-	-	-	-	34.5	34.5	(19.0)	15.5
Interest expense	-	-	-	-	(166.3)	(166.3)	32.4	(133.9)
Segment Result Before Tax	295.4	123.0	55.8	81.6	(157.2)	398.6	28.4	427.0
Income tax credit	-	-	-	-	8.3	8.3	3.5	11.8
Segment Result for the year*	295.4	123.0	55.8	81.6	(148.9)	406.9	31.9	438.8

* The segment result is based on Realised Operating Income (ROI).

2. Segment reporting (continued)

(a) Financial performance by segment (continued)

31 December 2011 (continued)

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Fair value adjustments to investment properties	64.7	(0.6)	(1.0)	-	-	63.1	-	63.1
Fair value and other adjustments to equity accounted investments	1.9	(0.6)	-	25.4	-	26.7	(17.3)	9.4
Revaluation of Hotel Properties	-	-	-	-	-	-	(22.9)	(22.9)
Amortisation expense - intangibles	(1.1)	-	-	-	(4.0)	(5.1)	(2.1)	(7.2)
Impairment expense - loan and receivables	-	-	-	-	(5.6)	(5.6)	-	(5.6)
Fair value movement of derivatives	-	-	-	-	(147.0)	(147.0)	-	(147.0)
Net foreign exchange gain / (loss)	-	-	-	-	2.5	2.5	(5.8)	(3.3)
Net gain / (loss) on disposal of assets	2.5	-	-	-	(0.2)	2.3	(51.4)	(49.1)
Non-cash IFRS revenue adjustments	(15.1)	(9.3)	(1.8)	-	-	(26.2)	-	(26.2)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	-	-	-	-	(1.5)	(1.5)	4.7	3.2
Others	(2.1)	-	(2.2)	-	(2.6)	(6.9)	(0.1)	(7.0)
Net profit / (loss) for the year	346.2	112.5	50.8	107.0	(307.3)	309.2	(63.0)	246.2

In 2012, GPT's management has focused more on the financial performance of each business unit within each of the core operations in order to build up a solid foundation and prepare for future growth. As a result, each of the core operations has been further split into individual business units to provide more relevant and meaningful segment information. The comparatives of segment information have been restated to be consistent with the presentation of current year.

ROI is a financial measure that is based on the 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 / (loss) for the 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 are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment reporting (continued)

(b) Reconciliation of segment revenue and result to the Statement of Comprehensive Income – Continuing Operations 31 December 2012

	Note	Total Core Operations \$M	Consolidation & Eliminations \$M	Total Continuing Operations \$M	ROI Adjustments & Reclassifications \$M	Total Statement of Comprehensive Income \$M
Investment Management						
Rent from investment properties	(i)	684.7	(72.4)	612.3	-	612.3
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(ii)	68.2	58.0	126.2	-	126.2
Other Income		4.1	(4.1)	-	-	-
Property expenses and outgoings		(179.2)	14.7	(164.5)	-	(164.5)
Property Net Income		577.8	(3.8)	574.0	-	574.0
Management & administrative expenses	(iii)	(13.0)	4.1	(8.9)	-	(8.9)
Net Contribution - Investment Management		564.8	0.3	565.1	-	565.1
Asset Management						
Property management fee		32.1	(17.1)	15.0	-	15.0
Management & administrative expenses	(iii)	(38.1)	17.0	(21.1)	-	(21.1)
Net Contribution - Asset Management		(6.0)	(0.1)	(6.1)	-	(6.1)
Development						
Development fees		15.4	(6.0)	9.4	-	9.4
Management & administrative expenses	(iii)	(24.4)	6.0	(18.4)	-	(18.4)
Net Contribution - Development		(9.0)	-	(9.0)	-	(9.0)
Funds Management						
Funds management fees		27.0	-	27.0	-	27.0
Other income		0.2	(0.2)	-	-	-
Management & administrative expenses	(iii)	(11.2)	0.2	(11.0)	-	(11.0)
Net Contribution - Funds Management		16.0	-	16.0	-	16.0
Support Functions						
Unallocated management & administrative expenses	(iii), (iv)	(22.3)	-	(22.3)	-	(22.3)
Interest income		35.3	(28.0)	7.3	-	7.3
Interest expense		(138.8)	27.8	(111.0)	-	(111.0)
Segment Result Before Tax		440.0	-	440.0	-	440.0
Income tax credit	(v)	1.9	-	1.9	-	1.9
Segment Result for the year		441.9	-	441.9	-	441.9
Fair value adjustments to investment properties	2(c)(iii)				175.1	175.1
Fair value and other adjustments to equity accounted investments	(ii), 2(c)(ii)				45.9	45.9
Amortisation expense - intangibles	(iv), 2(c)(iv)				(4.8)	(4.8)
Impairment expense - other	2(c)(v)				(0.2)	(0.2)
Fair value movement of derivatives	2(c)(vi)				(39.9)	(39.9)
Net foreign exchange gain	2(c)(vii)				0.1	0.1
Net loss on disposal of assets	2(c)(viii)				(4.3)	(4.3)
Non-cash IFRS adjustments	(i), 2(c)(i)				(24.9)	(24.9)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	(v)				(1.9)	(1.9)
Restructuring costs	(iii)				(6.2)	(6.2)
Others	(iii)				(7.3)	(7.3)
Net profit / (loss) for the year					131.6	573.5

2. Segment reporting (continued)

(b) Reconciliation of segment revenue and result to the Statement of Comprehensive Income – Continuing Operations (continued)

31 December 2012 (continued)

	\$M
(i)	
Rent from investment properties	612.3
Less: Non-cash IFRS adjustments	(24.9)
Rent from property investments	587.4
(ii)	
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	126.2
Fair value and other adjustments to equity accounted investments	45.9
Share of after tax profits of equity accounted investments	172.1
(iii)	
Management & administrative expenses (Investment Management)	8.9
Management & administrative expenses (Asset Management)	21.1
Management & administrative expenses (Development)	18.4
Management & administrative expenses (Funds Management)	11.0
Unallocated management & administrative expenses	22.3
Less: Depreciation expense - refer to (iv) below	(2.3)
Restructuring costs	6.2
Others	7.3
Management and other administration costs	92.9
(iv)	
Amortisation expense - intangibles	4.8
Depreciation expense - refer to (iii) above	2.3
Depreciation and amortisation expense	7.1
(v)	
Income tax credit	1.9
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	(1.9)
Income tax credit	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment reporting (continued)

(b) Reconciliation of segment revenue and result to the Statement of Comprehensive Income – Continuing Operations (continued)

31 December 2011

	Note	Total Core Operations \$M	Consolidation & Eliminations \$M	Total Continuing Operations \$M	ROI Adjustments & Reclassifications \$M	Total Statement of Comprehensive Income \$M
Investment Management						
Rent from investment properties	(i)	668.8	(68.8)	600.0	-	600.0
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(ii)	76.4	55.0	131.4	-	131.4
Other Income		4.5	(4.5)	-	-	-
Property expenses and outgoings		(170.7)	13.8	(156.9)	-	(156.9)
Property Net Income		579.0	(4.5)	574.5	-	574.5
Management & administrative expenses	(iii)	(13.1)	4.5	(8.6)	-	(8.6)
Net Contribution - Investment Management		565.9	-	565.9	-	565.9
Asset Management						
Property management fee		21.8	(10.3)	11.5	-	11.5
Management & administrative expenses	(iii)	(34.9)	10.3	(24.6)	-	(24.6)
Net Contribution - Asset Management		(13.1)	-	(13.1)	-	(13.1)
Development						
Development fees		19.3	(11.0)	8.3	-	8.3
Management & administrative expenses	(iii)	(31.9)	11.1	(20.8)	-	(20.8)
Net Contribution - Development		(12.6)	0.1	(12.5)	-	(12.5)
Funds Management						
Funds management fees		23.9	-	23.9	-	23.9
Management & administrative expenses	(iii)	(8.3)	-	(8.3)	-	(8.3)
Net Contribution - Funds Management		15.6	-	15.6	-	15.6
Support Functions						
Unallocated management & administrative expenses	(iii), (iv)	(25.4)	-	(25.4)	-	(25.4)
Interest income		34.5	(32.5)	2.0	-	2.0
Interest expense		(166.3)	32.4	(133.9)	-	(133.9)
Segment Result Before Tax		398.6	-	398.6	-	398.6
Income tax credit	(v)	8.3	-	8.3	-	8.3
Segment Result for the year		406.9	-	406.9	-	406.9
Fair value adjustments to investment properties	2(c)(iii)				63.1	63.1
Fair value and other adjustments to equity accounted investments	(ii), 2(c)(ii)				26.7	26.7
Amortisation expense - intangibles	(iv), 2(c)(iv)				(5.1)	(5.1)
Impairment expense - loan and receivables	2(c)(v)				(5.6)	(5.6)
Fair value movement of derivatives	2(c)(vi)				(147.0)	(147.0)
Net foreign exchange gain	2(c)(vii)				2.5	2.5
Net gain on disposal of assets	2(c)(viii)				2.3	2.3
Non-cash IFRS revenue adjustments	(i), 2(c)(i)				(26.2)	(26.2)
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	(v)				(1.5)	(1.5)
Others	(iii)				(6.9)	(6.9)
Net profit / (loss) for the year					(97.7)	309.2

2. Segment reporting (continued)

(b) Reconciliation of segment revenue and result to the Statement of Comprehensive Income – Continuing Operations (continued)

31 December 2011 (continued)

	\$M
(i)	
Rent from investment properties	600.0
Less: Non-cash IFRS adjustments	(26.2)
Rent from property investments	<u>573.8</u>
(ii)	
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	131.4
Fair value and other adjustments to equity accounted investments	26.7
Share of after tax profits of equity accounted investments	<u>158.1</u>
(iii)	
Management & administrative expenses (Investment Management)	8.6
Management & administrative expenses (Asset Management)	24.6
Management & administrative expenses (Development)	20.8
Management & administrative expenses (Funds Management)	8.3
Unallocated management & administrative expenses	25.4
Less: Depreciation expense - refer to (iv) below	(2.2)
Others	6.9
Management and other administration costs	<u>92.4</u>
(iv)	
Amortisation expense - intangibles	5.1
Depreciation expense - refer to (iii) above	2.2
Depreciation and amortisation expense	<u>7.3</u>
(v)	
Income tax credit	8.3
Tax impact on reconciling items from Segment result to Net profit / (loss) for the year	(1.5)
Income tax credit	<u>6.8</u>

2. Segment reporting (continued)

(c) Description of adjustments from segment result (“ROI”) to net profit / (loss) for the year

The chief operating decision maker assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at the net profit/(loss) shown in the financial reports are set out below:

- (i) **Non-cash IFRS adjustments** primarily comprise amounts for straight lining rental revenue and amortising lease incentives. These are required for Australian Accounting Standards purposes but are non-cash amounts, therefore have been excluded from ROI to better reflect revenue on a cash basis in ROI.
- (ii) **Fair value and other adjustments to equity accounted investments** comprise the movements in the value of the underlying assets of GPT’s investments in joint ventures and associates as required by Australian Accounting Standards. These do not reflect the cash distributions received from these investments. As such, GPT has excluded these amounts from ROI to better reflect a cash basis in ROI.
- (iii) **Fair value adjustments to investment properties** comprise movements in fair value of investment properties required by Australian Accounting Standards for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (iv) **Amortisation expense** is required for Australian Accounting Standards and is a non-cash transaction. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (v) **Impairment expense** is required for Australian Accounting Standards and is a non-cash transaction. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (vi) **Fair value movement of derivatives** comprise mark-to-market movements required by Australian Accounting Standards for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (vii) **Net foreign exchange gain / (loss)** is required for Australian Accounting Standards and is a non-cash transaction. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.
- (viii) **Net profit / (loss) on disposal** is capital in nature therefore GPT has excluded this amount from ROI.

The accounting policies used by the Group in reporting segments internally are the same as those in note 1 to the financial report and in the prior years.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Group’s revenues.

2. Segment reporting (continued)

(d) Reconciliation of segment assets and liabilities to the Statement of Financial Position

The amounts provided to the chief operating decision maker 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.

Given some of the assets and liabilities relate mainly to Corporate activities and have not been allocated to a reportable segment, a reconciliation of the reportable segments' assets and liabilities to total assets and liabilities for the years ended 31 December 2012 and 31 December 2011 is set out below:

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
31 December 2012								
Current Assets								
Current assets	194.0	-	-	-	241.5	435.5	9.1	444.6
Total Current Assets	194.0	-	-	-	241.5	435.5	9.1	444.6
Non-Current Assets								
Investment properties	4,132.3	1,378.8	989.5	-	-	6,500.6	-	6,500.6
Equity accounted investments	151.6	706.3	-	1,152.8	0.1	2,010.8	-	2,010.8
Property, plant and equipment	-	-	-	-	10.7	10.7	-	10.7
Loans and receivables	-	-	-	-	7.9	7.9	144.1	152.0
Intangible assets	12.0	0.4	-	-	37.5	49.9	-	49.9
Other non-current assets	-	-	-	-	174.6	174.6	-	174.6
Total Non-Current Assets	4,295.9	2,085.5	989.5	1,152.8	230.8	8,754.5	144.1	8,898.6
Total Assets	4,489.9	2,085.5	989.5	1,152.8	472.3	9,190.0	153.2	9,343.2
Current and non-current liabilities	-	-	-	-	2,467.0	2,467.0	-	2,467.0
Total Liabilities	-	-	-	-	2,467.0	2,467.0	-	2,467.0
Net Assets	4,489.9	2,085.5	989.5	1,152.8	(1,994.7)	6,723.0	153.2	6,876.2
31 December 2011								
Current Assets								
Current assets	39.2	373.2	16.7	-	153.2	582.3	92.5	674.8
Total Current Assets	39.2	373.2	16.7	-	153.2	582.3	92.5	674.8
Non-Current Assets								
Investment properties	4,720.3	887.5	815.8	-	-	6,423.6	-	6,423.6
Equity accounted investments	147.9	677.4	-	1,021.7	12.6	1,859.6	-	1,859.6
Property, plant and equipment	-	-	-	-	12.8	12.8	-	12.8
Loans and receivables	-	-	-	-	10.3	10.3	140.6	150.9
Intangible assets	11.0	-	-	-	40.3	51.3	-	51.3
Other non-current assets	-	-	-	-	114.6	114.6	-	114.6
Total Non-Current Assets	4,879.2	1,564.9	815.8	1,021.7	190.6	8,472.2	140.6	8,612.8
Total Assets	4,918.4	1,938.1	832.5	1,021.7	343.8	9,054.5	233.1	9,287.6
Other current and non-current liabilities	-	-	-	-	2,498.6	2,489.8	2.6	2,501.2
Total Liabilities	-	-	-	-	2,498.6	2,489.8	2.6	2,501.2
Net Assets	4,918.4	1,938.1	832.5	1,021.7	(2,154.8)	6,555.9	203.5	6,786.4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment reporting (continued)

(e) Identification of reportable segments

The Group's operating segments as described in note 1(h) and which are based on internal reports reviewed by the Chief Executive Officer are:

Segment	Types of products and services which generate segment revenues
Retail	Regional, sub-regional and community shopping centres, Homemaker City (bulky goods) centres, retail re-developments and new retail developments as well as development and property management of retail assets.
Office	Office space with associated retail space and office developments.
Logistics and Business Parks	Traditional logistics and business park assets with capacity for organic growth through the development of vacant land as well as logistics and business park re-developments and property management of logistics and business park assets.
Funds Management	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Corporate	Finance, principally interest costs and Group operating costs.
Non-Core Operations, Consolidation and Eliminations include:	
Discontinued operation - US Seniors Housing	GPT completed the sale of this portfolio on 29 March 2011 and the balances represent miscellaneous balances that will be realised once liquidation of the remaining entity occurs.
Discontinued operation - Funds Management – Europe	Equity investments in two small closed-end funds (a legacy of GPT's ownership of GPT Halverton) managed by Internos Real Investors.
Discontinued operation - Hotel / Tourism	GPT has divested all of its resorts after completing the sale of Ayers Rock Resort on 23 May 2011 and now earns interest income on the deferred settlement proceeds. Final proceeds will be received in May 2016. The remaining balances represent miscellaneous balances that will be realised once liquidation of those entities occurs.
Consolidation and Eliminations	Elimination of inter-company transactions and conversion of the proportionally consolidated result from joint ventures and associates to equity accounted results.

(f) Share of after tax profits / (losses) from joint ventures and associates – consolidated entity

The share of after tax profits / (losses) from those joint ventures and associates and the extent to which they have contributed to the overall net profit/(loss) of the Group in the financial year, split between continuing operations and discontinued operations, is set out below:

(1) Share of after tax profits/(losses) from joint ventures and associates – by reportable segment

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
31 December 2012								
Revenue and other income	16.4	72.8	-	142.6	18.1	249.9	9.6	259.5
Expenses	(3.8)	(12.6)	-	(43.3)	(21.4)	(81.1)	(26.6)	(107.7)
Profit / (loss) before income tax expense	12.6	60.2	-	99.3	(3.3)	168.8	(17.0)	151.8
Income tax expense / (credit)	-	-	-	-	-	-	-	-
	12.6	60.2	-	99.3	(3.3)	168.8	(17.0)	151.8
Share of accumulated losses not recognised	-	-	-	-	3.3	3.3	17.3	20.6
Share of net profits / (losses) of joint venture and associate interests	12.6	60.2	-	99.3	-	172.1	0.3	172.4
31 December 2011								
Revenue and other income	14.2	58.2	-	153.1	13.8	239.3	63.3	302.6
Expenses	(3.3)	(12.8)	-	(51.3)	(10.1)	(77.5)	(76.1)	(153.6)
Profit / (loss) before income tax expense	10.9	45.4	-	101.8	3.7	161.8	(12.8)	149.0
Income tax expense / (credit)	-	-	-	-	-	-	-	-
	10.9	45.4	-	101.8	3.7	161.8	(12.8)	149.0
Share of accumulated losses not recognised	-	-	-	-	(3.7)	(3.7)	3.4	(0.3)
Share of net profits / (losses) of joint venture and associate interests	10.9	45.4	-	101.8	-	158.1	(9.4)	148.7

2. Segment reporting (continued)

(f) Share of after tax profits / (losses) from joint ventures and associates – consolidated entity (continued)

(2) Share of after tax profits/(losses) from joint ventures and associates – by geographic location

The analysis below sets out GPT's share of after tax profit / (loss) from its associates and joint ventures by the geographic location they operate in:

	Australia		Europe		United States		Total	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Revenue and other income	249.9	239.7	9.6	9.6	-	53.3	259.5	302.6
Expenses	(81.1)	(77.6)	(25.2)	(21.3)	(1.4)	(54.7)	(107.7)	(153.6)
Profit before income tax expense	168.8	162.1	(15.6)	(11.7)	(1.4)	(1.4)	151.8	149.0
Income tax expense / (credit)	-	-	-	-	-	-	-	-
	168.8	162.1	(15.6)	(11.7)	(1.4)	(1.4)	151.8	149.0
Share of accumulated losses not recognised	3.3	(3.7)	15.9	-	1.4	3.4	20.6	(0.3)
Share of net profits / (losses) of joint ventures and associate interests	172.1	158.4	0.3	(11.7)	-	2.0	172.4	148.7

(g) Share of joint venture and associates' assets and liabilities – consolidated entity

The underlying assets and liabilities of the joint ventures and associates shown in the Consolidated Statement of Financial Position, split between continuing operations and discontinued operations, is set out below:

(1) Share of joint venture and associates' assets and liabilities – by reportable segment

	Core operations					Total Core Operations	Total Non-Core Operations, Consolidation & Eliminations	Total
	Retail	Office	Logistics and Business Parks	Funds Management	Corporate			
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
31 December 2012								
Cash and cash equivalents	1.2	5.5	-	6.5	2.5	15.7	6.4	22.1
Property investments and loans	152.0	713.4	-	1,424.9	27.7	2,318.0	61.2	2,379.2
Other assets	0.4	3.1	-	6.8	9.3	19.6	3.5	23.1
Total Assets	153.6	722.0	-	1,438.2	39.5	2,353.3	71.1	2,424.4
Other liabilities	2.0	15.7	-	40.9	19.8	78.4	24.3	102.7
Borrowings								
- The GPT Group	-	-	-	-	30.6	30.6	31.8	62.4
- External - non-current	-	-	-	244.5	-	244.5	71.2	315.7
Total Liabilities	2.0	15.7	-	285.4	50.4	353.5	127.3	480.8
Net Assets	151.6	706.3	-	1,152.8	(10.9)	1,999.8	(56.2)	1,943.6
Negative net assets not recognised	-	-	-	-	11.0	11.0	56.3	67.3
Net Assets after write back	151.6	706.3	-	1,152.8	0.1	2,010.8	0.1	2,010.9
31 December 2011								
Cash and cash equivalents	2.4	6.9	-	4.5	1.5	15.3	8.5	23.8
Property investments and loans	148.5	685.7	-	1,201.1	49.6	2,084.9	80.1	2,165.0
Other assets	0.3	0.5	-	6.2	9.1	16.1	2.9	19.0
Total Assets	151.2	693.1	-	1,211.8	60.2	2,116.3	91.5	2,207.8
Other liabilities	3.3	15.7	-	41.7	22.4	83.1	27.1	110.2
Borrowings								
- The GPT Group	-	-	-	-	32.9	32.9	32.3	65.2
- External - non-current	-	-	-	148.4	-	148.4	72.4	220.8
Total Liabilities	3.3	15.7	-	190.1	55.3	264.4	131.8	396.2
Net Assets	147.9	677.4	-	1,021.7	4.9	1,851.9	(40.3)	1,811.6
Negative net assets not recognised	-	-	-	-	7.7	7.7	40.5	48.2
Net Assets after write back	147.9	677.4	-	1,021.7	12.6	1,859.6	0.2	1,859.8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

2. Segment reporting (continued)

(g) Share of joint venture and associates' assets and liabilities – consolidated entity (continued)

(2) Share of joint ventures and associates' assets and liabilities – by geographic location

The analysis below sets out, by geographic location, the underlying assets and liabilities of the associates and joint ventures shown in the Consolidated Statement of Financial Position. Key asset and liability categories have been individually presented for further detail.

	Australia		Europe		United States		Total	
	31 Dec 12 \$M	31 Dec 11 \$M	31 Dec 12 \$M	31 Dec 11 \$M	31 Dec 12 \$M	31 Dec 11 \$M	31 Dec 12 \$M	31 Dec 11 \$M
Cash and cash equivalents	15.7	15.3	3.0	2.6	3.4	5.9	22.1	23.8
Property investments and loans	2,318.0	2,084.9	61.2	80.1	-	-	2,379.2	2,165.0
Other assets	19.6	16.1	3.5	2.9	-	-	23.1	19.0
Total Assets	2,353.3	2,116.3	67.7	85.6	3.4	5.9	2,424.4	2,207.8
Other liabilities	78.4	83.1	11.6	13.2	12.7	13.9	102.7	110.2
Borrowings								
- The GPT Group	30.6	32.9	-	-	31.8	32.3	62.4	65.2
- External - non-current	244.5	148.4	71.2	72.4	-	-	315.7	220.8
Total Liabilities	353.5	264.4	82.8	85.6	44.5	46.2	480.8	396.2
Net Assets	1,999.8	1,851.9	(15.1)	-	(41.1)	(40.3)	1,943.6	1,811.6
Negative Net Assets not recognised	11.0	7.7	15.1	-	41.2	40.5	67.3	48.2
Net Assets after write back	2,010.8	1,859.6	-	-	0.1	0.2	2,010.9	1,859.8

3. Distributions paid and payable

		Consolidated entity	
		31 Dec 12	31 Dec 11
		\$M	\$M
(a) Stapled Securityholders			
(i) Distributions paid			
Quarter ended December 2011:	4.9 cents per stapled security paid on 16 March 2012 (4.6 cents per stapled security paid on 25 March 2011)	88.7	85.4
Quarter ended March 2012:	4.6 cents per stapled security paid on 25 May 2012 (4.2 cents per stapled security paid on 27 May 2011)	82.2	77.9
Quarter ended June 2012:	4.9 cents per stapled security paid on 7 September 2012 (4.3 cents per stapled security paid on 23 September 2011)	86.6	79.1
Quarter ended September 2012:	4.7 cents per stapled security paid on 16 November 2012 (4.4 cents per stapled security paid on 18 November 2011)	83.0	80.7
Total distributions paid		340.5	323.1
(ii) Distributions proposed and not recognised as a liability¹			
Quarter ended December 2012:	5.1 cents per stapled security expected to be paid in mid-March 2013 (4.9 cents per stapled security paid on 16 March 2012)	90.1	88.7
(b) Exchangeable securities Securityholders²			
(i) Distributions paid			
Period from 28 November 2011 to 27 May 2012	10% per exchangeable security	25.0	25.0
(ii) Distributions payable			
Period from 28 November 2012 to 31 December 2012	10% per exchangeable security	2.4	2.5

1 The December quarter distribution of 5.1 cents per stapled security is expected to be paid in mid-March 2013. No provision for the distribution has been recognised in the Statement of Financial Position as at 31 December 2012 as the distribution had not been declared by that date. This distribution is based on the number of securities at the record date of 11 January 2013.

2 Refer to note 16(b) for further information on the Exchangeable Securities.

4. Expenses

		Consolidated entity	
		31 Dec 12	31 Dec 11
		\$M	\$M
(a) Depreciation and amortisation expense			
Depreciation of hotel properties		-	2.1
Depreciation of plant and equipment	11(a)	2.3	2.2
Amortisation of intangibles	12(a)	4.8	5.1
Less: Depreciation and amortisation - Discontinued operations		-	(2.1)
Total depreciation and amortisation expense		7.1	7.3
(b) Finance costs			
External entities		119.8	147.2
Interest capitalised*		(8.8)	(13.3)
Total finance costs		111.0	133.9
(c) Net loss on fair value of derivatives			
Interest rate derivatives		40.0	134.5
Foreign currency derivatives		(0.1)	12.5
Total net loss on fair value of derivatives		39.9	147.0

*A capitalisation rate of 5.6% (2011: 7.0%) has been applied when capitalising interest on qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

5. Tax

	Consolidated entity	
	31 Dec 12	31 Dec 11
	\$M	\$M
(a) Income tax (benefit) / expense		
Current income tax (benefit) / expense	(5.7)	7.4
Deferred income tax expense / (benefit)	1.4	(22.4)
Income tax benefit in the Statement of Comprehensive Income	(4.3)	(15.0)
Income tax benefit attributable to:		
Profit from continuing operations	-	(6.8)
Profit from discontinued operations	(4.3)	(8.2)
Aggregate income tax benefit	(4.3)	(15.0)
Reconciliation of income tax expense to prima facie tax payable:		
Net profit before income tax expense	590.2	231.2
Less: profit attributed to entities not subject to tax	(617.9)	(293.1)
Net loss before income tax expense	(27.7)	(61.9)
Prima facie income tax benefit at 30% tax rate (31 December 2011: 30%)	(8.3)	(18.6)
Tax effect of amounts not deductible (taxable) in calculating income tax benefit:		
Overhead costs	2.8	4.1
Impairment expenses	0.2	1.7
Depreciation not deductible	2.2	-
Bad debts deductions denied on related party interest	1.4	-
Withholding tax benefit	-	(0.7)
Share of after tax profits of investments in associates and joint ventures	(0.1)	(0.8)
Foreign subsidiary losses not deductible for tax	0.3	2.7
Adjustments in respect of current income tax of previous years	(3.6)	(7.1)
Tax benefit arising on disposal of foreign assets	(5.7)	(5.0)
Impairment of deferred tax asset	6.5	8.7
Income tax benefit	(4.3)	(15.0)
Deferred tax assets and liabilities are attributable to the following:		
(b) Deferred tax assets		
Employee benefits	8.0	9.0
Overhead costs	8.3	7.6
Provisions and accruals	0.9	0.9
Tax losses recognised	17.0	18.1
Other	0.6	0.6
Net deferred tax asset	34.8	36.2
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	36.2	27.8
(Charged) / credited to the income statement	(0.3)	(5.7)
Tax losses recognised	(1.1)	14.1
Closing balance at end of the financial year	34.8	36.2
(c) Deferred tax liabilities		
Net deferred tax liability	-	-
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	-	28.0
Charged to the income statement	-	(28.0)
Closing balance at end of the financial year	-	-

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

(a) Details of discontinued operations

At 31 December 2012, there are three discontinued operations: Hotel / Tourism portfolio, Funds Management – Europe and US Seniors Housing portfolios.

An update on the remaining investments for each discontinued operation as at 31 December 2012 is discussed in detail below.

(i) Hotel / Tourism

The sale contract was exchanged for the Ayers Rock Resort in October 2010 and settlement occurred on 23 May 2011 with a total consideration of \$300 million.

- \$81 million payment received on settlement;
- \$81 million payment received on 23 May 2012; and
- \$138 million payment to be received five years after settlement.

GPT has been provided with security guaranteeing the deferred payments and will receive interest on the deferred payments at a rate of 6.5% per annum. GPT will share in 46% of the increase in capital value of Ayers Rock Resort over \$300 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of \$17 million at the end of the five year period. GPT will accrue increments of the \$17 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT has contributed \$22.2 million towards capital expenditure in March 2012 in accordance with the sale agreement.

(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 do not qualify as a sale under Australian Accounting Standards. As a result, at 31 December 2012 GPT Europe 2 Sarl continues to recognise the 38.04% investment in DAF which carrying value is nil.

(iii) US Seniors Housing

On 29 March 2011, GPT completed the sale of its US Seniors Housing portfolio to Health Care REIT Inc for a total consideration of US\$890 million. Remaining balances represent working capital in B-VII Operations Holding Co LLC, whose properties had been sold on 29 March 2011. The entity is in the process of being liquidated.

(b) Assets classified as held for sale

In addition to the residual assets and liabilities classified as held for sale in the Funds Management Europe and US Seniors Housing Portfolios, certain investment properties are also included as assets classified as held for sale in the Statement of Financial Position as at 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

6. Non-current assets held for sale, discontinued operations and other disposals (continued)

(c) Details of assets and liabilities classified as held for sale

The table below sets out the assets and liabilities that continue to be owned by the Group at 31 December 2012 (discussed in (a) and (b) above). These assets and liabilities are presented as an aggregate amount on the lines 'assets and liabilities held for sale' in the Statement of Financial Position.

		Consolidated entity					
		Discontinued Operations			Investment Properties	Total	Total
		Hotels / Tourism	Funds Management Europe	US Seniors Housing	Investment Properties	Total	Total
Note		31 Dec 12 \$M	31 Dec 12 \$M	31 Dec 12 \$M	31 Dec 12 \$M	31 Dec 12 \$M	31 Dec 11 \$M
Assets classified as held for sale							
		-	-	-	-	-	1.0
		-	-	-	-	-	10.3
		-	-	-	194.0	194.0	429.1
		-	-	0.1	-	0.1	0.2
		-	-	-	-	-	-
		-	9.0	0.1	194.0	203.1	440.6
Liabilities classified as held for sale							
		-	-	-	-	-	2.6
		-	-	-	-	-	2.6

(i) Loans and receivables mainly comprise of a loan receivable of \$9.0 million from German Retail Fundco SARL.

(ii) This includes certain investment properties under the Retail segment.

(iii) Investments in associates and joint ventures comprise:

- the 38.04% investment in DAF held at nil carrying value. Refer to note 6(a)(ii) for further details;
- the 50% investment in B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC with nil carrying value at 31 December 2012; and
- the 95% investment in B-VII Operations Holding Co LLC, whose properties held by this entity had been sold on 29 March 2011 and it is in the process of being liquidated. This investment is held at \$0.1 million as at 31 December 2012.

(iv) Other assets comprise 5.3% interest in GPT MaltaCo 1 with nil carrying value as at 31 December 2012.

6. Non-current assets held for sale, discontinued operations and other disposals (continued)

(d) Details of financial performance and cash flow information relating to discontinued operations

The table below sets out the financial performance and cash flow information up to 31 December 2012 for the discontinued operations that continue to be owned by the Group at reporting date. For assets which have been divested during the year, the relevant financial performance and cash flow information up to the date of disposal have been included. These results are shown at note 2(a) within the total non-core discontinued operations segments.

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Revenue	15.8	54.3
Share of after tax profit of investments in associates and joint ventures	-	7.9
Expenses	-	(33.8)
Income tax (expense) / credit	(1.3)	3.5
Segment result for discontinued operations	14.5	31.9
Items excluded from Segment result	0.9	(99.6)
Tax impact of reconciling items from Segment result to Net profit for the year	5.6	4.7
Net profit / (loss) after income tax of discontinued operations	21.0	(63.0)
Net cash inflow from operating activities	12.3	31.6
Net cash inflow from investing activities	46.0	290.8
Net increase in cash generated by discontinued operations	58.3	322.4

(e) Details of disposals including disposals in discontinued operations

The net profit / (loss) on sale of disposals in discontinued operations and in the general course of business during the year were:

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Details of disposals during the year:		
Cash consideration - net of transaction costs	615.4	384.9
Deferred consideration	-	219.0
Total consideration	615.4	603.9
Carrying amount of net assets sold	(618.5)	(605.4)
Foreign exchange loss realised on disposal	-	(47.6)
Loss on sale before income tax	(3.1)	(49.1)

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

Cash at bank and at call	-	0.4
Loans and receivables	-	0.4
Inventories	-	3.6
Investment properties	618.5	1.9
Equity accounted investments	-	301.6
Property, plant and equipment	-	300.0
Other assets	-	0.8
Total Assets	618.5	608.7
Trade payables and accruals	-	1.4
Other liabilities	-	1.9
Total Liabilities	-	3.3
Net Assets	618.5	605.4

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For the year ended 31 December 2012 – THE GPT GROUP

7. Loans and receivables

	Consolidated entity	
	31 Dec 12	31 Dec 11
	\$M	\$M
Current assets		
Trade receivables	18.1	16.7
less: impairment of trade receivables	(1.1)	(0.6)
	17.0	16.1
Distributions receivable from associates	18.5	18.6
Distributions receivable from joint ventures	10.1	12.6
Interest receivable	0.8	0.5
Deferred consideration receivables	-	81.0
Other debtors	13.6	12.1
Related party receivables ¹	11.7	10.6
Total current loans and receivables	71.7	151.5
Non-Current assets		
Deferred consideration receivables	144.1	140.6
Loan advanced to Lend Lease GPT (Rouse Hill) Pty Limited	7.9	10.3
Total non-current loans and receivables	152.0	150.9

¹ The related party receivables are on commercial terms and conditions with collection expected in 30 days.

8. Derivative financial instruments

	Consolidated entity	
	31 Dec 12	31 Dec 11
	\$M	\$M
Current assets		
Interest rate swaps	5.1	0.1
Foreign exchange contracts	-	0.1
Total current derivative assets	5.1	0.2
Non-current assets		
Interest rate swaps	132.8	77.9
Interest rate options	2.9	0.3
Total non-current derivative assets	135.7	78.2
Current liabilities		
Interest rate swaps	0.1	0.8
Foreign exchange contracts	-	0.2
Total current derivative liabilities	0.1	1.0
Non-current liabilities		
Interest rate swaps	50.0	45.0
Interest rate options	90.1	82.5
Total non-current derivative liabilities	140.1	127.5

GPT does not speculatively trade in derivative financial instruments and the terms and conditions of the derivative financial instruments are similar to the terms and conditions of the underlying items being economically hedged.

Refer to note 26 for further disclosures on GPT's financial risk management.

At 31 December 2012, GPT has hedges (fixed debt and swaps) in place to cover 66.2% of its total debt and the hedges have an average fixed rate of 3.74% (2011: 70.6% hedged, hedges had an average fixed rate of 4.38%).

9. Investment properties

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Retail	(b)	4,132.3	4,720.3
Office	(c)	1,378.8	740.2
Logistics and Business Parks	(d)	880.5	693.0
Properties under development	(e)	109.0	270.1
Total investment properties		6,500.6	6,423.6

(a) Reconciliation

A reconciliation of the carrying amount of investment properties at the beginning and end of the financial year is as follows:

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Carrying amount at the beginning of the financial year	6,423.6	6,562.5
Additions - operating capex	24.5	39.9
Additions - interest capitalised	8.8	13.3
Additions - development capex	72.7	124.1
Asset acquisitions	151.4	-
Transfers from / (to) non-current assets classified as held for sale	235.1	(419.1)
Lease incentives	50.8	29.3
Amortisation of lease incentives	(24.9)	(21.5)
Disposals	(618.6)	(0.1)
Fair value adjustments	175.1	100.6
Leasing costs (net of amortisation)	2.1	(5.4)
Carrying amount at the end of the financial year	6,500.6	6,423.6

(b) Retail

	Ownership Interest ¹ %	Acquisition Date	Fair Value 31 Dec 12 \$M	Fair Value 31 Dec 11 \$M	Latest Independent Valuation Date	Valuer
Casuarina Square, NT ²	50.0	Oct 1973	239.5	455.6	Dec 2012	CB Richard Ellis
Charlestown Square, NSW	100.0	Dec 1977	840.3	830.3	Dec 2010	Jones Lang LaSalle
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	9.7	9.9	Dec 2010	Jones Lang LaSalle
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	170.0	180.2	Jun 2011	CB Richard Ellis Pty Limited
Erina Fair, NSW ³	33.3	Jun 1992	262.1	252.2	Jun 2012	Savills Australia
Highpoint Shopping Centre, VIC	16.7	Aug 2009	274.2	233.1	Jun 2012	CB Richard Ellis Pty Limited
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	7.5	9.1	Sept 2012	CB Richard Ellis Pty Limited
Westfield Penrith, NSW	50.0	Jun 1971	546.4	519.2	Jun 2012	Knight Frank Valuations
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	350.8	326.1	Jun 2012	Savills Australia
Plaza Parade, QLD	50.0	Jun 1999	9.5	9.3	Jun 2012	Savills Australia
Westfield Woden, ACT ²	-	Feb 1986	-	321.5	Dec 2010	Knight Frank Valuations
Homemaker City, Aspley, QLD	100.0	Nov 2001	-	47.7	Dec 2011	Colliers
Homemaker City, Fortitude Valley, QLD	100.0	Dec 2001	-	100.1	Dec 2011	Jones Lang LaSalle
Homemaker City, Jindalee, QLD	100.0	Nov 2001	-	50.0	Dec 2011	Colliers
Rouse Hill Town Centre, NSW	100.0	Dec 2005	461.1	460.0	Jun 2012	CB Richard Ellis Pty Limited
Melbourne Central, VIC - retail portion ⁴	100.0	May 1999 / May 2001	961.2	916.0	Dec 2012	CB Richard Ellis Pty Limited
Total consolidated entity			4,132.3	4,720.3		

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For the year ended 31 December 2012 – THE GPT GROUP

9. Investment properties (continued)

(c) Office

	Ownership Interest ¹ %	Acquisition Date	Fair Value 31 Dec 12 \$M	Fair Value 31 Dec 11 \$M	Latest Independent Valuation Date	Valuer
Australia Square, Sydney, NSW	50.0	Sep 1981	286.1	278.8	Dec 2011	Savills
MLC Centre, Sydney, NSW ⁵	50.0	Apr 1987	381.1	-	Jun 2011	Colliers International
One One One Eagle Street, Brisbane, QLD ⁶	33.3	Apr 1984	208.6	-	Mar 2012	Knight Frank
Melbourne Central, VIC - office portion ⁴	100.0	May 1999 / May 2001	375.0	334.0	Dec 2012	CB Richard Ellis Pty Limited
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	128.0	127.4	Mar 2011	Savills
Total consolidated entity			1,378.8	740.2		

(d) Logistics and Business Parks

	Ownership Interest ¹ %	Acquisition Date	Fair Value 31 Dec 12 \$M	Fair Value 31 Dec 11 \$M	Latest Independent Valuation Date	Valuer
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	44.1	44.0	Jun 2011	Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.7	66.3	Mar 2012	Jones Lang LaSalle
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	19.6	20.4	Dec 2012	Knight Frank Valuations
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	22.5	20.4	Dec 2012	Knight Frank Valuations
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	23.0	21.3	Dec 2012	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	36.1	35.6	Dec 2012	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	12.1	12.1	Dec 2010	Jones Lang LaSalle
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	9.4	9.4	Jun 2010	CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	20.2	18.8	Jun 2011	Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.6	10.5	Jun 2010	CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	19.4	17.8	Jun 2011	Jones Lang LaSalle
5 Murray Rose, Sydney Olympic Park, NSW ⁷	* 100.0	May 2002	68.5	-	Jun 2012	M3 Property
Rosehill Business Park, Camellia, NSW	100.0	May 1998	67.6	67.3	Jun 2012	Jones Lang LaSalle
15 Berry Street, Granville, NSW	100.0	Nov 2000	13.3	12.9	Jun 2012	Savills Australia
19 Berry Street, Granville, NSW	100.0	Dec 2000	26.7	25.7	Jun 2012	Savills Australia
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	38.8	39.0	Jun 2012	Knight Frank Valuations
Erskine Park, NSW (Stage 2)	100.0	Jun 2008	19.1	19.1	Sep 2010	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	135.4	140.9	Jun 2012	CB Richard Ellis
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.2	13.2	Dec 2011	CB Richard Ellis
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	13.4	13.3	Jun 2011	Jones Lang LaSalle
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	30.4	30.4	Dec 2011	CB Richard Ellis
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.4	18.1	Jun 2012	Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	13.7	13.6	Dec 2011	CB Richard Ellis
Citiport Business Park, Port Melbourne, VIC ⁸	100.0	Mar 2012	61.5	-	Feb 2012	Jones Lang LaSalle
83 Derby Street, Silverwater, NSW ⁹	100.0	Aug 2012	25.2	-	Jun 2012	Knight Frank Valuations
10 Interchange Drive, Eastern Creek, NSW ⁹	100.0	Aug 2012	28.6	-	Jul 2012	CB Richard Ellis
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	23.0	22.9	Dec 2010	Knight Frank Valuations
Total consolidated entity			880.5	693.0		

9. Investment properties (continued)

(e) Properties under development

	Ownership Interest ¹ %	Acquisition Date	Fair Value 31 Dec 12 \$M	Fair Value 31 Dec 11 \$M	Latest Independent Valuation Date	Valuer
Office						
One One One Eagle Street, Brisbane, QLD ⁶	33.3	Apr 1984	-	147.3	Mar 2012	Knight Frank Valuations
Logistics and Business Parks						
17 Berry St, Granville, NSW	100.0	Sep 2009	2.9	5.2	Jun 2012	Savills Australia
7 Parkview Drive, Sydney Olympic Park, NSW ⁷	100.0	May 2002	-	41.0	Jun 2011	Jones Lang LaSalle
Erskine Park, NSW	100.0	Jun 2008	51.4	53.9	Jun 2012	Knight Frank Valuations
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	4.7	5.2	Dec 2010	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	21.7	17.5	Jun 2012	CB Richard Ellis
Toll NQX, Karawatha, QLD ¹⁰	100.0	Dec 2012	28.3	-	-	-
Total consolidated entity			109.0	270.1		

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

2 On 25 June 2012, GPT sold a 50% interest in Casuarina shopping centre in Darwin and its 50% interest in Westfield Woden shopping centre in Canberra to the GPT Wholesale Shopping Centre Fund for \$229.7 million and \$322.5 million respectively.

3 Erina Fair is 33.3% directly owned by the Trust. A further 16.7% is owned through a 50% share of Erina Property Trust, a joint venture with APPF (refer note 10(a)(i)).

4 Melbourne Central: 71.9% Retail and 28.1% Office (2011Dec 11: 73.3% Retail and 26.7% Office).

5 This property was reclassified to an investment property from a non-current asset held for sale during the year. GPT management believes that the asset value will be enhanced in the near future through the completion of the façade repairs, leasing activity and repositioning strategies. As a result, it has been determined that the asset is better suited to remain in the portfolio at this time.

6 Following practical completion in June 2012, One One One Eagle Street had been reclassified from a property under development to an investment property in the Office Portfolio.

7 This property was classified as a property under development as at 31 December 2011, being that part of 7 Parkview Drive, Sydney Park, NSW which was under development.

8 On 30 March 2012, GPT acquired CitiPort Business Park at 650-672 Lorimer Street and 272-310 Salmon Street, Port Melbourne, Victoria for a total consideration of \$61.0 million.

9 On 3 August 2012, GPT acquired 83 Derby Street, Silverwater, NSW for \$25.1 million and 10 Interchange Drive, Eastern Creek, NSW for \$28.6 million.

10 On 17 December 2012, GPT acquired Toll NQX, Karawatha in Queensland for a consideration of \$28.2 million.

Investment properties held in associates and joint ventures are set out in note 10.

(f) Key operating metrics

The key operating metrics (on the basis of weighted averages) as at 31 December are set out below:

	Consolidated entity	
	31 Dec 12	31 Dec 11
Retail portfolio		
Weighted average Cap Rate (%) ¹	6.1%	6.2%
Total Portfolio Retail Occupancy Rate (%) ¹	99.5%	99.4%
Total Portfolio Specialty Moving Annual Turnover (\$psm) ²	8,964	8,958
Total Portfolio Specialty Occupancy Cost (%) ²	17.9%	17.6%
Office portfolio		
Weighted average Cap Rate (%) ³	6.9%	7.1%
Total Portfolio Occupancy Rate (%) ³	95.8%	96.5%
Weighted Average Lease Term by Income (Years) ³	5.4	4.7
Logistics & business parks portfolio		
Weighted average Cap Rate (%)	8.3%	8.4%
Total Portfolio Occupancy Rate (%)	98.2%	98.4%
Weighted Average Lease Term by Income (Years)	5.8	6.2

1 Includes GPT's interest in GPT Wholesale Shopping Centre Fund. Excludes the QLD Homemaker Portfolio and Newcastle CBD Land Holdings. Occupancy excludes centres under development.

2 Includes GPT and GPT Wholesale Shopping Centre Fund owned assets. Excludes development impacted assets, Norton Plaza, the QLD Homemaker Portfolio.

3 Includes GPT owned assets and GPT's interest in GWOF. Occupancy includes committed space.

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For the year ended 31 December 2012 – THE GPT GROUP

9. Investment properties (continued)

(g) Operating lease receivables

The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Due within one year	521.2	541.3
Due between one and five years	1,403.0	1,504.9
Due after five years	751.5	769.6
Total operating lease receivables	2,675.7	2,815.8

10. Investments in associates and joint venture entities

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Investments in joint venture entities	(a)(i)	858.0	825.3
Investments in associates	(a)(ii)	1,152.8	1,034.3
Total equity accounted investments		2,010.8	1,859.6

(a) Details of GPT's associates and joint venture entities

Name	Principal Activity	Ownership Interest		31 Dec 12 \$M	31 Dec 11 \$M
		31 Dec 12 %	31 Dec 11 %		
(i) Joint Ventures					
Entities incorporated in Australia					
1 Farrer Place Trust ¹	Investment property	50.00	50.00	324.6	322.2
2 Park Street Trust ¹	Investment property	50.00	50.00	381.7	355.1
DPT Operator Pty Limited ¹	Managing property	50.00	50.00	0.1	0.1
Erina Property Trust ¹	Investment property	50.00	50.00	130.6	125.7
Horton Trust	Investment property	50.00	50.00	21.0	22.2
Lend Lease GPT (Rouse Hill) Pty Limited ^{1,3}	Property development	50.00	50.00	-	-
Total investment in joint venture entities				858.0	825.3
(ii) Associates					
Entities incorporated in Australia					
GPT Wholesale Office Fund ¹	Property investment	20.37	22.86	671.6	640.9
GPT Wholesale Shopping Centre Fund ^{1,2}	Property investment	23.29	20.19	481.2	380.8
Lend Lease (Twin Waters) Pty Limited ⁴	Property development	-	49.00	-	12.6
Total investments in associates				1,152.8	1,034.3

1 The entity has a 30 June balance date.

2 During the year, GPT has participated in a capital raising launched by GPT Wholesale Shopping Centre Fund (GWSCF) in September 2012. Consequently, GPT injected \$100 million into GWSCF which resulted in an increase in its investment to 23.29%.

3 GPT has a 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture entity developing residential and commercial land at the New Rouse Hill, in partnership with Landcom and the NSW Department of Planning.

4 During the year, a distribution of \$7.1 million to GPT was declared and \$5.5 million of invested capital has been repaid in June 2012. This was a non-cash transaction which offsets GPT's payable of \$12.6 million to this associate. The entity was liquidated on 13 October 2012.

10. Investments in associates and joint venture entities (continued)

(b) Share of joint venture entities and associates' assets and liabilities

Further details of the property investments, property development and investment property listed as the principal activity of associates and joint venture entities in part (a) are set out below:

	Investment property / portfolio, loans and other assets	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Australia			
Erina Property Trust	Erina Fair, NSW	131.1	126.2
Horton Trust	Horton Parade and Maroochydore Superstore Plaza, QLD	20.9	22.3
GPT Wholesale Shopping Centre Fund	Various retail assets	684.8	444.0
Total Retail		836.8	592.5
2 Park Street Trust	Citigroup Centre, NSW	385.0	363.0
1 Farrer Place Trust	1 Farrer Place, NSW	328.4	322.7
GPT Wholesale Office Fund	Various office buildings	740.1	757.1
Total Office		1,453.5	1,442.8
Lend Lease GPT (Rouse Hill) Pty Ltd	Residential land - Rouse Hill, NSW	27.7	36.9
Total Corporate		27.7	36.9
Total property investments, property management and investment properties		2,318.0	2,072.2

For summary information on share of joint venture entities / associates' assets, liabilities, revenue and profit after tax, refer to note 2(f) and (g).

(c) Share of joint venture entities and associates' commitments

GPT's share of its joint venture entities' and associates' capital expenditure commitments which have been approved but not provided for at 31 December 2012, and operating lease and other commitments are set out below:

	Australia	
	31 Dec 12 \$M	31 Dec 11 \$M
Capital expenditure	80.5	95.8
Operating lease	-	-
Other	-	-
Total joint venture entities and associates' commitments	80.5	95.8

(d) Reconciliation of the carrying amount of investments in associates and joint venture entities

Reconciliations of the carrying amount of joint venture entities and associates at the beginning and end of the financial year by geographic segment are set out below:

	Australia	
	31 Dec 12 \$M	31 Dec 11 \$M
Consolidated entity		
(i) Joint ventures entities		
Carrying amount at the beginning of the financial year	825.3	820.9
Additions	16.6	2.0
Share of joint venture entities' net operating profit	72.8	56.3
Distributions received / receivable from joint venture entities	(56.7)	(53.9)
Carrying amount at the end of the financial year	858.0	825.3
(ii) Associates		
Carrying amount at the beginning of the financial year	1,034.3	1,304.1
Acquisitions	100.0	5.8
Disposals	-	(301.0)
Share of associates' net operating profit	99.3	101.8
Distributions received / receivable from associates	(75.3)	(76.4)
Repayment of capital	(5.5)	-
Carrying amount at the end of the financial year	1,152.8	1,034.3

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11. Property, plant and equipment

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Office fixtures, fittings & operating equipment		
At cost	20.1	19.9
less: accumulated depreciation and impairment	(9.4)	(7.1)
Total property, plant and equipment	10.7	12.8

(a) Reconciliations

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

	Note	Office fixtures, fittings & operating equipment \$M
Consolidated entity		
Year ended 31 December 2011		
Carrying amount at the beginning of the financial year		5.7
Additions		9.5
Disposals		(0.2)
Depreciation charge	4(a)	(2.2)
Carrying amount at the end of the financial year		12.8
Year ended 31 December 2012		
Carrying amount at the beginning of the financial year		12.8
Additions		0.2
Disposals		-
Depreciation charge	4(a)	(2.3)
Carrying amount at the end of the financial year		10.7

12. Intangible assets

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Management rights			
At cost		77.3	76.7
less: accumulated amortisation and impairment		(66.0)	(65.7)
Total management rights	(b)	11.3	11.0
IT development and software			
At cost		51.4	48.6
less: accumulated amortisation and impairment		(12.8)	(8.3)
Total IT development and software	(c)	38.6	40.3
Total intangible assets		49.9	51.3

(a) Reconciliations

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

Consolidated entity	Note	Management Rights \$M	IT Development & Software \$M	Total \$M
Year ended 31 December 2011				
Carrying amount at the beginning of the financial year		12.1	39.7	51.8
Additions (including capitalisations)		-	4.6	4.6
Amortisation expense	4(a)	(1.1)	(4.0)	(5.1)
Carrying amount at the end of the financial year		11.0	40.3	51.3
Year ended 31 December 2012				
Carrying amount at the beginning of the financial year		11.0	40.3	51.3
Additions (including capitalisations)		0.6	2.8	3.4
Amortisation expense	4(a)	(0.3)	(4.5)	(4.8)
Carrying amount at the end of the financial year		11.3	38.6	49.9

(b) Management rights

The management rights include property management and development management rights of the properties. The rights are amortised over the useful life, which ranges from 3 years to indefinite.

The recoverable amount of the Highpoint Management Rights is determined based on a value in use calculation using cash flow projections as at 31 December 2012 based on financial budgets approved by management covering a five-year period. The discount rate applied to these asset-specific cash flow projections is 8.1% and the growth rate used to extrapolate the cashflows beyond the five year period is 3.8%.

(c) IT development and software

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

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13. Payables

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Trade payables and accruals	144.4	176.5
Other payables	4.4	5.4
Distribution payable (Exchangeable Securities)	2.4	2.5
Related party payables	-	12.6
Interest payable	16.5	10.1
Deposits payable	0.2	0.9
Total payables	167.9	208.0

14. Borrowings

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Current - unsecured			
Bank borrowings			
Syndicated facility - Australian Dollar	(a)(i)	-	362.6
Bank facilities - Australian Dollar	(a)(ii)	-	150.0
Medium Term Notes	(b)	211.0	-
Total current borrowings - unsecured		211.0	512.6
Total current borrowings		211.0	512.6
Non-Current - unsecured			
Bank borrowings			
Syndicated facility - Australian Dollar	(a)(i)	-	167.5
Bank facilities - Australian Dollar	(a)(iv-x)	1,442.0	1,092.0
Medium Term Notes	(b)	330.0	211.0
CPI Coupon Indexed Bond	(c)	85.0	85.0
Total non-current borrowings - unsecured		1,857.0	1,555.5
Non-Current - secured			
Bank facility - Somerton	(a)(iii)	75.6	76.0
Total non-current borrowings - secured		75.6	76.0
Total non-current borrowings		1,932.6	1,631.5
Total borrowings *		2,143.6	2,144.1

The maturity profile of the above current and non-current borrowings is:

Due within one year	211.0	512.6
Due between one and five years	1,222.6	1,139.7
Due after five years	710.0	491.8
	2,143.6	2,144.1

* Net of unamortised establishment costs

14. Borrowings (continued)

(a) Financing facilities

A summary of borrowings and financing facilities included in the statement of financial position is provided below: The facility had three maturity tranches as follows:

	Note	Consolidated entity 31 Dec 12			Maturity Date
		Used facility \$M	Facility limit \$M	Unused facility \$M	
Unsecured					
Bank facilities					
Bank bilateral	(a)(iv)	150.0	150.0	-	11-Mar-14
Bank bilateral	(a)(x)	175.0	175.0	-	26-Oct-18
Bank bilateral	(a)(x)	150.0	150.0	-	26-Oct-18
Bank bilateral	(a)(x)	225.0	225.0	-	15-Sep-14
Bank bilateral	(a)(viii)	160.0	160.0	-	01-Apr-15
Bank bilateral	(a)(viii)	198.0	200.0	2.0	26-Oct-15
Bank bilateral	(a)(viii)	140.0	140.0	-	01-Apr-16
Bank bilateral	(a)(ix)	26.0	75.0	49.0	30-Nov-16
Bank bilateral	(a)(vii)	68.0	75.0	7.0	26-Oct-17
Bank bilateral	(a)(v)	150.0	150.0	-	01-Jan-14
Total Bank facilities		1,442.0	1,500.0	58.0	
Issues in debt capital markets					
Medium Term Notes	(b)	211.0	212.0	1.0	22-Aug-13
Medium Term Notes	(b)(i)	250.0	250.0	-	24-Jan-19
Medium Term Notes	(b)(ii)	50.0	50.0	-	16-Aug-22
Medium Term Notes	(b)(iii)	30.0	30.0	-	19-Nov-17
CPI Indexed Bonds	(c)	85.0	85.0	-	10-Dec-29
Total Issues in debt capital markets		626.0	627.0	1.0	
Secured					
Bank facility - Somerton	(a)(iii)	76.0	76.2	0.2	31-Mar-16
Total borrowings *		2,144.0	2,203.2	59.2	
Cash and cash equivalents				159.9	
Total financing resources available at the end of the year				219.1	

* Gross of unamortised establishment costs

Comparative information and further details on the changes to GPT's borrowings and financing facilities as presented in Statement of Financial Position are provided below:

- i. During the year, GPT converted the €403 million multi option syndicated facility from Euro to Australian Dollars, cancelled the excess limit and removed the multi option feature to draw down in foreign currencies. The outstanding balance was repaid upon maturity on 26 October 2012 (2011: outstanding principal: \$530.1 million).
- ii. A \$150.0 million bilateral facility was repaid upon maturity on 26 October 2012 (2011 outstanding principal: \$150.0 million).
- iii. During the year the maturity date of the \$152.4 million facility (GPT 50% share: \$76.2 million) was extended to 31 March 2016. The facility is secured by a mortgage over Austrak Business Park, Somerton, Victoria (2011 outstanding principal: \$76.0 million).
- iv. During the year the maturity date for this Bank facility was extended from 11 March 2013 to 11 March 2014 (2011 outstanding principal: \$150.0 million).
- v. During the year, GPT amended the maturity date on the facility from 1 October 2015 to 1 January 2014 (2011 outstanding principal: \$nil).
- vi. A new \$100 million Bank facility commenced on 1 February 2012 for a term of 1 year. This was cancelled and repaid on 5 November 2012. In addition, GPT restructured the existing bank guarantee facility associated with this Bank facility to reduce the facility limit to \$10.0 million (2011: \$20.0 million) and extended the maturity date from 18 October 2012 to 18 October 2013. Bank guarantees not included in the statement of financial position have a face value of \$6.2 million at 31 December 2012 (2011: \$11.4 million).
- vii. This facility was amended during the year to restate from a Euro denominated forward start limit to an AUD denominated forward start limit. The facility commenced on 26 October 2012.
- viii. At 31 December 2011, Tranches A and B of this facility were drawn to \$326.0 million and Tranche C was undrawn.
- ix. At 31 December 2011, this facility was drawn to \$66.0 million.
- x. At 31 December 2011, Tranches A, B and C of this facility were drawn to \$550.0 million.

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For the year ended 31 December 2012 – THE GPT GROUP

14. Borrowings (continued)

(b) Medium Term Notes

During the year, GPT issued the following Medium Term Notes (MTNs) by way of new issue and/or tap of existing MTNs:

- i. \$250.0 million fixed rate MTNs maturing in January 2019,
- ii. \$50.0 million fixed rate MTNs maturing in August 2022; and
- iii. \$30.0 million floating rate MTNs maturing in November 2017.

At 31 December 2012, total fixed rate MTN's have a principal value of AUD \$500.0 million (2011: \$200.0 million) and floating rate MTNs have a principal value of \$42.0 million (2011: \$12.0 million) maturing between August 2013 and August 2022. GPT holds \$1.0 million of MTNs which are netted against the floating MTN liabilities. The net principal value of MTNs at 31 December 2012 is \$541.0 million (2011: \$211.0 million).

(c) CPI Indexed Bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 8.76% per annum (2011: 8.58%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 31 December 2012, the principal value is AUD \$85.0 million (2011: \$85.0 million). The CPI coupon indexed bonds mature on 10 December 2029. In December 2010, GPT entered into an interest rate derivative to swap from paying fixed rate plus CPI to paying fixed 5%. The CPI bonds still remain outstanding with the effect of the derivative being the removal of GPT's exposure to CPI growth and lowering of the fixed interest rate.

(d) Maturity profile of financing facilities

The table below provides the maturity profile of financing facilities included in the statement of financial position and in note 14(a):

	31 Dec 12 \$M	31 Dec 11 \$M
Due within one year	212.0	499.1
Due between one and five years	1,281.2	1,180.7
Due after five years	710.0	638.7
Total financing facilities	2,203.2	2,318.5

(e) Forward start financing facilities

A summary of forward start financing facilities is provided below:

	Note	Start date	Maturity date	Facility limit \$M
Unsecured				
Bank facilities				
Bank bilateral	(e)(i)	11-Dec-13	11-Dec-14	150.0
Bank bilateral	(e)(ii)	31-Jan-14	31-Jan-18	100.0
Bank bilateral	(e)(iii)	31-Jul-14	31-Jul-18	100.0
Bank bilateral	(e)(iv)	22-Aug-13	11-Nov-17	150.0
Bank bilateral	(e)(v)	22-Aug-13	11-Nov-17	150.0
Total forward start Bank facilities				650.0

- i. During the year GPT restructured the facility to push out the forward start date from October 2012 to 11 December 2013 and shorten the maturity date from October 2015 to 11 December 2014. This facility can commence earlier at GPT's option.
- ii. During the year GPT restructured Tranche A of this Bank facility to push out the forward start date from 26 October 2012 to 31 January 2014 and extend the facility maturity date from 26 October 2016 to 31 January 2018.
- iii. During the year GPT restructured Tranche B of this Bank facility to push out the forward start date from 26 October 2012 to 31 July 2014 and extend the facility maturity date from 26 October 2016 to 31 July 2018.
- iv. During the year GPT restructured Tranche A of this Bank facility to convert it into a forward start facility available from 22 August 2013. The maturity date remains unchanged.
- v. During the year GPT restructured Tranche B of this Bank Facility to push out the forward start date from 26 October 2012 to 22 August 2013. The maturity date remains unchanged.

14. Borrowings (continued)

(f) Gearing Ratios

(i) Headline Gearing

At 31 December 2012, the percentage of debt to total tangible assets is 23.1% (2011: 23.2%) and the percentage on a net debt (net of cash and cash equivalents) basis is 21.7% (2011: 22.9%).

(ii) Look through Gearing

In calculating the 'look through' gearing, GPT's interest in joint ventures and associates are proportionately consolidated based on GPT's ownership interest. At 31 December 2012, the percentage of 'look through' debt to total assets is 25.4% (2011: 24.7%) and the percentage on a net debt (net of cash and cash equivalents) basis is 23.9% (2011: 24.4%).

(g) Debt Covenants

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

- a 50% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a minimum interest cover ratio of 2 times, being EBIT (Realised Operating Income before taxes and finance costs) divided by finance costs.

A breach of these covenants for individual facilities may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. The Group performed a review of debt covenants as at 31 December 2012 and no breaches were identified.

The weighted average interest rate of borrowings as at 31 December 2012 is 5.1% (2011: 5.9%) (refer to note 26(b)(iv)).

15. Provisions

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 121\$M
Current provisions		
Employee benefits	6.7	8.5
Other	7.3	8.1
Total Current provisions	14.0	16.6
Non Current provisions		
Employee benefits	1.3	1.4
Total Non Current provisions	1.3	1.4

	Employee benefits \$M	Other \$M	Total \$M
Year ended 31 December 2011			
Carrying amount at the beginning of the financial year	8.6	8.0	16.6
Arising during the year	5.8	0.5	6.3
Utilised during the year	(4.5)	(0.4)	(4.9)
Carrying amount at the end of the financial year	9.9	8.1	18.0
Year ended 31 December 2012			
Carrying amount at the beginning of the financial year	9.9	8.1	18.0
Arising during the year	6.6	0.8	7.4
Utilised during the year	(8.5)	(1.6)	(10.1)
Carrying amount at the end of the financial year	8.0	7.3	15.3

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16. Contributed equity

	Note	GPT Stapled Securities Number	GPT \$M	Other Entities Stapled to GPT \$M	Total \$M
(i) Ordinary stapled securities					
1 Jan 2011		1,855,529,431	7,914.7	324.7	8,239.4
Jul-Dec 2011	(a)	(41,762,323)	(125.1)	(1.7)	(126.8)
31 Dec 2011		1,813,767,108	7,789.6	323.0	8,112.6
1 Jan 2012		1,813,767,108	7,789.6	323.0	8,112.6
Jan-Dec 2012	(a)	(46,982,033)	(146.7)	(1.2)	(147.9)
31 Dec 2012		1,766,785,075	7,642.9	321.8	7,964.7
(ii) Exchangeable securities					
1 Jan 2011		2,500	240.6	-	240.6
31 Dec 2011		2,500	240.6	-	240.6
1 Jan 2012		2,500	240.6	-	240.6
31 Dec 2012	(b)	2,500	240.6	-	240.6
Total Contributed Equity			7,883.5	321.8	8,205.3

(a) On-market buy-back

On 26 April 2012, GPT announced the extension of the existing on market buy-back for an additional 12 months from 11 May 2012 and increased the maximum number of securities that can be bought back from 5% to 10% of ordinary securities. As at 31 December 2012, GPT has acquired 88.7 million GPT stapled securities for a total consideration of \$274.7 million.

(b) Exchangeable Securities

On 27 November 2008, 2,500 Exchangeable Securities (ES) were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at \$100,000 per exchangeable security. The ES are exchangeable into stapled securities at GIC RE's option subject to obtaining necessary approvals at an initial exchange price of \$3.883 per stapled security in accordance with the terms of the agreement. The ES offer discretionary distributions of 10% p.a and carry voting rights in GPT.

17. Reserves

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Foreign currency translation reserve	(a)	14.4	14.4
Treasury stock reserve	(b)	(0.3)	(0.6)
Employee incentive scheme reserve	(c)	20.5	12.1
Total reserves		34.6	25.9

Reconciliation

Reconciliations of each type of reserve at the beginning and end of the financial year are set out below:

	Note	Consolidated entity		Total \$M
		GPT \$M	Other Entities Stapled to GPT \$M	
(a) Foreign currency translation reserve				
Balance at 1 January 2011		(68.8)	31.1	(37.7)
Net foreign exchange translation adjustments		51.3	0.8	52.1
Balance at 31 December 2011		(17.5)	31.9	14.4
Balance at 1 January 2012		(17.5)	31.9	14.4
Net foreign exchange translation adjustments		-	-	-
Balance at 31 December 2012		(17.5)	31.9	14.4
(b) Treasury stock reserve				
Balance at 1 January 2011		(3.2)	-	(3.2)
Sale of GPT stapled securities and loan repayments	21	3.2	-	3.2
Impairment on stapled securities	21	-	(0.6)	(0.6)
Balance at 31 December 2011		-	(0.6)	(0.6)
Balance at 1 January 2012		-	(0.6)	(0.6)
Sale of GPT stapled securities and loan repayments	21	-	-	-
Deferred stapled security plan expense	21	-	0.3	0.3
Balance at 31 December 2012		-	(0.3)	(0.3)
(c) Employee incentive scheme reserve				
Balance at 1 January 2011		2.3	3.9	6.2
Employee incentive schemes expense	21	-	6.3	6.3
Purchase of securities		-	(0.4)	(0.4)
Balance at 31 December 2011		2.3	9.8	12.1
Balance at 1 January 2012		2.3	9.8	12.1
Employee incentive scheme expenses	21	-	8.7	8.7
Purchase of securities		-	(0.3)	(0.3)
Balance at 31 December 2012		2.3	18.2	20.5
Total balance at 31 December 2011		(15.2)	41.1	25.9
Total balance at 31 December 2012		(15.2)	49.8	34.6

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17. Reserves (continued)

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities as described in note 1(e). The movement in the foreign currency reserve is recognised in the Statement of Comprehensive Income when the net investment in the foreign controlled entity is disposed.

Treasury stock reserve

The treasury stock reserve is used to record the issue and repayment of securities under the Legacy Long Term Incentive Scheme and The GPT Group Deferred Stapled Security Plan. Refer to note 21(b)(ii) for further details.

Employee incentive scheme reserve

The employee incentive scheme reserve is used to recognise the notional fair value of the implied option in respect of the securities issued under the Employee Incentive Scheme – General Scheme and performance rights issued under the GPT Group Stapled Security Rights Plan (refer to Performance Rights LTI Plan in this report), as described in note 21(a)(ii).

18. Accumulated losses

	Note	GPT \$M	Other Entities Stapled to GPT \$M	Total \$M
Consolidated entity				
Balance at 1 January 2011		(578.2)	(912.6)	(1,490.8)
Net profit / (loss) for the financial year		300.5	(54.3)	246.2
less: Distributions paid to ordinary stapled securityholders	3(a)	(323.1)	-	(323.1)
less: Distributions paid/payable to exchangeable securities securityholders	3(b)	(25.0)	-	(25.0)
Balance at 31 December 2011		(625.8)	(966.9)	(1,592.7)
Balance at 1 January 2012		(625.8)	(966.9)	(1,592.7)
Net profit / (loss) for the financial year		623.2	(28.7)	594.5
less: Distributions paid to ordinary stapled securityholders	3(a)	(340.5)	-	(340.5)
less: Distributions paid/payable to exchangeable securities securityholders	3(b)	(25.0)	-	(25.0)
Balance at 31 December 2012		(368.1)	(995.6)	(1,363.7)

19. Parent entity financial information

(a) Summary financial information

The individual financial reports for the parent entity show the following aggregate amounts:

Statement of Financial Position

	Parent entity	
	31 Dec 12 \$M	31 Dec 11 \$M
ASSETS		
Total Current Assets	168.0	470.5
Total Non-Current Assets	9,292.3	8,885.5
Total Assets	9,460.3	9,356.0
LIABILITIES		
Total Current Liabilities	311.6	614.5
Total Non-Current Liabilities	2,380.5	1,984.4
Total Liabilities	2,692.1	2,598.9
Net Assets	6,768.2	6,757.1
EQUITY		
Equity attributable to securityholders of the Trust (parent entity)		
Contributed equity	7,883.5	8,030.2
Accumulated losses	(1,115.3)	(1,273.1)
Total equity of GPT Trust securityholders	6,768.2	6,757.1

As at 31 December 2012, the Parent entity had a deficiency of current net assets of \$143.6m (2011: \$144.0m). This position is driven by the timing of intercompany balances. The Parent has sufficient facilities to draw upon as required.

19. Parent entity financial information (continued)

(a) Summary financial information (continued)

Statement of Financial Performance

	Parent entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Net profit for the year	523.3	428.6
Total comprehensive income for the year	523.3	428.6

(b) Contractual capital commitments

As at 31 December 2012, the parent entity had capital commitments principally relating to the purchase and development of investment properties. These commitments have been approved but not recognised as liabilities as the relevant assets have not yet been received:

Due within one year	41.6	68.7
Due between one and five years	14.1	41.9
Due after five years	-	-
Total capital expenditure commitments	55.7	110.6

20. Key management personnel disclosures

(a) Details of Key Management Personnel

(i) Directors

The Directors of GPT Management Holdings Limited and GPT RE Limited during the financial year and up to the date of this report were:

Chairman - Non-Executive Director

Rob Ferguson

Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan (retired on 7 May 2012)

Anne McDonald

Gene Tilbrook

Executive Director

Michael Cameron

(ii) Other key management personnel

In addition to the Directors, the following persons also had the greatest authority for the strategic direction and management of GPT, directly or indirectly, during the financial year:

Michael O'Brien	Group Executive – Corporate Development
Nicholas Harris	Head of Funds Management
Mark Fookes	Chief Financial Officer
Matthew Faddy	Head of Asset Management
Anthony McNulty	Head of Development – Retail and Major Projects
James Coyne	General Counsel and Company Secretary
Carmel Hourigan	Head of Investment Management
John Thomas	Head of Development – Logistics and Business Park

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For the year ended 31 December 2012 – THE GPT GROUP

20. Key management personnel disclosures (continued)

(b) Key management personnel compensation

	Consolidated entity	
	31 Dec 12 \$'000	31 Dec 11 \$'000
Short term employee benefits	12,105.5	11,193.3
Post employment benefits	215.3	197.5
Long term incentive award accrual	4,335.8	3,070.5
Other long term benefits	65.3	96.6
Total key management personnel compensation	16,721.9	14,557.9

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 19 to 35 of the Directors' Report.

(c) Equity instrument disclosures relating to key management personnel

(i) The number of GPT stapled securities held during the financial year by each key management personnel, including their personally-related parties, are set out below:

	Balance 1 Jan 2011	Purchases/ (Sales)*	Balance 31 Dec 2011	Purchases/ (Sales)	Balance 31 Dec 2012
Directors					
Rob Ferguson	204,082	-	204,082	-	204,082
Brendan Crotty	30,000	-	30,000	-	30,000
Eileen Doyle	1,600	-	1,600	-	1,600
Eric Goodwin	15,584	-	15,584	-	15,584
Lim Swe Guan	-	-	-	-	-
Anne McDonald	9,450	-	9,450	-	9,450
Gene Tilbrook	20,000	-	20,000	-	20,000
Michael Cameron	163,742	307,249	470,991	66,103	537,094
Senior Executives					
Michael O'Brien	152,581	(71,172)	81,409	-	81,409
James Coyne	35,261	(35,261)	-	-	-
Mark Fookes	148,124	(68,124)	80,000	-	80,000
Nicholas Harris	1,083,169	(48,169)	1,035,000	-	1,035,000
Anthony McNulty	-	-	-	-	-
Michelle Tierney**	73,029	(36,514)	36,515	-	-
Matthew Faddy***	-	-	-	-	-
Carmel Hourigan***	-	-	-	-	-
John Thomas	-	-	-	-	-

*Represents movement of securities due to the winding up of the Legacy LTI Scheme on 20 February 2011.

** Michelle Tierney has ceased to be a KMP effective from 1 January 2012.

*** Matthew Faddy and Carmel Hourigan had become KMP effective from 1 January 2012 and 8 November 2012 respectively.

20. Key management personnel disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

(ii) Certain Senior Executives of The GPT Group were granted with performance rights under the GPT Group Stapled Securities Rights Plan (refer to note 21(a)(ii) for further detail). The table below sets out the number of performance rights issued to each of the key management personnel until 31 December 2012:

Director	Grant date	Vesting date	Exercise price \$	Granted	Lapsed	Balance 31 Dec 2012*	Vested at 31 Dec 2012
Michael Cameron	29 April 2009	From 30 June 2011 to 30 June 2012	-	528,823	(396,617)	-	66,103
	19 May 2010	31 December 2012	-	590,068	-	590,068	-
	8 June 2011	31 December 2013	-	713,455	-	713,455	-
	23 May 2012	31 December 2014	-	693,537	-	693,537	-
Senior Executives							
Michael O'Brien	19 May 2010	31 December 2012	-	270,448	-	270,448	-
	8 June 2011	31 December 2013	-	292,429	-	292,429	-
	23 May 2012	31 December 2014	-	264,660	-	264,660	-
James Coyne	19 May 2010	31 December 2012	-	154,074	-	154,074	-
	8 June 2011	31 December 2013	-	169,115	-	169,115	-
	23 May 2012	31 December 2014	-	153,056	-	153,056	-
Mark Fookes	19 May 2010	31 December 2012	-	245,862	-	245,862	-
	8 June 2011	31 December 2013	-	273,051	-	273,051	-
	23 May 2012	31 December 2014	-	247,122	-	247,122	-
Nicholas Harris	19 May 2010	31 December 2012	-	199,968	-	199,968	-
	8 June 2011	31 December 2013	-	219,498	-	219,498	-
	23 May 2012	31 December 2014	-	231,179	-	231,179	-
Anthony McNulty	19 May 2010	31 December 2012	-	134,241	-	134,241	-
	8 June 2011	31 December 2013	-	193,778	-	193,778	-
	23 May 2012	31 December 2014	-	175,377	-	175,377	-
Matthew Faddy	19 May 2010	31 December 2012	-	110,638	-	110,638	-
	8 June 2011	31 December 2013	-	122,873	-	122,873	-
	23 May 2012	31 December 2014	-	159,434	-	159,434	-
Carmel Hourigan	8 November 2012	From 1 September 2013 to 1 September 2014	-	155,617	-	155,617	-
John Thomas	1 July 2012	31 December 2014	-	172,720	-	172,720	-

*The vesting decision on the performance rights with 31 December 2012 vesting date will depend on the results of the performance conditions.

(d) Other transactions with key management personnel

During the year, GPT has received \$40,000 director fee from Michael Cameron for acting as a Director of Suncorp Group Limited.

There have been no transactions with key management personnel other than those transactions detailed in this note.

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For the year ended 31 December 2012 – THE GPT GROUP

21. Share based payments

(a) Employee Incentive Scheme

The Employee Incentive Scheme (EIS) is a scheme under which GPT stapled securities are issued or purchased on-market on behalf of GPT employees for no cash consideration.

The EIS has two qualifying levels – the General Employee Security Ownership Plan and Long Term Incentive (LTI) Scheme.

The LTI Scheme is represented by the Performance Rights Plan approved at the 2009 AGM in May 2009, revised and approved at the 2010 AGM in May 2010.

(i) The General Employee Security Ownership Plan

The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced a basic General Employee Security Ownership Plan (GESOP) in March 2010 for individuals who do not participate in the LTI.

Under the plan individuals who participate will receive an additional benefit equivalent to 10% of their STI which is (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year.

(ii) The Long Term Incentive (LTI) Scheme

GPT Group Stapled Security Rights Plan (referred to as the Performance Rights LTI Plan)

At the 2009 Annual General Meeting GPT securityholders approved the introduction of a more contemporary Performance Rights LTI Plan. At the 2010 Annual General Meeting, the Performance Rights LTI Plan was altered with new performance conditions and was approved by the GPT securityholders.

The Performance Rights LTI Plan ('the Plan') covers each 3 year period. Awards under the plan to eligible participants will be in the form of Performance Rights which convert to GPT stapled securities for nil consideration if specified service / performance conditions for the applicable 3 year period are satisfied. Please refer to the Remuneration Report for detail on the service / performance conditions.

The Board determined those executives eligible to participate in the Plan and, for each participating executive, granted a number of Performance Rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP).

Under the requirements of AASB 2 Share-based Payment, the fair value of these Performance Rights will be amortised over the period starting from the grant date to the vesting date. Fair value at grant date has been independently determined using the Monte Carlo and Binomial tree pricing models that take into account the following inputs:

- (a) Performance conditions
- (b) Grant dates
- (c) Expected vesting dates
- (d) Share price at the grant date
- (e) Expected life
- (f) Dividend yield
- (g) Risk free interest rate and
- (h) Volatility

The fair value of these Performance Rights granted during 2012 is \$2.34 per performance right (2011: \$2.38 per performance right). Total share based payment expense recognised during the year ended 31 December 2012 was \$8,612,295 (2011: \$6,243,233).

21. Share based payments (continued)

(b) Other Share-based Incentive Scheme

(i) The GPT Group All Employee Stapled Security Plan (AESSP)

Implemented in March 2008, the AESSP allows eligible participants to salary sacrifice \$1,000 to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the AESSP must be held for a minimum of 3 years (or earlier if employment ceases) during which time they cannot be sold or otherwise dealt with.

(ii) The GPT Group Deferred Stapled Security Plan (DSSP)

Implemented in September 2008, the DSSP allows eligible participants to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with.

The GPT stapled securities / Rights issued under all Employee Incentive Schemes to participating employees is set out below:

	Number of GPT stapled securities issued during the year		Total number of GPT stapled securities issued	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
GPT stapled securities issued under the General Employee Security Ownership Plan	177,490	169,504	146,050	154,520
GPT stapled securities issued under the The GPT Group All Employee Stapled Security Plan	-	-	-	2,248
GPT stapled securities issued under the The GPT Group Deferred Stapled Security Plan	-	241,146	406,721	407,454
	Number of GPT share rights issued during the year		Total number of GPT share rights issued	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
GPT performance rights issued under GPT Group Stapled Securities Rights Plan	4,261,106	4,060,829	11,051,770	7,577,189

22. Related party transactions

(a) Ultimate Parent

General Property Trust is the ultimate parent entity.

(b) Controlled entities, joint ventures and associates

Equity interests in joint venture entities and associates are set out in note 10. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 7.

(c) Key management personnel

Disclosures relating to key management personnel and remuneration paid to directors of the ultimate parent entity and other transactions with key management personnel are included in note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

22. Related party transactions (continued)

(d) Transactions with related parties

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	(3.5)	(4.8)
Transactions with associates and joint ventures		
Responsible Entity fees from associates	27.0	23.9
Property management fees	12.4	8.7
Development management fees from associates	7.8	6.1
Management fees from associates	3.0	3.6
Distributions received/receivable from joint ventures	57.9	363.5
Distributions received/receivable from associates	75.8	82.1
Interest revenue from associates	-	1.3
Payroll costs recharged to associate	4.8	4.2
Proceeds on sale of interest in associate	-	301.0
Other transactions		
Loans advanced to joint ventures	(6.1)	(2.7)
Loan repayments from joint ventures	8.5	-
Loan repayments from associates	-	60.0
Increase in units in joint ventures	(16.6)	(2.0)
Increase in units in associates	(100.2)	(7.2)
Capital repayment from associates	-	3.0
Properties sold to associates	552.2	-

23. Notes to the Statement of Cashflow

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

	Consolidated entity	
	31 Dec 12 \$M	31 Dec 11 \$M
Net profit for the year	594.5	246.2
Fair value adjustments to investment properties	(175.1)	(63.1)
Share of after tax profit of equity accounted investments (net of distributions)	(38.7)	(7.4)
Fair value adjustments to derivatives	39.9	147.0
Net foreign exchange loss	0.5	3.3
Impairment expense	(0.2)	5.6
Revaluation of hotel properties	-	22.9
Net (profit) / loss on disposal of assets (net of tax)	(2.6)	49.1
Depreciation and amortisation	7.1	9.4
Non-cash employee benefits - share based payments	9.0	6.5
Non-cash revenue adjustments	14.8	21.4
Non-cash expense adjustments	0.4	3.2
Interest capitalised	(8.8)	(13.3)
Impairment of trade receivables	0.6	0.5
Change in operating assets and liabilities:		
Increase in operating assets	(7.8)	(3.1)
Decrease in operating liabilities	(13.2)	(15.0)
Net cash inflows from operating activities	420.4	413.2

(b) Reconciliation of cash

Reconciliation of cash at the end of the financial year (as shown in the Statement of Cashflow) to the related item in the financial report as follows:

	31 Dec 12 \$M	31 Dec 11 \$M
Cash at bank and on hand	159.9	42.0
Total cash and cash equivalents at the end of financial year	159.9	42.0

(c) Non-cash financing and investing activities

During the year, \$5.5 million of invested capital has been repaid by an associate, Lend Lease (Twin Water) Pty Limited in June 2012. This was a non-cash transaction which offsets GPT's payable to this associate.

Other than above, there are no non-cash financing and investing activities for the year ended 31 December 2012.

24. Contingent assets and liabilities

Class action

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. At Slater & Gordon's invitation, GPT entered into mediation discussions on a without prejudice basis in an attempt to determine whether the parties could reach agreement in relation to the dispute. Failing an agreed resolution of the matter, Slater & Gordon has now commenced proceedings on behalf of certain persons who claim that they 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.

GPT rejects the allegations and intends to defend the claim which is listed for hearing in 2013. 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 Ayers Rock Resort, GPT has indemnified the purchaser, 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.

Highpoint Shopping Centre

Highpoint Property Group has the right to put its 33.33% interest, or a part thereof (but not less than 8.33%), in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre to the GPT Wholesale Shopping Centre Fund (GWSCF). GWSCF already has a 50% interest in the property. The option, which was put in place at the time of GPT's acquisition of an interest in the Centre in 2006, passed to GWSCF with the creation of the fund in March 2007. The option is exercisable during a 30 day window each year commencing on 1 July, although notice of the intent to put is required to be given by the Highpoint Property Group by 31 March each year. The interest would be sold to GWSCF and the sale price would be determined by an independent market valuation process. If GWSCF does not acquire the interest and another party is not nominated to acquire it, the GPT Group would be required to do so. The board of the responsible entity of GWSCF would determine whether GWSCF acquires a further interest in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre under the put option.

The board of the responsible entity of GWSCF is independent from the board of the GPT Group. This put option expires in 2016. No notice of intent to exercise the put option was received by the required date for the current financial year's exercise period.

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

25. Commitments

(a) Capital expenditure commitments

At 31 December 2012, GPT has commitments principally relating to the purchase and development of investment properties which have been approved but not recognised as liabilities in the Statement of Financial Position as set out below:

	Consolidated entity	
	31 Dec 12	31 Dec 11
	\$M	\$M
Due within one year	92.9	76.2
Due between one and five years	23.4	43.5
Due after five years	-	-
Total capital expenditure commitments	116.3	119.7

(b) Operating lease commitments

At 31 December 2012, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within one year	2.2	2.2
Due between one and five years	9.1	8.5
Due after five years	6.7	9.0
Total operating lease commitments	18.0	19.7

GPT has entered into commercial leases on motor vehicles, office equipment and office premises.

(c) Commitments relating to associate and joint venture investments

GPT's share of commitments relating to associate and joint venture investments has been included in note 10(c).

26. Capital and financial risk management disclosures

(a) Capital risk management

GPT's Treasury Risk Management Committee (TRMC) oversees the establishment and implementation of the capital and financial risk management system including compliance with GPT treasury and risk management policy and reporting to the Audit and Risk Management Committee (ARMC) and, through the ARMC, to the GPT Board. The ARMC and the GPT Board approve GPT's treasury and risk management policy which establishes a framework for the management of treasury risks, defines the role of GPT's treasury and details risk management policies for cash, borrowing, liquidity, credit risk, foreign exchange, interest rate and derivative instruments. GPT's treasury and risk management policy applies to the Trust and all controlled entities in the GPT Group.

To manage capital and financial risks GPT uses bank facilities, debt capital markets and derivative financial instruments.

(i) Capital and interest expense risk management

GPT's objective when managing capital is to maximise the availability and minimise the cost of capital having regard to the relevant real estate market in which it is invested.

Capital and interest expense risk management is monitored in two main ways:

- Statement of financial position management – concerned with the capital mix of equity and debt and GPT maintaining gearing levels in line with its desired "A category" investment grade credit rating. GPT is able to increase equity in the capital mix by issuing new stapled securities, activating the DRP, adjusting the amount of distributions paid to stapled security holders or selling assets to reduce borrowings.
- Statement of comprehensive income management – concerned with supporting the delivery of financial targets by protecting GPT's exposure to interest rate volatility through the use of interest rate derivatives and fixed rate borrowings, which provide GPT with a known interest expense.

(ii) Capital Structure, Financial Policy and Credit Rating Impact

GPT implemented revised distribution payout and gearing policies in 2010. These policies align GPT's capital management framework with its refined business strategy, reflect a more sustainable distribution level, and ensure a prudent approach to managing GPT's gearing through cycles.

Under the revised distribution payout policy, GPT will distribute the greater of 70-80% of Realised Operating Income (excluding development profits), and taxable income.

GPT will manage gearing within a range of 25% to 35% (based on debt to total tangible assets). The policy includes flexibility to increase gearing beyond 30% if required, provided a reduction back to 30% or below is achieved within a reasonable timeframe.

GPT is credit rated A-/A3 with stable outlook by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund its development pipeline and future acquisition investment opportunities. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

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26. Capital and financial risk management disclosures (continued)

(b) Financial risk management

The financial risks that result from GPT's activities are credit risk, liquidity risk, refinancing risk and market risk (interest rate and foreign exchange). GPT manages its exposures to these key financial risks in accordance with its treasury and risk management policy and focuses on mitigating the impact of volatility in financial markets.

(i) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to GPT. The GPT consolidated entity has exposure to credit risk on all financial assets included on their statement of financial position.

GPT manages this risk by:

- establishing credit limits for customers and financial institutions to ensure that GPT only trades and invests with approved counterparties to enable it to manage its exposure to individual entities;
- investing and transacting derivatives with multiple counterparties that have a minimum long term credit rating of A- from S&P, or equivalent if an S&P rating is not available;
- providing loans as an investment into joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances on an ongoing basis;
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis; and
- obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year. A provision for doubtful debts is made where collection is deemed uncertain. Part of GPT's policy is to hold collateral as security over tenants via bank guarantees (or less frequently collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 31 December 2012 is the carrying amounts of financial assets recognised on the statement of financial position of the consolidated entity.

The table below shows the ageing analysis of loans and receivables that are in the consolidated entity.

Consolidated entity

	31 December 2012							31 December 2011					
	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total		Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	\$M	\$M	\$M	\$M	\$M	\$M		\$M	\$M	\$M	\$M	\$M	\$M
Current Receivables	-	65.6	1.2	0.1	5.9	72.8	Current Receivables	81.0	66.5	1.2	(1.2)	4.6	152.1
Impairment of receivables	-	-	-	-	(1.1)	(1.1)	Impairment of receivables	-	-	-	-	(0.6)	(0.6)
Non current loans and receivables	176.8	-	-	-	-	176.8	Non current loans and receivables	175.7	-	-	-	-	175.7
Impairment of receivables	(24.8)	-	-	-	-	(24.8)	Impairment of receivables	(24.8)	-	-	-	-	(24.8)
Total loans and receivables	152.0	65.6	1.2	0.1	4.8	223.7	Total loans and receivables	231.9	66.5	1.2	(1.2)	4.0	302.4

GPT has been provided with security guaranteeing the deferred payment with respect to Ayers Rock receivable and therefore the receivable is not considered to pose a credit risk.

26. Capital and financial risk management disclosures (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk includes the risk that GPT, as a result of its operations:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities (refer to note 14), the ability to close out market positions, and the option to raise funds through the issue of new stapled securities.

GPT's main liquidity risk besides meeting daily working capital requirements is its ability to refinance its current borrowings. The table below shows an analysis of the undiscounted contractual maturities of liabilities and capital expenditure commitments which forms part of GPT's assessment of liquidity risk.

Consolidated entity

	31 December 2012					31 December 2011				
	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Liabilities										
Non-Derivatives										
Payables	167.9	-	-	-	167.9	208.0	-	-	-	208.0
Borrowings	211.0	525.0	698.0	710.0	2,144.0	512.6	437.0	702.7	491.8	2,144.1
Projected interest cost on borrowings ¹	102.8	84.9	178.7	166.1	532.5	116.6	85.8	176.9	175.2	554.5
Capital commitments ²	92.9	21.5	1.9	-	116.3	76.2	27.9	15.6	-	119.7
	574.6	631.4	878.6	876.1	2,960.7	913.4	550.7	895.2	667.0	3,026.3
Derivatives										
Projected interest cost on derivatives ^{1,3}	37.9	33.1	61.9	22.2	155.1	22.2	35.3	64.2	47.8	169.5
	37.9	33.1	61.9	22.2	155.1	22.2	35.3	64.2	47.8	169.5
Total Liabilities	612.5	664.5	940.5	898.3	3,115.8	935.6	586.0	959.4	714.8	3,195.8
Less Cash and cash equivalents	159.9	-	-	-	159.9	42.0	-	-	-	42.0
Total liquidity exposure	452.6	664.5	940.5	898.3	2,955.9	893.6	586.0	959.4	714.8	3,153.8
Projected interest income on derivative assets	34.0	25.4	55.4	73.5	188.3	15.8	14.0	25.6	79.4	134.8
Net liquidity exposure	418.6	639.1	885.1	824.8	2,767.6	877.8	572.0	933.8	635.4	3,019.0

1 Projection is based on the likely outcome of contracts given the interest rates, margins, forecast exchange rates and interest rate forward curves as at 31 December 2012 and 31 December 2011 up until the contractual maturity of the contract. The projection is based on future non-discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values shown in note 8.

2 Excluding GPT's share of capital commitments from investments in associates and joint ventures.

3 In accordance with AASB 7, the future value of contractual cash flows of non-derivative and derivative liabilities only is to be included in liquidity risk disclosures. As derivatives are exchanges of cash flows, the positive cash flows from derivative assets have been disclosed separately to provide a more meaningful analysis of GPT's net liquidity exposure. The methodology used in calculating projected interest income on derivative assets is consistent with the above liquidity risk disclosures.

GPT treasury and risk management policy requires debt maturity concentration risk to be minimised as follows:

- Debt expiry no greater than 20% of total forecast debt at any point in time;
- Maximum \$1 billion maturing debt in forward rolling twelve month periods;
- Maximum \$500 million maturing debt in any calendar quarter; and
- Minimum weighted average tenor target of four years.

As at 31 December 2012, GPT complies with the above treasury and risk management policy requirements.

26. Capital and financial risk management disclosures (continued)

(b) Financial risk management (continued)

(iii) Refinancing risk

Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in GPT's credit margins and interest cost. Refinancing risk arises when GPT is required to obtain debt to fund existing and new debt positions.

GPT is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. GPT manages this risk by spreading sources and maturities of borrowings in order to minimise debt concentration risk, allow averaging of credit margins over time and reduce refinance amounts.

The GPT treasury and risk management policy further enhances refinancing risk by:

- applying standards to all GPT borrowing facilities, in order to control GPT's debt obligations, including the risk of cross default. The objective of this policy is to maximise GPT borrowing capacity from a variety of sources with the least amount of borrowing restrictions in terms of covenants and at the minimum cost; and
- maintaining a minimum liquidity buffer of \$100 million in surplus committed facilities and cash in the forward rolling twelve month period.

As at 31 December 2012, GPT's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above (refer to note 26(b)(ii)).

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(1) Interest rate risk – borrowings

GPT's primary interest rate risk arises from borrowings. Borrowings issued at floating rates expose GPT to cash flow interest rate risk.

GPT manages the cash flow effect of interest rate risk by entering into interest rate swaps that are used to convert floating interest rate borrowings to fixed interest rates. Such interest rate swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Under the interest rate swaps, GPT agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to an agreed notional principal.

Some of GPT's interest rate swaps have embedded options, such as callable options. The options lower GPT's cost of borrowings in exchange for some risk of the interest rate swap ceasing to be a hedge.

Interest rate swap contracts have been recorded on the statement of financial position at their fair value in accordance with AASB 139 Financial Instruments: Recognition and Measurement. The requirements under Australian accounting standards in respect of documentation, designation and effectiveness requirements cannot be met in all circumstances, as a result GPT have elected not to apply hedge accounting and fair value movements are recorded through the statement of comprehensive income even though an economic hedge exists. Refer to accounting policy at note 1(w).

The following table provides a summary of GPT's gross interest rate risk exposure as at 31 December 2012 on interest bearing borrowings together with the net effect of interest rate risk management transactions which have been entered into to manage these exposures.

	Gross exposure (before the effect of derivatives)		Net exposure (after the effect of derivatives)	
	2012 \$M	2011 \$M	2012 \$M	2011 \$M
Fixed rate interest-bearing borrowings	584.0	284.0	1,419.0	1,514.0
Floating rate interest-bearing borrowings	1,560.0	1,860.1	725.0	630.1
	2,144.0	2,144.1	2,144.0	2,144.1
Average Rate (%)			5.1%	5.9%

The average rate depicted in the table above represents the balance date cost of funds. As at 31 December 2012, the fair value of interest rate derivatives were an asset of \$140.8 million (2011: \$78.4 million) and a liability of \$140.2 million (2011: \$128.5 million) as disclosed in note 8. For the year ended 31 December 2012, the loss in the statement of comprehensive income from the fair value movements of derivatives is \$39.9 million (2011: loss \$147.0 million).

There is no foreign exchange exposure on borrowings as at 31 December 2012.

26. Capital and financial risk management disclosures (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

(2) Interest rate risk – sensitivity analysis

Sensitivity on interest expense

The impact on unhedged interest expense of a 1% increase or decrease in market interest rates is shown below. Interest expense is sensitive to movements in market interest rates on floating rate debt (net of any derivative hedges).

Sensitivity on changes in fair value of interest rate derivatives

The impact of changes in the fair value of interest rate swaps for a 1% increase or decrease in market interest rates on the statement of comprehensive income is shown below. The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the interest rate swaps. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows for each derivative, based on the forward market interest rate curve.

Gains or losses arising from changes in the fair value are reflected in the statement of comprehensive income, as GPT do not apply hedge accounting, even though an economic hedge exists.

A 1% increase or decrease is used for consistency of reporting interest rate risk across the Group and represents management's assessment of the potential change in interest rates.

Consolidated entity

	2012 (+1%) \$M	2012 (-1%) \$M	2011 (+1%) \$M	2011 (-1%) \$M
Impact on interest income (decrease)/increase	0.5	(0.5)	0.4	(0.4)
Impact on interest expense (increase)/decrease	(15.6)	15.6	(18.6)	18.6
Impact on change in fair value of interest rate derivatives gain/(loss)	23.5	(18.8)	79.0	(82.7)
Impact on statement of comprehensive income profit/(loss)	8.4	(3.7)	60.8	(64.5)

* Sensitivity based on gross borrowings exposure (before the effect of derivatives).

(v) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign currency rates. GPT's foreign exchange risk arises primarily from:

- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets

(1) Foreign currency assets and liabilities

The following table shows the Australian dollar equivalents of GPT's investments denominated in foreign currencies.

Consolidated entity

	Euros		United States Dollars		British Pounds	
	2012 A\$M	2011 A\$M	2012 A\$M	2011 A\$M	2012 A\$M	2011 A\$M
Assets						
Cash and cash equivalents	1.1	0.5	0.4	0.4	-	0.1
Interests in equity accounted investments	-	-	0.1	0.2	-	-
Interests in unlisted investments	-	-	3.9	-	-	-
Loans and receivables	9.9	10.0	-	34.9	-	-
	11.0	10.5	4.4	35.5	-	0.1
Liabilities						
Payables	0.3	1.0	5.0	-	-	-
	0.3	1.0	5.0	-	-	-

(2) Hedging foreign currency fluctuations

Given the dollar value of the assets and liabilities in the consolidated entity (above) are not significant, GPT does not enter into any derivatives to hedge net foreign currency exposures.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

26. Capital and financial risk management disclosures (continued)

(b) Financial risk management (continued)

(vi) Fair value

GPT has adopted the classification of fair value measurements into the following hierarchy as required by AASB 7 *Financial Instruments: Disclosures*:

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

The following table presents the consolidated entity's assets and liabilities measured and recognised at fair value as at 31 December 2012 and 31 December 2011.

Consolidated entity

	31 December 2012				31 December 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Current								
Derivative assets								
Interest Rate Swaps	-	5.1	-	5.1	-	0.1	-	0.1
Interest Rate Options	-	-	-	-	-	-	-	-
Foreign Exchange Contracts	-	-	-	-	-	0.1	-	0.1
	-	5.1	-	5.1	-	0.2	-	0.2
Derivative liabilities								
Interest rate swaps	-	(0.1)	-	(0.1)	-	(0.8)	-	(0.8)
Interest rate options	-	-	-	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-	(0.2)	-	(0.2)
	-	(0.1)	-	(0.1)	-	(1.0)	-	(1.0)
Total Current	-	5.0	-	5.0	-	(0.8)	-	(0.8)
Non-Current								
Derivative assets								
Interest rate swaps	-	132.8	-	132.8	-	77.9	-	77.9
Interest rate options	-	2.9	-	2.9	-	-	0.3	0.3
	-	135.7	-	135.7	-	77.9	0.3	78.2
Derivative liabilities								
Interest rate swaps	-	(50.0)	-	(50.0)	-	(45.0)	-	(45.0)
Interest rate options	-	(2.9)	(87.2)	(90.1)	-	-	(82.5)	(82.5)
	-	(52.9)	(87.2)	(140.1)	-	(45.0)	(82.5)	(127.5)
Total Non-Current	-	82.8	(87.2)	(4.4)	-	32.9	(82.2)	(49.3)

GPT holds no Level 1 derivatives. Level 2 derivatives held by GPT at 31 December 2012 include Float to Float, Fixed to Float, Vanilla derivatives and Vanilla Callables. Level 3 derivatives held by GPT at 31 December 2012 include Callable and CPI derivatives.

The fair value of the derivatives is determined internally using a generally accepted pricing model based on a discounted cash flow analysis using quoted market inputs (interest rates, basis, CPI, volatility) adjusted for specific features of the instruments and applied debit or credit value adjustments based on GPT or the derivative counterparties current credit worthiness.

Credit value adjustments: these are applied to mark-to-market assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk.

Debit value adjustments: these are applied to mark-to-market liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

26. Capital and financial risk management disclosures (continued)

(b) Financial risk management (continued)

(vi) Fair value (continued)

The following table presents the changes in Level 3 instruments for the years 31 December 2012 and 31 December 2011:

Consolidated entity

	Derivative assets \$M	Derivative liabilities \$M	Total \$M
Opening balance 1 January 2011	1.1	(46.1)	(45.0)
Fair value movements in other comprehensive income			
- Still held	(0.7)	(46.1)	(46.8)
- No longer held	(0.1)	(29.1)	(29.2)
Terminations	-	38.8	38.8
Closing balance 31 December 2011	0.3	(82.5)	(82.2)
Fair value movements in other comprehensive income			
- Still held	-	(14.0)	(14.0)
- No longer held	-	(5.5)	(5.5)
Terminations	-	14.8	14.8
Transfer out of Level 3	(0.3)	-	(0.3)
Closing Balance 31 December 2012	-	(87.2)	(87.2)

The fair value of Level 3 derivatives is determined internally using a generally accepted pricing model based on a discounted cash flow analysis (incorporating regression and Monte Carlo analysis) using quoted market inputs such as interest rates, basis, CPI and volatility to adjust for specific features of the instruments and applied debit or credit value adjustments based on GPT or the derivative counterparties current credit worthiness.

Sensitivity on changes in fair value of Level 3 derivatives

The impact of using reasonably possible alternative assumptions in these models, based on a 1% increase or 1% decrease in interest rates (the most significant input), while holding all other variables constant, is shown in the table below.

Consolidated entity

	2012 (+1%) \$M	2012 (-1%) \$M	2011 (+1%) \$M	2011 (-1%) \$M
Impact on change in fair value of Level 3 derivatives gain/(loss)	48.2	(46.1)	(26.6)	(119.6)
Impact on statement of comprehensive income profit/(loss)	48.2	(46.1)	(26.6)	(119.6)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

27. Auditor's remuneration

During the financial year the following amounts were paid or payable for services provided by the auditor of the Trust, PricewaterhouseCoopers, or any other entity in the consolidated entity and its related parties:

	Consolidated entity	
	31 Dec 12 \$'000	31 Dec 12 \$'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	1,229.3	1,245.5
Affiliates of PricewaterhouseCoopers Australia including overseas firms		
Audit and review of financial reports and other statutory audit work	-	30.8
Total remuneration for audit services	1,229.3	1,276.3
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	228.1	171.5
Total remuneration for other assurance services	228.1	171.5
Total remuneration for audit and assurance services	1,457.4	1,447.8
Non audit related services		
PricewaterhouseCoopers Australia		
Other Services	197.6	111.5
Affiliates of PricewaterhouseCoopers Australia including overseas firms		
Taxation services	12.0	125.4
Total remuneration for non audit related services	209.6	236.9
Total auditor's remuneration	1,667.0	1,684.7

28. Earnings per stapled security

	Notes	Consolidated entity	
		31 Dec 12 cents	31 Dec 11 cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earnings per security - profit from continuing operations		32.4	17.7
Basic and diluted earnings per security - profit / (loss) from discontinued operations		1.2	(2.8)
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust		33.6	14.9
(b) Attributable to ordinary stapled securityholders of The GPT Group			
Basic earnings per security - profit from continuing operations		30.8	15.4
Basic earnings per security - profit / (loss) from discontinued operations		1.2	(3.4)
Total basic earnings per security attributable to ordinary stapled securityholders of The GPT Group		32.0	12.0
(c) Attributable to ordinary stapled securityholders of The GPT Group			
Diluted earnings per security - profit from continuing operations		30.8	15.4
Diluted earnings per security - profit / (loss) from discontinued operations		1.2	(3.4)
Total diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group		32.0	12.0

The earnings and securities used in the calculations of basic and diluted earnings per ordinary stapled security are as follows:

	31 Dec 12 \$M	31 Dec 11 \$M
(d) Reconciliation of earnings used in calculating earnings per ordinary stapled security		
Net profit from continuing operations attributable to the securityholders of the Trust	602.4	351.3
Net profit / (loss) from discontinued operations attributable to the securityholders of the Trust	20.8	(50.8)
	623.2	300.5
Less: distribution to the holders of Exchangeable Securities *	(25.0)	(25.0)
Basic and diluted earnings of the Trust	598.2	275.5
Add: Net (loss) from continuing operations attributable to the securityholders of other stapled entities	(28.9)	(42.1)
Add: Net (loss) from discontinued operations attributable to the securityholders of other stapled entities	0.2	(12.2)
Basic and diluted earnings of the Company	(28.7)	(54.3)
Basic and diluted earnings of The GPT Group	569.5	221.2
	No. of securities millions	No. of securities millions
	31 Dec 12	31 Dec 11

(e) Weighted average number of ordinary stapled securities

Weighted average number of ordinary stapled securities used as the denominator in calculating:

Basic earnings per ordinary stapled security - Trust and The Group		1,780.6	1,845.2
Adjustments for calculation of diluted earnings per share:			
Performance rights (weighted average basis)	(f)	1.9	0.7
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calculating diluted earnings per ordinary stapled security		1,782.5	1,845.9

* These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security. Refer to note 16(b) for further details on the Exchangeable Securities.

(f) Performance Rights

During 2012, 4,261,106 Performance Rights (2011: 4,060,829) were granted to certain Senior Executives under the Stapled Security Rights Plans. Cumulatively, 12,207,565 Performance Rights relating to the existing plans have been issued up until 31 December 2012. However, only 1,927,146 Performance Rights are considered as dilutive. As such, only 1,927,146 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – THE GPT GROUP

29. Net tangible asset backing

	Consolidated entity	
	31 Dec 12 \$	31 Dec 12 \$
Net tangible asset backing per stapled security/unit	3.73	3.59

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of potential stapled securities, assuming the conversion of the exchangeable securities at an exchange price of \$3.883 (2011: \$3.883).

30. Events subsequent to reporting date

On 13 February 2013, a distribution of 5.1 cents per stapled security (\$90.1 million) was declared for the quarter ended 31 December 2012 (refer to note 3(a)(iii)).

During January and February 2013, GPT priced HKD 800 million (AUD \$100 million) fixed rate Medium Term Notes (MTNs) for a term of 15 years providing additional liquidity to the Group. HKD 600 million of these MTNs were settled on 5 February 2013 and the remaining MTNs will be settled on 22 February 2013.

Other than above, the Directors are not aware of any matter or circumstance occurring since 31 December 2012 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.

In the directors of the Responsible Entity's opinion:

- (a) the financial report and notes set out on pages 38 to 102 are in accordance with the *Corporations Act 2001*, including:
- complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the GPT Group's financial position as at 31 December 2012 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the GPT Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial report also complies 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 as required by Section 295A of the *Corporations Act 2001*.

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



Rob Ferguson
Chairman
GPT RE Limited

Sydney
13 February 2013



Michael Cameron
Managing Director and Chief Executive Officer



Independent auditor's report to the stapled unitholders of The GPT Group

Report on the financial report

We have audited the accompanying financial report of The GPT Group (the consolidated stapled entity), which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration. The consolidated stapled entity, as described in Note 1 to the financial report, comprises General Property Trust (the Trust) and the entities it controlled at the year's end or from time to time during the financial year, including GPT Management Holdings Limited and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of GPT RE Limited (the responsible entity) are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of The GPT Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated stapled entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 19 to 35 of the directors' report for the year ended 31 December 2012. The directors of the responsible entity are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of The GPT Group for the year ended 31 December 2012, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, slightly stylized font.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'AJ Loveridge' in a cursive, slightly stylized font.

AJ Loveridge
Partner

Sydney
13 February 2013

ANNUAL FINANCIAL REPORT

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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

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

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.

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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 year ended 31 December 2012. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group). The Company is stapled to the General Property Trust and the GPT Group financial statements include the results of the stapled entity as a whole.

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

1. Operations and Activities

1.1 Principal Activities

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

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2011 and are:

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

1.2 Review of Operations

The net loss of the consolidated entity for the year ended 31 December 2012 should be read in conjunction with the financial statements of the GPT Group.

The net loss for the year ended 31 December 2012 is \$8.6 million (Dec 2011: loss of \$49.2 million).

	Consolidated entity	
	31 Dec 12 \$'000	31 Dec 11 \$'000
Revenue	120,722	100,306
Other Income	11,090	2,445
Expenses	(136,399)	(156,687)
Loss from continuing operations before income tax expenses	(4,587)	(43,936)
Income tax (expense) / benefit	(2,889)	6,865
Loss after income tax expense for continuing operations	(7,476)	(37,071)
Loss from discontinued operations	(1,118)	(12,174)
Net profit after tax	(8,594)	(49,245)

- Loss after tax decreased by \$40.7 million to a loss of \$8.6 million (Dec 2011: loss of \$49.2 million)
- Total assets decreased by 7.5% to \$160.1 million (December 2011: \$176.8 million)

The decrease in loss after tax compared with December 2011 is largely the result of an increase in property management fees due to the internalisation of 18 wholly owned logistics & business park and office assets in February 2012, delivery of lower overall expenses via ongoing expense discipline and a lower loss from discontinued operations.

1. Operations and Activities (continued)

1.2 Review of Operations (continued)

Operational highlights

(a) Funds Management

Australian platform

GPT Wholesale Office Fund (GWOF) has ownership interests in 14 assets with a value of \$3.6 billion. GPT Wholesale Shopping Centre Fund (GWSCF) has ownership interests in 10 assets with a value of \$2.9 billion.

The performance across the Funds' assets continues to be solid, with GWOF achieving a total return of 12.0% and GWSCF a total return of 6.2% for the year, GWSCF was impacted by writing off of stamp duty in relation to the Casuarina and Woden acquisitions at 30 June 2012.

(b) Asset Management

Asset Management continues to manage the retail, office and logistics & business park assets owned by the General Property Trust. During the year, Asset Management internalised the property management function of 18 logistics & business park and office assets.

(c) Developments

GPT currently has five developments underway (including properties held through GWOF and GWSCF):

- Highpoint Shopping Centre is being expanded by 30,000 sqm bringing the first David Jones to Western Melbourne in addition to approximately 100 specialty shops. The development is fully leased and is due to open in March 2013;
- Wollongong Central, West Kiera is being expanded by 18,000 sqm, addressing a significant undersupply of food retail in Wollongong's city centre. The development is on track for completion in March 2014;
- 161 Castlereagh Street is a new 59,220 sqm premium grade office tower in the Sydney CBD which is on track for completion in mid-2013. The project is 96% leased with a 24 month rental guarantee on the vacant space;
- 150 Collins Street is a new 20,000 sqm A grade office tower with Premium Grade services in the Melbourne CBD due for completion in mid 2014. It is 71% leased to Westpac with a 24 month rental guarantee on the vacant space; and
- Toll NXQ in Karawatha QLD is a new 44,000 sqm logistics facility being developed for Toll Group on a 13.4 hectare site. The development is scheduled for completion in early 2014.

GPT retains a \$2.3 billion pipeline of projects underway and future development opportunities for the medium term, subject to approvals and an appropriate level of pre-commitments.

(d) Capital Management

Borrowings - Loan Variation

- During 2010, the terms of the Australian 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 will be limited to the surplus cash of the individual companies at their loan maturity date. This constituted a substantial modification to each of the loan terms and accordingly the loans were remeasured under the varied contractual terms and conditions. In the current year, a revaluation to the Statement of Comprehensive Income of \$13,245,000 (Dec 2011: \$5,114,000) for both continuing and discontinued operations has been recorded.

1.3 Dividends

The Directors have not declared any dividends for the year ended 31 December 2012 (Dec 2011: nil).

1.4 Significant Changes in State of Affairs

Significant changes in the state of the affairs of the Company during the financial year were as follows:

- On 11 May 2011, GPT Group announced an on-market buy-back of up to 5% of the Group's ordinary securities. On 26 April 2012, GPT announced the extension of the on market buy-back for an additional 12 months from 11 May 2012 and increased the maximum number of securities that can be purchased back from 5% to 10% of ordinary securities. As at 31 December 2012, Group has bought back 88.7 million ordinary stapled securities for a total consideration of \$274.7 million of which the Company's share is \$3.0 million. This represents 4.8% of the total ordinary stapled securities at the time of the commencement of the buy-back.
- In February 2012, the GMH Group internalised the property management function of 18 of its wholly owned logistics & business park and office assets. Prior to February 2012, the property management function of these assets had been outsourced to Jones Lang LaSalle (JLL). This internalisation was undertaken to reinforce GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes. The internalisation also creates new revenue streams for the consolidated entity.
- On 10 December 2012, GPT made an indicative and non-binding proposal to Australand Property Group in relation to the potential acquisition of its investment property portfolio and commercial and industrial business for cash. This offer was rejected by Australand Property Group.

1. Operations and Activities (continued)

1.5 Likely Developments and Expected Results of Operations

Likely developments and commentary on the expected results of operations are included in Section 1.2 of this Report.

Further information on likely developments and expected results of operations have not been included in this annual financial report because the Directors believe it would likely result in unreasonable prejudice to the Company.

1.6 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 EEO Act 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 2011 to 30 June 2012 period to ensure that the Energy Efficiency Opportunities data is made available in a public report on the GPT website by the required date of 31 December 2012.

The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2011 to 30 June 2012. GPT has implemented systems and processes for the collection and calculation of the data required which enabled submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2012.

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

1.7 Events Subsequent to Reporting Date

The Directors are not aware of any matter or circumstance occurring since 31 December 2012 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

2. Directors and Secretary

2.1 Directors

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

(i) Chairman – Non-Executive Director

Rob Ferguson

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle

Eric Goodwin

Lim Swe Guan (retired on 7 May 2012)

Anne McDonald

Gene Tilbrook

(iii) Executive Director

Michael Cameron

2.2 Information on Directors

Rob Ferguson – Chairman

Mr Ferguson joined the Board on 25 May 2009.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson is currently the Non-Executive Chairman of IMF (Australia) Limited, Non-Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited.

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust for 15 years and was an independent Non-Executive Director of Westfield for 10 years.

Mr Ferguson is a member of the Nomination and Remuneration Committee.

Michael Cameron – Chief Executive Officer and Managing Director

Mr Cameron joined The GPT Group as CEO and Managing Director on 1 May 2009.

Mr Cameron has over 30 years' experience in Finance and Business, including 10 years with Lend Lease, where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business.

More recently Michael was Chief Financial Officer then Group Executive of the Retail Bank Division for the Commonwealth Bank of Australia, and Chief Financial Officer of St George Bank.

Mr Cameron is a Non-Executive Director of the Great Barrier Reef Foundation and a Non-Executive Director of Suncorp Group Limited and its regulated entities.

Eric Goodwin

Mr Goodwin was appointed to the Board in November 2005.

Mr Goodwin has experience in design, construction, and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio and he was the founding Fund Manager of the Australian Prime Property Fund.

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and DUET Management No 2 Limited (responsible entity of Diversified Utility and Energy Trust No. 2).

Mr Goodwin is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Anne McDonald

Ms McDonald was appointed to the Board on 2 August 2006.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non-Executive Director of Westpac's Life and General Insurance businesses. Ms McDonald provides an advisory role to the Norton Rose Australian Partnership Council.

Ms McDonald is Chair of the Audit and Risk Management Committee.

2. Directors and Secretary (continued)

2.2 Information on Directors (continued)

Lim Swe Guan (retired from the Board on 7 May 2012).

Mr Lim was appointed to the Board on 21 April 2009. Mr Lim has over two decades experience in the real estate sector in Australia and internationally, most recently as Managing Director of GIC Real Estate until February 2011.

Mr Lim was a member of the Audit and Risk Management Committee.

Brendan Crotty

Mr Crotty was appointed to the Board on 22 December 2009.

Mr Crotty brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

He is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific and a director of the Barangaroo Delivery Authority.

Mr Crotty is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Eileen Doyle

Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Hunter Valley Research Foundation (Chairman), CSIRO (Deputy Chairman), Bradken Limited and Boral Limited.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

Gene Tilbrook

Mr Tilbrook was appointed to the Board on 11 May 2010.

Mr Tilbrook brings extensive experience in finance, corporate strategy, investments and capital management.

Mr Tilbrook is currently Non-Executive Chairman of Transpacific Industries Group Ltd (retiring in March 2013) and a Non-Executive Director of Fletcher Building Ltd and Aurizon Holdings Limited.

Mr Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and Curtin University and a member of the board of the UWA Perth International Arts Festival and the Bell Shakespeare Company.

Mr Tilbrook is Chair of the Nomination and Remuneration Committee.

James Coyne – Company Secretary

Mr Coyne is responsible for the legal, compliance and company secretarial activities of GPT. He was appointed the General Counsel/ Company Secretary of GPT in 2004. Previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and unlisted).

DIRECTORS' REPORT

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

2.3 Attendance of Directors at Board Meetings and Board Committee Meetings

The number of Board meetings, including meetings of Board Committees, held during the financial year and the number of those meetings attended by each Director is set out below:

	Board		Audit and Risk Management Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chairman	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	12	12	-	-	7	7	-	-
Michael Cameron	12	12	-	-	-	-	-	-
Brendan Crotty ¹	12	12	2	2	4	4	4	4
Eileen Doyle	12	12	-	-	7	7	4	4
Eric Goodwin	12	12	5	5	-	-	4	4
Lim Swe Guan ²	2	3	2	2	-	-	-	-
Anne McDonald	12	12	5	5	-	-	-	-
Gene Tilbrook	12	12	-	-	7	7	-	-

1 Brendan Crotty was appointed to the Audit and Risk Management Committee on 22 June 2012 and resigned from the Nomination and Remuneration Committee on 22 June 2012.

2 Lim Swe Guan retired as a director on 7 May 2012.

2.4 Directors' Relevant Interests

The relevant interests of each Director in GPT stapled securities as at the date of this report are shown below:

	Number of GPT Stapled Securities
Rob Ferguson	204,082
Michael Cameron	537,094 Stapled Securities 1,997,060 Performance Rights
Brendan Crotty	30,000
Eileen Doyle	1,600
Eric Goodwin	15,584
Lim Swe Guan	Nil
Anne McDonald	9,450
Gene Tilbrook	20,000

2.5 Directors' Directorships of Other Listed Companies

Details of all directorships of other listed entities held by each current Director in the three years immediately before 31 December 2012 and the period for which each directorship was held are set out below:

Rob Ferguson	IMF (Australia) Limited (since 2004) Primary Health Care Limited (since 2009)
Brendan Crotty	Brickworks Limited (since 2008)
Eileen Doyle	One Steel Limited (from 2000 until 2010) Boral Limited (since 2010) Ross Human Directions Limited (from 2005 until 2010) Bradken Limited (since 2011)
Eric Goodwin	DUET Management No. 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No. 2 (one of the stapled entities within the DUET Group) (since 2004)
Lim Swe Guan	Thakral Holdings Limited (from 2004 until 2012)
Anne McDonald	Speciality Fashion Group Limited (since 2007) Spark Infrastructure Group (since 2009)
Gene Tilbrook	Transpacific Industries Group Limited (from 2009 to 2013) Fletcher Buildings Limited (since 2009) Aurizon Holdings Limited (since 2010)
Michael Cameron	Suncorp Group Limited (since 2012)

3. 2012 Remuneration Report

3.1 Remuneration in Brief

The remuneration report below is for the Group. As the Directors and Senior Executive are remunerated by the Company, the report for the Group has been included in full.

The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2012 Remuneration in Brief, outlines the key remuneration decisions taken by GPT during the year, and shows the actual cash value of remuneration paid to GPT executives who – along with the non-executive Directors - comprise the key management personnel (KMP)¹. The full Remuneration Report for 2012, starting on page 116, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2012 in accordance with statutory obligations and accounting standards.

¹ It should be noted that the KMP is also inclusive of the five highest paid executives, and should be interpreted as such throughout this report.

Key remuneration drivers and actions in 2012

In 2012, the Board continued to take a conservative approach to executive remuneration. The Board actively engaged with GPT investors and stakeholders and was proactive about ensuring that there was strong alignment between GPT's performance and executive reward outcomes. Each of these actions is outlined below and in greater detail throughout the remainder of the Remuneration Report.

Base (Fixed) Pay

The disciplined execution of GPT's strategy during the year which focussed on owning and actively managing quality Australian property assets generated pleasing financial results for investors in 2012. The Board maintained a prudent approach to executive remuneration, the growth of which continued to be moderate. In the review of employee base salaries in December 2011, the Board decided to:

- implement only a modest review of base pay, effective 1 January 2012, averaging 2%; and
- maintain the freeze on Non-Executive Director fees in 2012 for the 5th successive year.

Short Term Incentives

The Board also continued to maintain a focus on ensuring that the quantum of short term incentives (STI) received by executives was:

- market based and appropriate;
- aligned to GPT's performance; and
- demanding of performance that was sufficiently challenging.

In line with the financial performance delivered by management in 2012, actual STI's received by management were towards the upper end of potential.

During calendar year 2012 the Committee undertook a review of STI arrangements with a view to:

- ensuring that the targets set continue to represent the appropriate degree of stretch for management; and
- reducing the overall STI pool to reflect a more moderate market for employee Total Compensation.

With these objectives in mind, in 2013 the Committee will:

- consider the 2012 business results and the 2013 budget in detail before setting the 2013 STI targets. With the consistent strong performance of the business in 2010, 2011 and 2012, both management and the Board are keen to set higher and more challenging targets within our prevailing risk appetite; and
- introduce an STI funding model that will reduce the overall STI outcome at benchmarks, while retaining a potential stretch STI for commensurate performance. The Committee and management are of the view that greater scarcity in STI funds will lead to better performance outcomes and a more merit based differentiation of rewards.

These changes to the STI framework will be outlined in more detail in the 2013 Remuneration Report.

³ It should be noted that the KMP also includes the five highest paid executives, and should be interpreted as such throughout this report.

3. 2012 Remuneration Report

3.1 Remuneration in Brief (continued)

Long Term Incentives

The Board sought and received approval from GPT security holders at the 2012 Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme. The scheme has three performance measures of GPT's performance, each of equal weight:

- **Total Shareholder Return (TSR)** – TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.
- **Adjusted Earnings per Security Growth (EPS Growth) relative to the Consumer Price Index (CPI)** – This performance measure sets an EPS growth range (EPS excluding fair value adjustments) for each Performance Period calculated by reference to the CPI; and
- **Total Return (TR)** – Total Return is defined as the sum of the change in Net Tangible Assets (NTA) excluding movements in GPT's equity base arising from capital raisings or capital returns, plus distributions over the Performance Period, divided by the NTA at the beginning of the Performance Period.

Taking into account feedback from investors and other stakeholders, and to ensure that performance levels were sufficiently challenging for executives, the Board increased the threshold level of performance required for an LTI award in both the EPS Growth and TR measures in the 2012 LTI.

The 2010 LTI, covering GPT's performance for the three calendar years of 2010-2012, concluded at the end of 2012. For the first time since the commencement of LTI plans at GPT the Group's performance exceeded the threshold performance hurdle on two of the three LTI performance measures, leading to the delivery of LTI awards to participants in the form of GPT stapled securities. The Committee believes that achievement of this ownership position by participants further strengthens their alignment with investors.

Employee Ownership

The Board believes in creating ways for employees to build an ownership stake in the business, and the benefits that this 'culture of ownership' brings in terms of loyalty, commitment and discretionary effort. For executives, and based on performance, this is achieved through the LTI.

Employees who are not eligible for the LTI may participate in the General Employee Security Ownership Plan (GESOP). Under GESOP individuals receive an additional benefit equivalent to 10% of their STI which is - after the deduction of income tax - invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

External environment

In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, and is actively monitoring the tax, regulatory and governance activities impacting remuneration. In 2012, the Board sought external advice on market practice and prevailing regulatory and governance standards from Ernst & Young, Johnson, and Freehills. The Board did not receive any Remuneration Recommendations from Remuneration Consultants as defined under the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel

The disclosed remuneration of GPT's KMP in the Remuneration Report on page 126 is calculated in accordance with statutory obligations and accounting standards. As a result, it is based on accounting principles and includes accounting values for current and prior years' LTI grants which have not vested (and may never vest) as they are dependent on performance measures being met.

GPT has chosen to include in the Remuneration in Brief the following table (Table 1) on the next page, which discloses the Cash and Other Benefits received by GPT's KMP, as distinct from the accounting expense. As a result, it does not align to Australian Accounting Standards as it is on a cash basis; Table 13 on page 126 details the statutory accounting balances. Table 1 also includes an outline of the current and potential GPT security ownership position of executives effective 31 December 2012 that has been established during their career to date with GPT.

3. 2012 Remuneration Report (continued)

3.1 Remuneration in Brief (continued)

2012 Remuneration outcomes and GPT security ownership positions for GPT's Key Management Personnel (continued)

Table 1 – Cash and Other Benefits received by GPT's KMP

Senior Executives	Position	Cash & Other Benefits actually received by executives in 2012					Current GPT security ownership at 31/12/12		GPT Performance Rights that Lapsed in 2012	Future GPT securities subject to performance at 31/12/12
		Base (Fixed) Pay	STI	LTI ¹	Other ²	Total	Previously Vested GPT Security Holding ³	GPT Securities that Vested in 2012 ⁴	2010 LTI Performance Rights that Lapsed ⁵	Unvested GPT Securities & Performance Rights ⁶
		\$'000	\$'000	\$'000	\$'000	\$'000	# of securities	# of securities	# of rights	# of securities & rights
Michael Cameron	Managing Director and Chief Executive Officer	1,450.0	1,512.9	1,214.6	226.0	4,403.5	66,103	490,940	247,102	1,730,010
James Coyne	General Counsel / Company Secretary	480.0	247.2	317.1	3.3	1,047.6	-	89,552	64,522	322,171
Matthew Faddy	Head of Asset Management	500.0	438.7	227.7	2.4	1,168.8	-	64,305	46,333	282,307
Mark Fookes ⁷	Chief Financial Officer	775.0	586.7	506.1	5.3	1,873.1	-	142,902	102,960	520,173
Nicholas Harris	Head of Funds Management	725.0	595.5	411.6	4.2	1,736.3	-	116,227	83,741	450,677
Carmel Hourigan ⁸	Head of Investment Management	104.7	-	-	350.0	454.7	-	-	-	315,690
Anthony McNulty	Head of Development Retail and Major Projects	563.7	455.7	276.3	3.0	1,298.7	-	78,024	56,217	369,155
Michael O'Brien ⁹	Group Executive Corporate Development	830.0	692.8	556.7	3.8	2,083.3	76,909	157,193	113,255	557,089
John Thomas ¹⁰	Head of Development Commercial and Industrial	337.2	265.0	-	1.0	603.2	-	-	-	172,720

1 For the purposes of recording a value in Table 1 for LTI, the number of GPT Group performance rights that vested under the 2010 LTI for each participant have been valued using GPT's fourth quarter 2012 volume weighted average security price (VWAP) of \$3.5415. More details about the 2010 LTI and GPT's performance against the various performance measures are set out in Tables 9 and 10.

2 Other includes the value of sign on Performance Rights from 2009 that vested in 2012 (Michael Cameron), sign on payments (Carmel Hourigan), Death & Total/Permanent Disablement insurance premiums, superannuation plan administration fees, executive health assessments, and other benefits.

3 Vested GPT Security Holding is the actual number of vested GPT securities held by individuals as a result of their employment that vested prior to 2012. This *excludes* GPT securities bought privately by the individual.

4 GPT Securities that Vested in 2012 represent the actual number of GPT securities that have vested to the individual in 2012. For all individuals, this figure represents GPT securities that vested as a result of GPT's performance in the 2010 LTI covering the performance period 2010-2012. For Michael Cameron specifically, the figure comprises

- 342,966 Performance Rights that vested under the 2010 LTI;
- 81,871 deferred securities from his 2009 Short Term Incentive that vested on 31 March 2012; and
- 66,103 Performance Rights from his sign on package at the commencement of his employment on 1 May 2009 that vested on 30 June 2012.

5 2010 LTI Performance Rights that Lapsed sets out the number of performance rights that were awarded to a participant in the 2010 LTI that did not vest at the end of the 2010-2012 performance period, and as a result, lapsed.

6 Unvested GPT Securities and Performance Rights is the total of unvested GPT securities and Performance Rights granted over the years that are currently on foot and *excludes* any GPT securities or Performance Rights that may have lapsed up to 31 December 2012. This number comprises sign on rights that are yet to vest (Carmel Hourigan), deferred STI into equity that is yet to vest (Michael Cameron) and grants of Performance Rights under the various LTI schemes that are subject to the various performance measures and are yet to vest (all executives). This highlights the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, any securities or Performance Rights listed in this column should be considered "at risk", are not guaranteed, and indeed may never vest.

7 Mark Fookes was Head of Investment Management until he was appointed Chief Financial Officer on 1 October 2012.

8 Carmel Hourigan joined GPT on 8 November 2012.

9 Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

10 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report

Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2012, which forms part of the Directors Report and has been prepared in accordance with section 300A of the *Corporations Act 2001* for the Group for the year ended 31 December 2012.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's key management personnel (KMP) – including the five highest paid executives - who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives). The data provided in the Remuneration Report was audited as required under section 308(3C) of the *Corporations Act*.

In 2012 the Nomination & Remuneration Committee (the Committee) initially comprised 4 Non-Executive Directors:

- Gene Tilbrook (Chairman)
- Brendan Crotty¹
- Eileen Doyle
- Rob Ferguson

¹ Brendan Crotty left the Committee on 22 June 2012, and as a result the Committee concluded the year with the 3 remaining members.

The Committee provides advice and recommendations to the Board on:

- criteria for selection of Directors;
- nominations for appointment as Directors (either between AGMs or to stand for election);
- criteria for reviewing the performance of Directors individually and the GPT Board collectively;
- remuneration policies for Directors and Committee members;
- remuneration policy for senior executives;
- incentive plans for employees; and
- any other related matters regarding executives or the Board.

Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).

Key Issues and Changes made in 2012

Remuneration Outcomes aligned to GPT's Performance

In 2012 GPT continued to resolutely pursue the Group's articulated strategy of owning and actively managing quality Australian property assets. While the financial performance was pleasing, market conditions remained cautious and growth in executive pay levels continued to be moderate. Against that background the Board continued to exercise caution with regard to executive remuneration. The main areas of activity in 2012 are outlined in Table 2, below:

Table 2 – Main areas of activity in 2012

Activity	Who is affected?	Explanation
Maintain restraint on executive salaries	Leadership Team and other employees	Base remuneration increases for 2012 were capped at an average 2% across the business.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees in 2012 for Non-Executive Directors for the 5th successive year.
Review of STI targets and overall STI quantum	All employees	In 2012 the Committee has worked with management and agreed that in 2013 STI will be driven off higher targets than in 2012. In addition, in 2013 the Group will introduce an STI funding model that will lead to a lower overall potential STI pool; by infusing greater scarcity into STI funding the Board and management believe better performance outcomes can be achieved by a more merit based differentiation of rewards.
Strengthened 2012 LTI Performance Measures	Leadership Team and other executives	To more tightly align with GPT's articulated financial performance objectives, the Board decided to increase the Threshold level of performance required for an LTI award in both the EPS growth and TR measures in the 2012 LTI (see Table 9 on page 123. These adjustments were approved by security holders at the Annual General Meeting in May 2012.
Continued initiative to build culture of ownership	All employees excluding the LTI participants	Under the General Employee Security Ownership Plan (GESOP) an amount equivalent to 10% of an individuals' STI was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year. Under the plan, 327 GPT employees received 185,876 GPT securities in 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Key Issues and Changes made in 2012 (continued)

CEO Remuneration Structure and Contract Terms

The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Table 3 – Key terms of Michael Cameron's Remuneration Arrangements

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of the CEO against: <ul style="list-style-type: none"> CEOs in businesses with comparable market capitalisation; and CEOs in comparable roles within the ASX A-REIT index.
Remuneration mix	In 2012, Mr Cameron's remuneration mix was as follows: Base (Fixed) Pay: \$1,450,000. STI: \$0 to \$1,812,500 based on performance and paid in cash (ie 0% to 125% of base pay). Further details on STI terms are set out on pages 120 and 121. LTI: \$0 to \$2,175,000 based on performance and continued service and delivered in GPT stapled securities (ie 0% to 150% of base pay). Further details on LTI terms (including performance measures) are set out on pages 122, 123 and 124.
External Directorships	Under GPT policy Mr Cameron is eligible to take up one external Directorship. In 2012 Mr Cameron was invited to join the Suncorp Group Board. All Board fees received by Mr Cameron associated with this appointment are paid to GPT.
Contract duration	A rolling 12 month contract.
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) pay.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

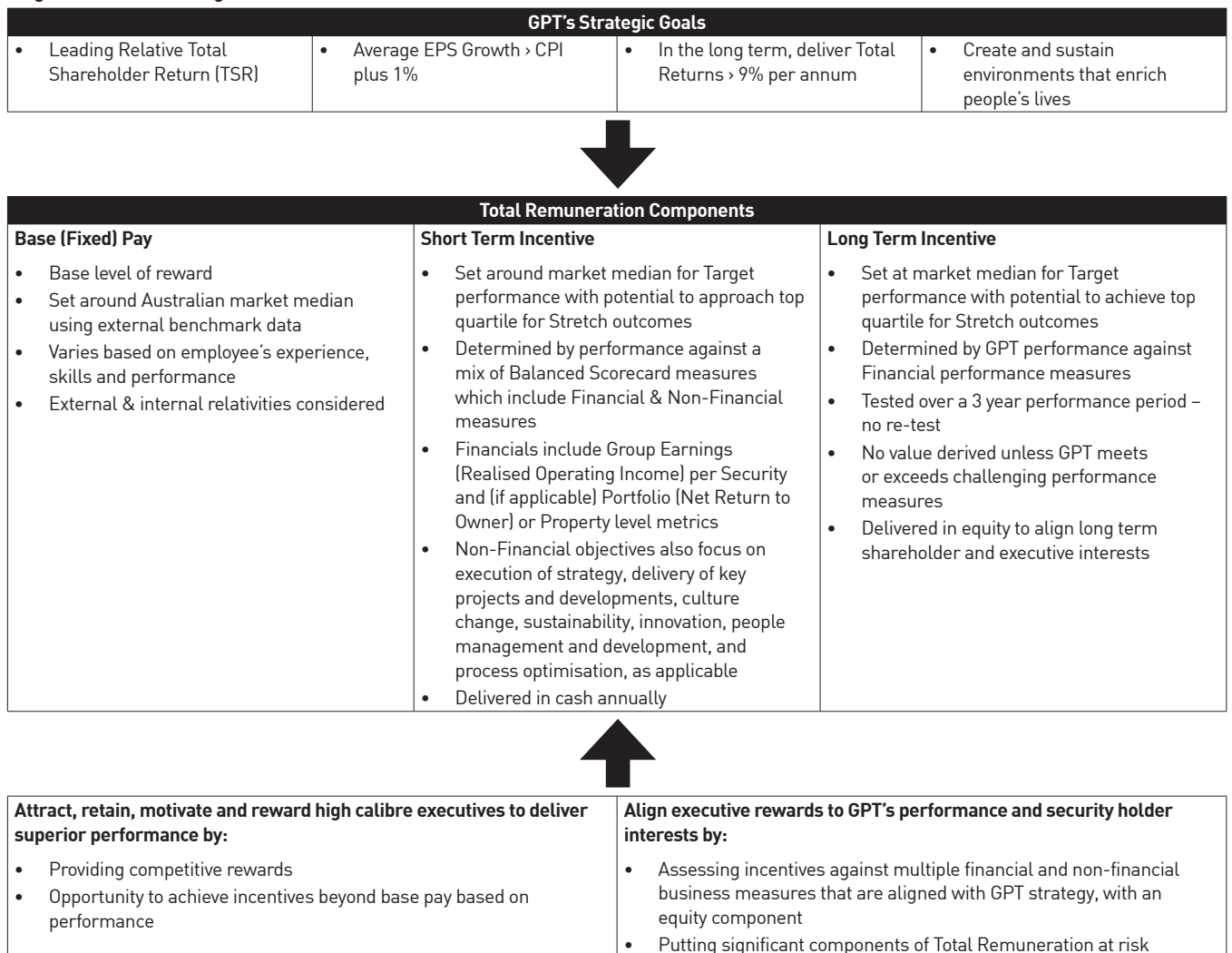
GPT's Remuneration Strategy

Alignment of GPT's Remuneration Strategy and Business Strategy

The Board is conscious of the need to set a remuneration strategy that supports and drives achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving challenging targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The following diagram (Diagram 1) shows the key objectives of GPT's remuneration policy and how these are implemented through our remuneration structures.

Diagram 1 – GPT's Strategic Goals and the link to Remuneration Structures



3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy

Total Remuneration Mix

As depicted in Diagram 1 on page 118, the remuneration structure at GPT is a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base pay is designed to provide a predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance measures are met or exceeded.

The Total Remuneration mix of components for those executives with ongoing employment at the end of 2012 is set out in Table 4, below:

Table 4 – Total Remuneration Mix of Fixed and At Risk Remuneration

Senior Executives	Position	Fixed Remuneration	Variable or "At Risk" Remuneration ¹	
		Base Pay	STI	LTI
Michael Cameron	Managing Director and Chief Executive Officer	36%	36%	28%
James Coyne	General Counsel / Company Secretary	50%	25%	25%
Matthew Faddy	Head of Asset Management	43%	35%	22%
Mark Fookes	Chief Financial Officer	43%	35%	22%
Nicholas Harris	Head of Funds Management	43%	35%	22%
Carmel Hourigan	Head of Investment Management	43%	35%	22%
Anthony McNulty	Head of Development Retail and Major Projects	43%	35%	22%
Michael O'Brien	Group Executive Corporate Development	43%	35%	22%
John Thomas	Head of Development Commercial and Industrial	40%	40%	20%

¹ The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.

Base (Fixed) Pay

Base remuneration is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, responsibility and general performance. This process involves market-based reviews conducted by independent experts benchmarking GPT executives against comparable peers in companies in the A-REIT and, where relevant, broader ASX 200 sectors. GPT generally aims to pay around market median base salary.

Table 5 – Base Pay

What is included in Base (Fixed) Pay?	Base pay includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base Pay reviewed?	Base pay is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are appropriate and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of the CEO annually by Ernst & Young, much of it focussed on publicly available data from annual reports. In 2012, the Committee also sought market data on the Leadership team from Johnson. More broadly, the business relies on benchmarking relevant to the property sector including the Avdiev Property Industry Remuneration Report. For more specialist functional roles management will source multiple benchmarks from reputable recruitment agencies and other informed sources.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy

Short Term Incentives (STI) (variable component)

GPT employees have an opportunity to receive an STI based on calendar year performance. STI levels are set as part of the process of benchmarking the Total Remuneration opportunity for each role. GPT generally aims to set STI opportunity at market median for Target performance with potential to approach top quartile for Stretch outcomes..

Table 6 – GPT's STI Plan

What is the STI plan?	The STI is an 'at-risk' incentive awarded annually in the form of cash subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).														
Who participates in the STI plan?	All permanent GPT employees with greater than 3 months service at the end of the applicable calendar year are eligible – subject to performance – to receive an STI.														
Why does the Board consider the STI an appropriate incentive?	Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.														
Are both target and stretch performance measures set?	Yes. Stretch performance measures can reward exceptional performance beyond the acceptable Target outcomes and can motivate individuals to strive for the mutual benefit of themselves and the business.														
What is the value of the STI opportunity?	<p>The STI opportunity is expressed as a percentage of Base (fixed) pay, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Target Incentive Range</th> <th>Stretch Incentive Range</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>100%</td> <td>125%</td> </tr> <tr> <td>Executives</td> <td>50-80%</td> <td>62.5-100%</td> </tr> <tr> <td>General employees</td> <td>10-30%</td> <td>12.5-37.5%</td> </tr> </tbody> </table> <p>If a minimum or Threshold level of objective achievement is not delivered then STI would be nil. STI outcomes are capped at the Stretch level.</p>			Level	Target Incentive Range	Stretch Incentive Range	CEO	100%	125%	Executives	50-80%	62.5-100%	General employees	10-30%	12.5-37.5%
Level	Target Incentive Range	Stretch Incentive Range													
CEO	100%	125%													
Executives	50-80%	62.5-100%													
General employees	10-30%	12.5-37.5%													
What are the Financial performance measures?	<p>In 2012 the main Group Financial performance measure was Earnings (Realised Operating Income) per Ordinary Security and based on Board discretion of:</p> <p>Threshold: 22.8cps (2% growth on the 2011 result) Target: 23.3cps (4% growth on the 2011 result) Stretch: 23.7cps (6% growth on the 2011 result)</p> <p>While all employees have a common Group Financial performance measure, whether there are other additional performance measures depends on the individuals' role, as does the (indicative) mix between Financial and Non-Financial measures:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Financial Measures</th> <th>Non-Financial Measures</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>70%</td> <td>30%</td> </tr> <tr> <td>Executives</td> <td>60%</td> <td>40%</td> </tr> <tr> <td>General employees</td> <td>20%</td> <td>80%</td> </tr> </tbody> </table> <p>Financial measures are applied at the Group, Portfolio, and Asset level</p>			Level	Financial Measures	Non-Financial Measures	CEO	70%	30%	Executives	60%	40%	General employees	20%	80%
Level	Financial Measures	Non-Financial Measures													
CEO	70%	30%													
Executives	60%	40%													
General employees	20%	80%													
What are the Non-financial performance measures?	<p>Non-Financial measures include Balanced Scorecard items focussed on the Customer, Internal processes, and People & Knowledge perspectives.</p> <p>In addition, they may also focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation.</p>														
How is performance measured?	Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal Performance Agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.														
Who assesses performance against targets?	The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Leadership Team.														

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy

Short-term Incentive Outcomes

In 2012 GPT achieved an Earnings (Realised Operating Income) per Ordinary Security growth result of 8% (24.2cps) which would exceed the Stretch target of 6% (23.7cps). However, the Committee exercised its discretion to adjust ROI down by adding back some below the line costs and eliminating the benefits of interest rate hedge changes, and as a result the STI award was based on an adjusted EPS growth of 4.65%.

Table 7 – Short Term Incentive Outcomes

Senior Executives	Position	Actual STI Awarded (\$'000)	Actual STI Awarded as a % of Maximum STI	% of Maximum STI Award Forfeited
Michael Cameron	Managing Director and Chief Executive Officer	\$1,512,939	83.47%	16.53%
James Coyne	General Counsel / Company Secretary	\$247,174	82.39%	17.61%
Matthew Faddy	Head of Asset Management	\$438,725	87.75%	12.26%
Mark Fookes	Chief Financial Officer	\$586,672	75.70%	24.30%
Nicholas Harris	Head of Funds Management	\$595,483	82.14%	17.86%
Carmel Hourigan ¹	Head of Investment Management	-	-	-
Anthony McNulty	Head of Development Retail and Major Projects	\$455,690	80.83%	19.17%
Michael O'Brien	Group Executive Corporate Development	\$692,822	83.47%	16.53%
John Thomas ²	Head of Development Commercial and Industrial	\$264,978	65.23%	34.77%

¹ As Carmel Hourigan joined GPT on 8 November 2012 she was not eligible for an STI in 2012.

² As John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012, his Actual STI Awarded only relates to the period from 1 July – 31 December 2012.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy (continued)

Long Term Incentives (LTI) (variable component)

GPT executives who have the most ability to influence the long term commercial performance of the Group are invited by the Board to participate in an equity-based LTI scheme under which awards may vest if specified performance measures are achieved over a 3 year performance period. Combined with the Base (fixed) pay and STI potential, the LTI provides a further opportunity to achieve Total Remuneration around market median for Target performance, with potential to approach top quartile for Stretch performance outcomes.

Table 8 – GPT's LTI Plan

What is the purpose of the LTI plan?	The purpose of the LTI plan is to align senior executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, his direct reports, and a small number of other senior executives with the greatest ability to impact on the long term performance of GPT. In 2012, 29 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2012 LTI is based on a percentage of the participants' base pay with the maximum (Stretch) opportunity in 2012 as follows: <ul style="list-style-type: none"> • for the CEO it was equivalent to 150% of base pay • for Leadership Team members it was 100% of base pay • for all other participants it was equivalent to 75% of base pay
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. For the 2012 LTI, the number of Rights granted was determined by dividing GPT's last quarter 2011 volume weighted average security price (VWAP) of \$3.1361 into the grant value.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive dividends, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise. During 2012, several executives left the group in 'good leaver' scenarios and were allowed to retain a portion of the performance rights granted to them, pro-rated to their period of service during the life of the applicable plan(s), to be measured at the end of the applicable plan(s) life in the same manner as ongoing employees.
What are the performance hurdles?	See the table 9.
Are Rights subject to retesting if they do not vest on initial testing?	No. There is no retesting of Rights that do not vest after being first tested for satisfaction against the performance measures at the end of the 3 year period.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy

Long Term Incentives (LTI) (variable component) (continued)

The performance measures and hurdles for GPT's LTI plan, which have been approved by GPT security holders, are summarised in table 9, below, along with the results for each plan at the end of the applicable three year period (where known).

Table 9 – GPT LTI Plan Performance Measures, Hurdles & Results

LTI	LTI Performance Measurement Period	Performance Measure	Performance Measure Hurdle	Weighting	Results	Percentage of 2010 Performance Rights vesting for each Performance Measure ¹ (%)
2010	2010-2012	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd	GPT's TSR performance of 43% ranked 3rd out of the 7 participants, which translated to a percentile of 66.7.	82.70%
		Earnings per security growth (EPS) vs the CPI. ²	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3 rd	GPT achieved EPS growth of 10.5% versus CPI of 8% and CPI plus 1% of 11%.	91.67%
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3 rd	GPT achieved a compound annual TR of 7.32%, which was below the Threshold of 8%.	0%
2011	2011-2013	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd		
		Earnings per security growth (EPS) vs the CPI.	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	1/3 rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	1/3 rd		
2012	2012-2014	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3 rd		
		Earnings per security growth (EPS) vs the CPI.	50% of rights vest if EPS growth = CPI plus 1%, up to 100% if EPS growth = CPI plus 1.5% percentile (pro rata vesting in between).	1/3 rd		
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	50% of rights vest at 9% TR, up to 100% at 9.5% TR (pro-rata vesting in between).	1/3 rd		

1 Refer to Table 1 to see how many Performance Rights vested and lapsed for each participant in the 2010 LTI.

2 The EPS growth calculation for 2010 relies on a rebased 2009 EPS figure of 21.30cps versus the 2010 result of 20.74cps. The rebasing of 2009 was required to adjust the 2009 EPS result of 23.83cps (4.77 cps on a pre 5:1 consolidation basis) to take into account the dilutive effect of the capital raising. The approach is to assume the raising happened on 1 January 2009, that is, the interest saving from reducing debt starts on 1 January 2009 rather than 17 June 2009, with the adjusted earnings for the 2009 year divided by the greater number of average shares.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT's Remuneration Strategy

Long Term Incentives (LTI) (variable component) (continued)

Table 10 (below) sets out the executives' LTI plan participation level (i.e. in terms of grant size), fair value, and the maximum recognised value in future years (see footnote 2 to table 10 for an explanation of these concepts):

Table 10 – LTI Plan Participation Levels and Fair Value

Senior Executives	Position	LTI Scheme	Performance Rights Granted	Grant Date	Fair Value per Performance Right	Vesting Date ¹	Maximum Value Recognised in Future Years ²
Michael Cameron	Managing Director and Chief Executive Officer	2010	590,068	19-May-10	\$2.06	31-Dec-12	-
		2011	713,455	08-Jun-11	\$2.38	31-Dec-13	\$661,450
		2012	693,537	08-May-12	\$2.34	31-Dec-14	\$1,244,433
James Coyne	General Counsel / Company Secretary	2010	154,074	19-May-10	\$2.06	31-Dec-12	-
		2011	169,115	08-Jun-11	\$2.38	31-Dec-13	\$156,788
		2012	153,056	08-May-12	\$2.34	31-Dec-14	\$274,633
Matthew Faddy	Head of Asset Management	2010	110,638	19-May-10	\$2.06	31-Dec-12	-
		2011	122,873	08-Jun-11	\$2.38	31-Dec-13	\$113,916
		2012	159,434	08-May-12	\$2.34	31-Dec-14	\$286,077
Mark Fookes	Chief Financial Officer	2010	245,862	19-May-10	\$2.06	31-Dec-12	-
		2011	273,051	08-Jun-11	\$2.38	31-Dec-13	\$253,147
		2012	247,122	08-May-12	\$2.34	31-Dec-14	\$443,418
Nicholas Harris	Head of Funds Management	2010	199,968	19-May-10	\$2.06	31-Dec-12	-
		2011	219,498	08-Jun-11	\$2.38	31-Dec-13	\$203,498
		2012	231,179	08-May-12	\$2.34	31-Dec-14	\$414,811
Carmel Hourigan ³	Head of Investment Management	2010	-	19-May-10	\$2.06	31-Dec-12	-
		2011	-	08-Jun-11	\$2.38	31-Dec-13	-
		2012	160,073	08-Nov-12	\$2.34	31-Dec-14	\$349,217
Anthony McNulty	Head of Development Retail and Major Projects	2010	134,241	19-May-10	\$2.06	31-Dec-12	-
		2011	193,778	08-Jun-11	\$2.38	31-Dec-13	\$179,653
		2012	175,377	08-May-12	\$2.34	31-Dec-14	\$314,684
Michael O'Brien	Group Executive Corporate Development	2010	270,448	19-May-10	\$2.06	31-Dec-12	-
		2011	292,429	08-Jun-11	\$2.38	31-Dec-13	\$271,113
		2012	264,660	08-May-12	\$2.34	31-Dec-14	\$474,887
John Thomas ⁴	Head of Development Commercial and Industrial	2010	-	19-May-10	\$2.06	31-Dec-12	-
		2011	-	08-Jun-11	\$2.38	31-Dec-13	-
		2012	172,720	01-Jul-12	\$2.34	31-Dec-14	\$323,155

1 Vesting date is the date that marks the end of the 3-year LTI performance period. At this point the performance measure will be assessed against the performance hurdle to see if any Performance Rights vest.

2 This represents the fair value of rights as at grant date that are yet to be expensed. "Fair value" is independently determined on the grant date of each tranche of Performance Rights using Monte Carlo and Binomial tree pricing models which take into account the following factors: the expected life of the Performance Rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the Performance Rights. As a result, the figures derived, while accurate for the valuation requirements of the relevant accounting standards, do not bear any resemblance to the actual gross value that may or may not be realised by a participating executive. The LTI accrual numbers in the Senior Executive Remuneration Disclosures in Table 13 on page 126 represent the current (2012) calendar year expenses of the executives participation in the various plans on foot whereas the maximum recognised value in future years represents the expenses which will be recognised from an accounting perspective in the future until the end of the relevant LTI plan performance period.

3 Carmel Hourigan joined GPT on 8 November 2012 hence her grant date for the 2012 LTI differs from her peers.

4 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Commercial and Industrial on 1 July 2012; as a result his grant date for the 2012 LTI also differs from his peers.

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

GPT Performance Outcomes

Table 11 (below) shows GPT's performance against key metrics over the last 5 years. It should be noted that during FY2010 GPT undertook a five for one unit consolidation.

Table 11 – GPT's 5 Year Performance

		2008	2009	2010	2011	2012
Realised operating income	\$m	468.8	375.8	410.0	438.8	456.4
Total securityholder return (TSR)	%	(74.9)	(14.4)	2.9	10.5	26.9
Earnings (Realised Operating Income) per security (EPS) ¹	cents	88.5	24.0	20.7	22.4	24.2
EPS growth	%	(37.1)	(74.2)	(13.0)	8.1	8.0
Distributions per security (DPS) ¹	cents	88.5	22.5	16.3	17.8	19.3
Total Return	%	(46.6)	(40.7)	9.1	4.9	9.5
NTA (per security) ¹	\$	7.15	3.45	3.60	3.59	3.73
Security price at end of calendar year	\$	4.60	3.05	2.94	3.07	3.68

¹ Adjusted for 5 to 1 security consolidation in May 2010

Service Agreements

All employees have service agreements in place that set out the basic terms and conditions of employment. In 2009 the Board took steps to increase the notice periods for all Senior Executives to a minimum of 3 months. No notice provisions apply where termination occurs as a result of misconduct or serious or persistent breach of the agreement.

Remuneration arrangements for early termination of an executive's contract for reasons outside the control of the individual or where the executive is made redundant may give rise to a severance payment at law. In the absence of any express entitlement, these payments would vary between individuals.

The Board has approved a policy with respect to severance entitlements specifically capping the maximum severance payment that would be made to twelve months base remuneration. In addition the executive may be entitled to any STI and LTI at the end of the relevant period subject to the achievement of key performance indicators that had been set.

The terms of Mr Cameron's contract were outlined on page 117. The material terms of the service agreements for the remainder of the KMP (i.e. other than the CEO) who were employed by the Group at 31 December 2012 are set out in Table 12 (below):

Table 12 – Material terms of service agreements for the KMP

Term	Conditions
Duration	Open ended.
Termination by Executive	3 months notice. GPT may elect to make a payment in lieu of notice.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months notice. Severance payments may be made subject to GPT policy. Treatment of unvested STI and LTI will be at Board and management discretion under the terms of the relevant plans.
Post-employment restraints	Non-solicitation of GPT employees for 12 months post-employment.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures

The following table provides a breakdown of GPT's KMP in accordance with statutory requirements and accounting standards. It should be noted that of the Variable or "At Risk" components, STI Bonus shows actual cash payments made to executives, whereas the LTI Award Accrual and the Grant or Vesting of Performance Rights are accounting valuations and may only be payable to executives under certain performance conditions or circumstances (as per the footnotes).

Table 13 – Senior Executive Remuneration Disclosures

Senior Executives	Fixed Pay			Variable or "At Risk"				Total
	Base Pay	Superannuation	Non-Monetary ¹	STI Bonus	LTI Award Accrual ²	Grant or Vesting of Performance Rights ^{3,4,5}	Cash Payment on Termination	
M. Cameron Managing Director and Chief Executive Officer								
31 December 2012	\$1,455,313	\$16,123	\$9,160	\$1,512,939	\$1,503,501	\$18,220	-	\$4,515,256
31 December 2011	\$1,382,201	\$15,487	\$13,542	\$1,597,955	\$989,895	\$74,873	-	\$4,073,953
J. Coyne General Counsel / Company Secretary								
31 December 2012	\$469,124	\$16,123	\$3,330	\$247,174	\$361,360	-	-	\$1,097,111
31 December 2011	\$488,781	\$15,487	\$3,523	\$284,081	\$280,703	-	-	\$1,072,575
M. Faddy⁶ Head of Asset Management								
31 December 2012	\$489,457	\$16,123	\$2,405	\$438,725	\$287,842	-	-	\$1,234,552
31 December 2011	-	-	-	-	-	-	-	-
M. Fookes⁷ Chief Financial Officer								
31 December 2012	\$769,030	\$16,123	\$5,288	\$586,672	\$581,165	-	-	\$1,958,278
31 December 2011	\$808,044	\$15,487	\$4,128	\$682,000	\$442,081	-	-	\$1,951,740
N. Harris Head of Funds Management								
31 December 2012	\$718,219	\$16,123	\$4,192	\$595,483	\$486,758	-	-	\$1,820,775
31 December 2011	\$650,263	\$15,487	\$3,835	\$534,618	\$362,816	-	-	\$1,567,019
C. Hourigan⁸ Head of Investment Management								
31 December 2012	\$100,630	\$4,118	\$350,000	-	\$25,354	\$47,068	-	\$527,170
31 December 2011	-	-	-	-	-	-	-	-
A. McNulty Head of Development Retail and Major Projects								
31 December 2012	\$547,627	\$16,123	\$2,960	\$455,690	\$380,822	-	-	\$1,403,222
31 December 2011	\$553,592	\$15,487	\$2,761	\$354,750	\$267,177	-	-	\$1,193,767
M. O'Brien⁹ Chief Financial Officer								
31 December 2012	\$824,947	\$16,123	\$3,789	\$692,822	\$628,017	-	-	\$2,165,698
31 December 2011	\$841,513	\$15,487	\$2,761	\$827,452	\$486,635	\$21,730	-	\$2,195,578
J. Thomas¹⁰ Head of Development Commercial and Industrial								
31 December 2012	\$328,948	\$8,235	\$982	\$264,978	\$81,010	-	-	\$684,153
31 December 2011	-	-	-	-	-	-	-	-
Former KMP's¹¹								
M. Tierney Funds Manager, GPT Wholesale Shopping Centre Fund								
31 December 2012	-	-	-	-	-	-	-	-
31 December 2011	\$500,518	\$15,487	\$3,597	\$330,233	\$241,172	-	-	\$1,091,007
J. Johnstone Head of Transactions								
31 December 2012	-	-	-	-	-	-	-	-
31 December 2011	\$590,318	\$15,487	\$1,095	\$495,264	\$329,860	-	-	\$1,432,024
Total								
31 December 2012	\$5,703,295	\$125,214	\$382,106	\$4,794,483	\$4,335,829	\$65,288	-	\$15,406,215
31 December 2011	\$5,815,230	\$123,896	\$35,242	\$5,106,353	\$3,400,339	\$96,603	-	\$14,577,663

1 The amount set out under 'Non-Monetary' may include Death & Total/Permanent Disability Insurance Premiums, superannuation plan administration fees, executive health assessments and other benefits.

2 The purpose of the LTI Award Accrual column is to record the amount of the fair value of Performance Rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Senior Executive Remuneration Disclosures (continued)

3 One off grants of Performance Rights were made in 2009 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	\$300,000	115,363	Service: 50% of the Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.
Michael O'Brien	Recognition of 7 month's service as Acting CEO	\$200,000	76,909	Service: 50% of Performance Rights converted to GPT securities for nil consideration on 1 July 2010. The remaining 50% converted to GPT securities for nil consideration on 1 July 2011.

4 One off grants of Performance Rights were made in 2010 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Michael Cameron	To address the impact of the May 2009 one for one rights issue on Mr Cameron's sign-on grant of rights (see detailed explanation in the 2010 Remuneration Report)	\$34,697	16,843	Service: 50% of Performance Rights converted to GPT securities for nil consideration on 30 June 2011. The remaining 50% converted to GPT securities for nil consideration on 30 June 2012.

5 One off grants of Performance Rights were made in 2012 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Carmel Hourigan	Sign on package	\$500,000	155,617	Service: 50% of Performance Rights will convert to GPT securities for nil consideration on 1 September 2013. The remaining 50% will convert to GPT securities for nil consideration on 1 September 2014.

6 Matt Faddy became a KMP on 1 January 2012.

7 Mark Fookes was Head of Investment until he was appointed Chief Financial Officer on 1 October 2012.

8 Carmel Hourigan joined GPT on 8 November 2012.

9 Michael O'Brien was Chief Financial Officer until he was appointed Group Executive, Corporate Development on 1 October 2012.

10 John Thomas joined GPT on 20 February 2012 but did not become a KMP until he was appointed Head of Development Industrial and Commercial on 1 July 2012. As a result, the figures in this table only represent earnings attributable to the period from 1 July – 31 December 2012.

11 Michelle Tierney and Jonathan Johnstone were not KMP in calendar year 2012.

Remuneration – Non-Executive Directors

Remuneration Policy

The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Nomination and Remuneration Committee. The principal features of this policy are as follows:

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
 - Main Board fees
 - Committee fees
 - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is remunerated via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any short or long term incentive arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report.

3. 2012 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors (continued)

Remuneration Arrangements

As noted earlier in the Remuneration Report, the Board determined that there would be no increase in Non-Executive Director fees for 2012, continuing the freeze on Non-Executive Director fees that commenced in 2008.

The Chair is paid a main board fee which is 2.5 times the standard Board member fee to reflect the additional workload and responsibilities associated with the role. The Chairman does not receive fees for any Committees on which he serves.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of \$1,650,000 per annum which was approved by GPT security holders at the Annual General Meeting on 11 May 2011. As an executive director, Michael Cameron does not receive fees from this pool but was remunerated as one of GPT's Senior Executives.

Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2012 were as follows:

Table 14 – Board and Board Committee Fees

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee
Chairman¹	2012	\$346,500	\$34,650	\$11,000	\$23,100
	2011	\$346,500	\$34,650	\$11,000	\$23,100
Members	2012	\$138,600	\$17,325	\$8,000	\$11,550
	2011	\$138,600	\$17,325	\$8,000	\$11,550

¹ 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee

In addition to the above fees, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the 2012 and 2011 calendar years is as follows on the next page.

3. 2011 Remuneration Report (continued)

3.2 Remuneration Report (continued)

Remuneration – Non-Executive Directors (continued)**Remuneration Arrangements (continued)**

The following table provides a breakdown of Non-Executive Director remuneration in accordance with statutory requirements and accounting standards.

Table 15 – Non-Executive Remuneration Disclosures

Directors	Fixed Pay			Total
	Salary & Fees	Superannuation ¹	Non-Monetary ²	
R. Ferguson				
Chairman				
31 December 2012	\$346,788	\$16,123	-	\$362,911
31 December 2011	\$346,500	\$15,487	-	\$361,987
B. Crotty				
31 December 2012	\$161,182	\$14,506	-	\$175,688
31 December 2011	\$158,150	\$14,442	-	\$172,592
E. Doyle				
31 December 2012	\$161,150	\$14,503	-	\$175,653
31 December 2011	\$161,150	\$14,503	-	\$175,653
E. Goodwin				
31 December 2012	\$163,925	\$14,753	-	\$178,678
31 December 2011	\$163,925	\$14,753	-	\$178,678
S. G. Lim³				
31 December 2012	\$54,909	-	-	\$54,909
31 December 2011	\$155,925	-	-	\$155,925
A. McDonald				
31 December 2012	\$173,430	\$15,609	\$1,310	\$190,349
31 December 2011	\$173,250	\$15,396	\$1,343	\$189,989
G. Tilbrook				
31 December 2012	\$161,700	\$14,533	\$1,265	\$177,518
31 December 2011	\$161,700	\$14,533	\$1,300	\$177,533
Total				
31 December 2012	\$1,223,084	\$90,047	\$2,575	\$1,315,706
31 December 2011	\$1,320,600	\$89,114	\$2,643	\$1,412,357

No termination benefits were paid during the financial year.

- 1 Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.
- 2 The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan and Death & Total/Permanent Disability Insurance Premiums.
- 3 S.G Lim retired from the Board on 7 May 2012

4. Other Disclosures

4.1 Indemnification and Insurance of Directors and Officers

GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Secretary of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

4.2 Proceedings on behalf of the Company

In October 2008, Slater and Gordon announced an intention to bring a class action against GPT. At Slater & Gordon's invitation, GPT entered into mediation discussions on a without prejudice basis in an attempt to determine whether the parties could reach agreement in relation to the dispute. Failing an agreed resolution of the matter, Slater & Gordon has now commenced proceedings on behalf of certain persons who claim that they 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.

GPT rejects the allegations and intends to defend the claim which is listed for hearing in 2013. 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.

4.3 Non-Audit Services

During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 7 to the financial statements.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit and Risk Management Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the Audit & Risk Management Committee reviewed the non-audit services and other assurance services at the time of appointment to ensure that they did not impact upon the integrity and objectivity of the auditor;
- the Board's own review conducted in conjunction with the Audit and Risk Management Committee, having regard to the Board's policy with respect to the engagement of GPT's auditor; and
- the fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision-making, self-review, advocacy or joint sharing of risks.

4.4 Rounding of Amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the Directors' Report have been rounded to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

4.5 Auditor

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

4.6 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 the following page.

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman

Sydney
13 February 2013



Michael Cameron
Managing Director and Chief Executive Officer



Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2012, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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 'AJ Loveridge'.

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
13 February 2013

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Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	Note	Consolidated entity	
		31 Dec 12 \$M	31 Dec 11 \$M
Revenue			
Fund management fees		70,339	69,025
Property management fees		30,668	21,037
Development management fees		19,715	20,244
		120,722	110,306
Other income			
Interest revenue		481	601
Revaluation on borrowings		10,609	1,844
		11,090	2,445
Total revenue and other income		131,812	112,751
Expenses			
Remuneration expenses		82,290	86,606
Property rent and outgoings		4,274	6,754
Repairs and maintenance		4,633	4,518
Professional fees		5,122	8,497
Depreciation and amortisation expense		7,130	7,343
Net loss on disposal of assets		13	91
Impairment expense		820	5,574
Finance costs		21,644	26,919
Net foreign exchange loss/(gain)		34	(27)
Other expenses		10,439	10,412
Total expenses		136,399	156,687
Loss from continuing operations before income tax expense		(4,587)	(43,936)
Income tax (expense)/benefit		(2,889)	6,865
Loss after income tax expense for continuing operations		(7,476)	(37,071)
Loss from discontinued operations	5(d)	(1,118)	(12,174)
Net loss for the year		(8,594)	(49,245)
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		(12)	730
Total comprehensive loss for the year		(8,606)	(48,515)
Net loss attributable to:			
- Members of the Company		(8,594)	(46,568)
- Non-controlling interest		-	(2,677)
Total comprehensive (loss)/income attributable to:		(8,606)	(45,838)
- Members of the Company		(8,606)	(45,838)
- Non-controlling interest		-	(2,677)
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings/(loss) per share (cents per share) from continuing operations	4(a)	(0.42)	(1.86)
Basic and diluted earnings/(loss) per share (cents per share) from discontinued operations	4(a)	(0.06)	(0.66)
Basic and diluted earnings/(loss) per share (cents per share) - Total	4(a)	(0.48)	(2.52)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	Note	Consolidated entity	
		31 Dec 12 \$'000	31 Dec 11 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		19,990	14,488
Loans and receivables		26,841	37,188
Prepayments		722	1,434
		47,553	53,110
Assets classified as held for sale	5(c)	102	2,091
Total Current Assets		47,655	55,201
Non-Current Assets			
Investments in associates and joint ventures		82	81
Loans and receivables		13,445	13,396
Property, plant & equipment		10,742	12,812
Intangible assets		49,914	51,344
Deferred tax assets		31,908	36,253
Other assets		6,354	7,762
Total Non-Current Assets		112,445	121,648
Total Assets		160,100	176,849
LIABILITIES			
Current Liabilities			
Payables		37,556	49,881
Provisions		12,392	14,374
		49,948	64,255
Liabilities classified as held for sale	5(c)	-	903
Total Current Liabilities		49,948	65,158
Non-Current Liabilities			
Provisions		1,339	1,358
Other liabilities		7,584	7,962
Total Non-Current Liabilities		8,923	9,320
Total Liabilities		58,871	74,478
Net Assets		101,229	102,371
EQUITY			
Contributed equity		321,812	323,035
Reserves		49,759	41,084
Accumulated losses	6	(275,190)	(266,596)
Total equity attributable to Company members		96,381	97,523
Non-controlling interests	6	4,848	4,848
Total Equity		101,229	102,371

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	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 2011	324,771	35,004	(220,028)	139,747	22,060	-	(14,535)	7,525	147,272	
Movement in foreign currency translation reserve	-	730	-	730	-	-	-	-	730	
Net income recognised directly in equity	-	730	-	730	-	-	-	-	730	
Loss for the year	-	-	(46,568)	(46,568)	-	-	(2,677)	(2,677)	(49,245)	
Total comprehensive income/(loss) for the year	-	730	(46,568)	(45,838)	-	-	(2,677)	(2,677)	(48,515)	
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	(1,736)	-	-	(1,736)	-	-	-	-	(1,736)	
Movement in treasury stock reserve	-	(480)	-	(480)	-	-	-	-	(480)	
Movement in employee incentive security scheme reserve	-	5,830	-	5,830	-	-	-	-	5,830	
Balance at 31 December 2011	323,035	41,084	(266,596)	97,523	22,060	-	(17,212)	4,848	102,371	
Balance at 1 January 2012	323,035	41,084	(266,596)	97,523	22,060	-	(17,212)	4,848	102,371	
Movement in foreign currency translation reserve	-	(12)	-	(12)	-	-	-	-	(12)	
Net loss recognised directly in equity	-	(12)	-	(12)	-	-	-	-	(12)	
Loss for the year	-	-	(8,594)	(8,594)	-	-	-	-	(8,594)	
Total comprehensive loss for the year	-	(12)	(8,594)	(8,606)	-	-	-	-	(8,606)	
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	(1,223)	-	-	(1,223)	-	-	-	-	(1,223)	
Movement in treasury stock reserve	-	291	-	291	-	-	-	-	291	
Movement in employee incentive security scheme reserve	-	8,396	-	8,396	-	-	-	-	8,396	
Balance at 31 December 2012	321,812	49,759	(275,190)	96,381	22,060	-	(17,212)	4,848	101,229	

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

CONSOLIDATED STATEMENT OF OF CASH FLOW

As at 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	Note	Consolidated entity	
		31 Dec 12 \$'000	31 Dec 11 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		120,503	187,367
Cash payments in the course of operations (inclusive of GST)		(111,115)	(166,024)
Dividends received		980	1,329
Income tax paid		(16)	(1,648)
Interest received		524	823
		10,876	21,847
Finance costs		-	(6,202)
Net cash inflow from operating activities		10,876	15,645
Cash flows from investing activities			
Payments for property, plant and equipment		(298)	(9,372)
Payments for intangibles		(4,926)	(4,731)
Proceeds from sale of controlled entities and associates		1,192	2,089
Loans advanced to joint ventures and associates		-	(2,650)
Repayment of joint venture and associate loans		-	600
Net cash outflow from investing activities		(4,032)	(14,064)
Cash flows from financing activities			
Repayment of employee incentive scheme loans, net of distributions		-	2,152
Purchase of securities for the employee incentive scheme		(216)	-
Payments for buy-back of ordinary stapled securities		(1,223)	(1,736)
Repayment of related party borrowings		(945)	(5,262)
Net cash outflow from financing activities		(2,384)	(4,846)
Net increase/(decrease) in cash and cash equivalents		4,460	(3,265)
Cash and cash equivalents at the beginning of the year		15,530	18,795
		19,990	15,530
Less: cash balance classified as held for sale		-	(1,042)
Cash and cash equivalents at the end of the year		19,990	14,488

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

1. Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports. The concise financial report and specific disclosures required by AASB 1039 have been derived from the Company's full financial report, and is presented in Australian dollars. A full description of the accounting policies adopted by the consolidated entity is provided in the 2012 financial statements which form part of the full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The consolidated entity's accounting policies have been consistently applied to all periods presented in the concise financial report.

2. Segment reporting

Financial performance and total assets and liabilities by segment

The Chief Operating Decision Maker has been identified as the Leadership Team of the consolidated entity which is responsible for the strategic decision making within the consolidated entity. During 2012, the Group changed its management reporting to focus on reporting performance at a Group level. Therefore Management of the consolidated entity has determined that the consolidated entity now operates in a single segment based on the information provided to the Leadership Team of the consolidated entity. Refer to the GPT Group consolidated financial statements for more detailed segment analysis at the Group level.

The amounts provided to the Leadership team in respect of financial performance are measured in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

3. Dividends paid and payable

No dividends have been paid or declared for the financial year (2011: nil).

4. Earnings/(loss) per share

	Consolidated entity	
	31 Dec 12	31 Dec 11
	\$'000	\$'000
(a) Basic earnings per share		
Basic and diluted earnings per share - (loss) from continuing operations	(0.42)	(1.86)
Basic and diluted earnings per share - (loss) from discontinued operations	(0.06)	(0.66)
Total basic and diluted earnings per share	(0.48)	(2.52)
	Number of	Number of
	shares	shares
	'000s	'000s
(b) Weighted average number of ordinary stapled securities		
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	1,780,606	1,845,170
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)	1,927	732
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per ordinary share	1,782,533	1,845,902
	31 Dec 12	31 Dec 11
	\$'000	\$'000
(c) The profit/(loss) used in the calculation of the basic earnings per share are as follows:		
Profit/(loss) reconciliation - basic and diluted	(7,476)	(34,394)
Loss from continuing operations	(1,118)	(12,174)
Profit/(loss) from discontinued operations	-	(2,677)
Profit attributed to external non-controlling interest	(8,594)	(49,245)

4. Earnings/(loss) per share (continued)

(d) Information concerning the classification of securities

Performance Rights

4,261,106 Performance Rights (2011: 4,060,829) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2012. Cumulatively, 12,207,565 Performance Rights relating to the existing plans have been issued up until 31 December 2012. However, only 1,927,146 Performance Rights are considered as dilutive. As such, only 1,927,146 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 held for sale and discontinued operations

(a) Details of discontinued operations

For the year ended 31 December 2012, there were three discontinued operations: Hotel/Tourism Portfolio, Funds Management – Europe and US Senior Housing Portfolios. These operations were classified as discontinued operations in the 2011 annual financial 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. An update on the progress of these disposals post 31 December 2011 and the remaining investments for each discontinued operation as at 31 December 2012, are discussed in detail below.

(i) Hotel / Tourism

The Group has substantially completed its exit from the Hotel/Tourism portfolio with nil remaining balances in the segment.

(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 31 December 2012 GPT Europe 2 Sarl continues to recognise the 38.04% investment in DAF, which has a carrying value of nil.

(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). The remaining balances represent wind up 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

The table below sets out the assets and liabilities that continue to be owned by the consolidated entity at 31 December 2012, (discussed in note 5(a)). These assets and liabilities are presented as an aggregate amount on the lines “non-current assets and liabilities held for sale” in the Statement of Financial Position.

	Note	Discontinued Operations			Total 31 Dec 12 \$'000	Total 31 Dec 11 \$'000
		US Seniors Housing 31 Dec 12 \$'000	Funds Management Europe 31 Dec 12 \$'000	Hotel/ Tourism 31 Dec 12 \$'000		
Assets classified as held for sale						
Cash at bank and at call		-	-	-	-	1,042
Loans and receivables		-	-	-	-	874
Investments in associates and joint ventures	(i)	102	-	-	102	175
Total Assets classified as held for sale		102	-	-	102	2,091
Liabilities classified as held for sale						
Trade payables and accruals		-	-	-	-	903
Total Liabilities classified as held for sale		-	-	-	-	903

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

5. Non-current assets held for sale and discontinued operations (continued)

(c) Details of assets and liabilities of discontinued operations (continued)

(i) Investments in associated and joint ventures comprise:

- the 38.04% investment in DAF held at nil. Refer to note 5(a)(ii) for further details; and
- the 95% investment in B-VII Operations Holding Co LLC held at \$0.1 million.

(d) Financial performance and cash flow information relating to discontinued operations

The table below sets out the financial performance and cashflow information up to 31 December 2012 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.

	Consolidated entity	
	31 Dec 12 \$'000	31 Dec 11 \$'000
Revenue	4,182	47,349
Expenses	(3,828)	(60,222)
Profit/(loss) before income tax	354	(12,873)
Income tax (expense)/credit	(1,472)	699
Loss after income tax of discontinued operations	(1,118)	(12,174)
Net cash inflow from operating activities	1,805	1,511
Net cash inflow from investing activities	1,192	1,162
Net cash outflow from financing activities	(945)	(5,262)
Net increase/(decrease) in cash generated by discontinued operations	2,052	(2,589)

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

The net profit/(loss) on sale of the discontinued operations and in the general course of business during the year were:

	Consolidated entity	
	31 Dec 12 \$'000	31 Dec 11 \$'000
Details of disposals during the year:		
Consideration (net of transaction costs)	1,192	(3,332)
Total consideration	1,192	(3,332)
Carrying amount of net assets sold	-	(2,199)
Foreign exchange (loss)/profit realised on disposal	-	(467)
Profit / (loss) on sale before income tax	1,192	(5,998)
Income tax expense	-	-
Profit / (loss) on sale after income tax	1,192	(5,998)

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
Other assets	-	801
Total assets	-	6,618
Trade payables and accruals	-	2,043
Other liabilities	-	2,376
Total liabilities	-	4,419
Net assets	-	2,199

Consideration (net of transaction costs) represents reversal of previously accrued transaction costs no longer required.

6. Accumulated losses

	Company \$'000	Non-controlling Interest \$'000	Total \$'000
Consolidated entity			
Balance at 1 January 2011	(220,028)	7,525	(212,503)
Net loss for the year	(46,568)	(2,677)	(49,245)
Balance at 31 December 2011	(266,596)	4,848	(261,748)
Balance at 1 January 2012	(266,596)	4,848	(261,748)
Net loss for the year	(8,594)	-	(8,594)
Balance at 31 December 2012	(275,190)	4,848	(270,342)

7. Auditor's remuneration

During the year the following amounts were paid or payable by the Company or any other entity in the consolidated entity for services provided by the auditor of the Company, PricewaterhouseCoopers.

	Consolidated entity	
	31 Dec 12 \$	31 Dec 11 \$
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	241,117	265,000
Total remuneration for audit services	241,117	265,000
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	129,341	171,469
Total remuneration for other assurance services	129,341	171,469
Total remuneration for audit and assurance services	370,458	436,469
Non audit related services		
PricewaterhouseCoopers Australia		
Other services	195,065	107,654
Affiliates of PricewaterhouseCoopers Australia firm including overseas firms		
Taxation services	11,975	94,298
Total remuneration for non audit related services	207,040	201,952
Total auditor's remuneration	577,498	638,421

8. Events subsequent to reporting date

The Directors are not aware of any matter or circumstance occurring since 31 December 2012 that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

DIRECTORS' DECLARATION


For the year ended 31 December 2012 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 31 December 2012 as set out on pages 132 to 139 complies with Accounting Standard AASB 1039 Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 31 December 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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



Rob Ferguson
Chairman
GPT Management Holdings Limited

Sydney
13 February 2013



Michael Cameron
Managing Director and Chief Executive Officer



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

Report on the concise financial report

We have audited the accompanying concise financial report of GPT Management Holdings Limited (the company) which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and related notes, derived from the audited financial report of GPT Management Holdings Limited for the year ended 31 December 2012. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 December 2012. We expressed an unmodified audit opinion on that financial report in our report dated 13 February 2013. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 Concise Financial Reports.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

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

Auditor's opinion

In our opinion, the concise financial report of GPT Management Holdings Limited for the year ended 31 December 2012 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Report on the remuneration report

The following paragraphs are copied from our report on the remuneration report for the year ended 31 December 2012.

We have audited the remuneration report included in pages 113 to 129 of the directors' report for the year ended 31 December 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2012, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, slightly stylized font.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'AJ Loveridge' in a cursive, slightly stylized font.

AJ Loveridge
Partner

Sydney
13 February 2013

Supplementary Information

Payments to GPT Securityholders

The table below includes payments made for the 2012 calendar year. Details of all payments made after 19 September 1985 are available from GPT's website (at www.gpt.com.au) or from the Securityholder Service Centre on Freecall 1800 025 095.

GPT's year end for tax purposes is 31 December, at which time the net Income of the Trust for this period is determined. As a result, the components of the Trust Distribution, against which withholding tax amounts are calculated for each quarter of the current financial year, are estimates only. The final components of each quarterly payment will be set out in the Annual Taxation Statement which is mailed to all investors in July, and will also be published on the website.

3 Months Ended	Date Paid	Distribution (cents per security)	Dividend (cents per security)	Tax Deferred ¹ (cents per security)
31 Mar 12	25 May 12	4.6	0	4.600000
30 Jun 12	7 Sept 12	4.9	0	4.900000
30 Sep 12	16 Nov 12	4.7	0	4.700000
31 Dec 12	15 Mar 13	5.1	0	5.100000

1. The Tax Deferred component, comprising the Depreciation Allowance and distribution of pre-20 September 1985 realised and unrealised capital gain, is non-assessable for income tax. However, in determining the capital gain for CGT purposes, it will reduce the cost base or indexed cost base of units acquired after 19 September 1985. In determining a capital loss, the Tax Deferred component will reduce the cost base of units acquired after 19 September 1985.

Net Asset Backing of entities in the GPT Group

	NTA Backing per security*	General Property Trust (unit)	GPT Management Holdings Limited (share)
30 Jun 12	\$3.65	\$3.62	\$0.03
31 Dec 12	\$3.73	\$3.70	\$0.03

* Excludes provision for June/December quarter distributions respectively.

GPT Issue of Securities

The following table lists all issues of GPT securities since 1996. A complete list of all securities issued since GPT's inception in 1971 can be obtained from the Group's website (at www.gpt.com.au) or by calling the Securityholder Service Centre on Freecall 1800 025 095.

Securities

Date	Description	No. of Securities	Price \$	Amount \$
19.01.96	Exercise of Options (1996)	2,614,035	1.89	4,930,800
19.04.96	Exercise of Options (1996)	627,294	1.93	1,209,400
27.06.96	Exercise of Options (1996-1998)	83,693,011	1.84	166,022,274
12.07.96	Exercise of Options (1996)	678,834	1.77	1,203,900
15.08.96	GEM Acquisition	312,978,299	2.25	704,201,173
03.09.96	GEM Acquisition	30,636,989	2.24	68,626,855
Various 1996	Manager's Fee Units	3,993,662	Various	9,271,399
01.07.97	Exercise of Options (1996-1998)	76,521,770	2.01	166,053,931
27.11.97	Private Placement	60,000,000	2.50	148,875,000
03.12.97	Ayers Rock Purchase	2,850,196	2.55	7,268,000
Various 1997	Manager's Fee Units	3,151,747	Various	7,847,684
Various 1998	Distribution Reinvestment Plan	38,874,312	Various	107,426,512
Various 1998	Manager's Fee Units	1,763,679	Various	4,913,184
06.07.98	Exercise of Options (1996-1998)	63,808,671	2.41	166,231,132
Various 1999	Distribution Reinvestment Plan	52,208,394	Various	138,119,897
28.04.99	Manager's Fee Units	373,816	2.78	1,039,208
21.05.99	Private Placement	88,709,678	2.48	218,762,401
Various 2000	Distribution Reinvestment Plan	61,230,010	Various	154,088,103
15.06.00	Darling Park Purchase	80,071,710	2.51	200,979,992
30.08.00	Private Placement	76,045,627	2.63	197,500,000
Various 2001	Distribution Reinvestment Plan	66,871,458	Various	175,265,269
02.01.01	Darling Park Purchase	27,600,000	2.38	65,688,000
27.03.01	Darling Park Purchase	17,660,000	2.72	47,998,114
01.01.02	Darling Park Purchase	6,100,000	2.38	14,518,000
Various 2002	Distribution Reinvestment Plan	76,561,979	Various	206,757,361
02.04.04	Private Placement	67,000,000	3.03	203,010,000
08.06.06	Security Purchase Plan	24,813,896	4.03	100,000,000
Various 2007	Distribution Reinvestment Plan	35,864,327	Various	165,527,515
23.11.07	Issue of Securities	22,219,109	4.60	102,167,909
Various 2008	Distribution Reinvestment Plan	118,119,256	Various	333,305,018
11.11.08	Issue of Securities	1,697,973,421	0.60	1,018,784,052
28.11.08	Issue of Securities	551,657,181	0.60	330,994,308
27.05.09	Issue of Securities	4,091,926,477	0.35	1,432,172,267
16.06.09	Issue of Securities	718,294,466	0.35	251,403,063

Exchangeable Securities

Date	Description	No. of Securities	Price \$	Amount \$
01.01.08	Opening securities on issue	-	-	-
27.11.08	Issue of exchangeable securities	2,500	240,600,000	240,600,000

Spread of Securityholders as at 24 January 2013

Holding	GPT No. of Securityholders	% of Issued Capital
1 to 1,000	19,471	0.50%
1,001 to 5,000	16,747	2.26%
5,001 to 10,000	3,783	1.53%
10,001 to 100,000	2,358	2.84%
100,001 and Over	124	92.88%
Total Number of Securityholders	42,483	100.00%

The number of Securityholders holding less than a marketable parcel of 137 securities (\$3.67 on 24 January 2013) is 3,180 and they hold 179,569 securities.

Substantial Holders in GPT as at 24 January 2013

Securityholder	Number of Securities
GIC - Govt of Singapore Investment Corp	205,875,282*
UniSuper	170,541,597
Vanguard Group	109,175,761
State Street Corporation	89,305,026
BlackRock Inc	88,368,318

* Includes 64,383,209 votes that would be exercisable by a holder of the total number of Units which would be required to be issued to the Exchangeable Securityholder if the Exchangeable Securities held by that Securityholder had been exchanged on the record date of the relevant meeting. The total number of votes is based on an initial aggregate principal amount of exchangeable securities which is \$250,000,000 to be exchanged at the "Exchange Price" in effect at the relevant "Exchange Date" which at 31 December 2012 was \$3.883.

20 Largest GPT Securityholders as at 24 January 2013

Securityholder	Number of Securities	Percentage of total issued Securities
HSBC Custody Nominees (Australia) Limited	577,554,760	32.69%
National Nominees Limited	445,862,321	25.24%
JP Morgan Nominees Australia Limited	296,942,092	16.81%
Citicorp Nominees Pty Limited	115,755,537	6.55%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	31,892,423	1.81%
AMP Life Limited	26,165,682	1.48%
BNP Paribas Noms Pty Ltd <Master Cust DRP>	15,644,298	0.89%
JP Morgan Nominees Australia Limited <Cash Income A/C>	13,599,763	0.77%
BNP Paribas Noms Pty Ltd <DRP>	13,310,046	0.75%
Bond Street Custodians Limited <ENH Property Securities A/C>	8,246,493	0.47%
BNP Paribas Noms Pty Ltd <SMP Accounts DRP>	7,886,840	0.45%
Equity Trustees Limited <EQT SGH Property Inc Fund>	4,381,151	0.25%
Neasham Holdings Pty Ltd <The Neasham A/C>	4,000,399	0.23%
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	3,778,452	0.21%
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	3,686,541	0.21%
RBC Investor Services Australia Nominees Pty Limited <PISelect>	3,615,397	0.20%
Queensland Investment Corporation	3,429,906	0.19%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	3,170,167	0.18%
BNP Paribas Noms Pty Ltd <SL Non Cash COL>	3,055,000	0.17%
Suncorp Custodian Services Pty Limited <SGALPT>	2,879,409	0.16%
Total	1,584,856,677	89.70%
Total Securities	1,766,785,075	100.00%

Voting

Securityholders in the GPT Group are entitled to 1 vote for each dollar of the value of the total securities they hold in the Group.

Directory

The GPT Group
comprising

GPT Management Holdings Limited
ACN 113 510 188 and

GPT RE Limited
ACN 107 426 504
AFSL 286511

As Responsible Entity for
General Property Trust
ARSN 090 110 357

Registered Office

Level 51
MLC Centre
19 Martin Place
Sydney NSW 2000
P: +61 2 8239 3555

Directors

(as at February 2013)

Michael Cameron
Brendan Crotty
Eileen Doyle
Rob Ferguson
Eric Goodwin
Anne McDonald
Gene Tilbrook

Secretary

James Coyne

Audit and Risk Management Committee

(as at February 2013)

Anne McDonald
Eric Goodwin
Brendan Crotty

Nomination and Remuneration Committee

(as at February 2013)

Gene Tilbrook
Eileen Doyle
Rob Ferguson

Sustainability Committee

(as at February 2013)

Eileen Doyle
Brendan Crotty
Eric Goodwin

Auditors

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Lawyers

Allens Arthur Robinson
Level 28, Deutsche Bank Place
Cnr Hunter & Phillip Streets
Sydney NSW 2000

Principal Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Mail to:

GPT Security Registrar
Locked Bag A14
Sydney South NSW 1235

Stock Exchange Quotation

GPT is listed on Australian Securities Exchange under
ASX Listing Code GPT

For further information, contact GPT's Securityholder Service Centre or visit GPT's website at: www.gpt.com.au

- To arrange changes of address, or changes in registration of securities, please call GPT's Securityholder Service Centre on 1800 025 095.
- Please quote your Securityholder Reference Number (SRN)/Holder Identification Number (HIN) in all correspondence. The SRN/HIN is found at the top right hand corner of your holding statement.
- All Securityholders must sign any written enquiries or amendments to holdings.
- Written notification is required for changes of name or address, email is not accepted.

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Cover Stock:

350gsm Revive Pure Silk

Corporate Governance Stock:

100gsm Envi 50/50

Financials Stock:

80gsm Envi 50/50

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