The GPT Group
ABN: 58 071 755 609

Interim Financial Report
30 June 2010

The GPT Group (GPT) comprises General Property Trust (Trust) and its controlled entities and GPT Management Holdings Limited (Company) and its controlled entities. GPT RE Limited is the Responsible Entity of General Property Trust.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2009 and any public announcements made by the GPT Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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DIRECTORS' REPORT
for the half year ended 30 June 2010

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report for the half year ended 30 June 2010.

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

(i) Chairman - Non-Executive Director

Ken Moss	(retired 10 May 2010)
Rob Ferguson	(an existing director, was appointed Chairman on 10 May 2010)

(ii) Non-Executive Directors

Brendan Crotty	
Eileen Doyle	(appointed 1 March 2010)
Eric Goodwin	
Lim Swe Guan	
Anne McDonald	
Ian Martin	(retired 10 May 2010)
Gene Tilbrook	(appointed 11 May 2010)

(iii) Executive Director

Michael Cameron

Principal Activities
The principal activities of the GPT Group remain unchanged from 31 December 2009 and are:

- investment in income producing retail, office, industrial & business park assets;
- development of retail, office, industrial and business park properties;
- property funds management; and
- property management.

GPT operates predominantly in Australia but also in the United States of America through an investment in a Senior Housing Portfolio.

The GPT Group

The stapled securities of the GPT Group (the Group) are quoted on the Australian Securities Exchange under the code GPT and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited (Company). Each entity forming part of the Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

Review of operations

To provide information that reflects the Directors' assessment of the net profit/(loss) 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 effect of these items is set out below:

	Consolidated entity		
	6 mths to 30 Jun 10 $M	6 mths to 31 Dec 09 $M	6 mths to 30 Jun 09 $M
Core operations	**264.8**	261.7	272.8
Non-core operations	**20.0**	26.3	23.6
Financing and corporate overheads	**(79.0)**	(95.2)	(113.4)
Realised Operating Income	**205.8**	192.8	183.0
Change in fair value of assets (non-cash):			
Valuation movements			
Core Domestic Portfolio and Funds Management (Australia)	**21.3**	(207.3)	(567.2)
Hotel/Tourism Portfolio	**(0.2)**	11.5	(97.4)
European warehoused assets	**(1.4)**	2.2	(81.5)
US Senior Housing	**30.2**	(0.2)	(37.6)
Joint Venture	**4.8**	(7.2)	(1,085.7)
Loss on disposals	**(5.3)**	61.7	(80.2)
Financial Instruments marked to period end market value	**(84.1)**	88.5	606.6
Other items	**(25.9)**	(17.1)	(35.5)
Net profit / (loss) for the half year	**145.2**	124.9	(1,195.5)

Financial results

- Realised operating income (ROI) increased by 12.5% to $205.8 million (Jun 09: $183.0 million)
- Total assets increased by 3.4% to $9,476.9 million (Dec 09: $9,163.4 million)
- Headline gearing (net debt basis) increased to 25.5% (Dec 09: 23.6%). Look through gearing (net debt basis) increased to 32.7% (Dec 09: 31.6%)
- ROI per ordinary stapled security decreased by 34.2% to 10.4 cents* ^ (Jun 09: 15.8 cents* ^^)
- Distribution per ordinary stapled security decreased by 39.2% to 7.6 cents* (Jun 09: 12.5 cents)
- Net tangible assets per stapled security** decreased to $3.45 (Dec 09: $3.46)

* excludes distribution on Exchangeable Securities and calculated on the basis of post 5 to 1 consolidation of the stapled securities for both current period and prior period comparatives.

** includes the impact of potential securities assuming the conversion of the exchangeable securities at an exchange price of $3.883 on the basis of post 5 to 1 consolidation of the stapled securities (Dec 09: $0.7766).

^ the ROI per ordinary stapled security measure uses the number of ordinary securities on issue for the half year, being 1,855.5 million (assuming the 5 to 1 consolidation was effective 1 Jan 2009), as the denominator. This differs from the basic and diluted earnings per security of 2.4 cents, which uses a weighted average number of 7,514.4 million securities as the denominator, given it is a requirement of the Australian Accounting Standards. This is significantly higher given the 5 to 1 ordinary security consolidation occurred towards the end of the half year reporting period and 9,277 million ordinary stapled securities were on issue at the beginning of the half year.

^^ the ROI per ordinary stapled security measure uses the weighted number of ordinary securities on issue for the half year, including the impact of an additional 962 million ordinary stapled securities issued in 2009, being 1,082.4 million (assuming the 5 to 1 consolidation was effective 1 January 2009), as the denominator.

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DIRECTORS' REPORT
for the half year ended 30 June 2010

Review of operations (Continued)
The Realised Operating Income and total assets by portfolio are summarised below:

Portfolio/Segment	**Realised Operating Income 6 mths to 30 Jun 10 $M**	Realised Operating Income 6 mths to 31 Dec 09 $M	Realised Operating Income 6 mths to 30 Jun 09 $M	**Total Assets 30 Jun 10 $M**	Total Assets 31 Dec 09 $M
Core					
Retail	**134.7**	129.0	140.4	**4,584.3**	4,494.3
Office	**58.0**	59.5	60.1	**1,826.6**	1,785.8
Industrial	**27.1**	25.4	24.5	**794.5**	780.6
Funds Management - Australia	**45.0**	47.8	47.8	**1,491.3**	1,346.0
Non-core					
US Senior Housing	**11.4**	9.5	9.1	**204.6**	152.4
Discontinued operation - Funds Management - Europe	**(0.6)**	(15.4)	(5.6)	**55.5**	67.5
Discontinued operation - Joint Venture	**-**	0.4	(1.4)	**-**	-
Discontinued operation - Hotel / Tourism	**9.2**	31.8	21.5	**317.4**	346.2
Financing and corporate overheads					
Corporate	**(79.0)**	(95.2)	(113.4)	**202.7**	190.6
Total	**205.8**	192.8	183.0	**9,476.9**	9,163.4

Distributions

	30 Jun 10 cents	30 Jun 09 cents
Distribution per stapled security - (restated for the 5 to 1 consolidation of stapled securities)*	**7.6**	12.5

* Includes the March 2010 quarterly distribution of 3.5 cents paid on 28 May 2010 ($64.9 million) and the June 2010 quarterly distribution of 4.1 cents ($76.1 million) which is expected to be paid on 24 September 2010.

No provision for the quarterly June distribution has been recognised in the Statement of Financial Position at 30 June 2010 as the distribution was not declared until 23 August 2010, which was after the end of the half year.

Distribution policy

In December 2009, GPT finalised a review of its capital management policy and announced a revised distribution policy with effect from 2010. Under the revised distribution policy, GPT will distribute the greater of 70-80% of realised operating income (excluding development profits) and taxable income. This policy had effect from the March 2010 quarterly distribution. For the 2010 year, GPT has announced that it expects to distribute 80% of the Realised Operating Income.

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

- **Consolidation of stapled securities**

  At the AGM held on 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole stapled security. The consolidation took effect and was complete on 19 May 2010. Upon completion, GPT had 1,855,529,431 stapled securities on issue (Dec 09: 9,277,584,743).

- **Changes in the Board of Directors**

  During the half year, two additional non-executive directors have been appointed. Ms Eileen Doyle and Mr Gene Tilbrook were appointed on 1 March and 11 May 2010 respectively.

  Mr Rob Ferguson was appointed Chairman on 10 May 2010.

- **Credit rating**

  Standard & Poor's upgraded GPT's long term issuer and senior unsecured credit rating to A- (stable) from BBB+ (positive) in May 2010. The short-term rating remains unchanged at A-2.

DIRECTORS' REPORT
for the half year ended 30 June 2010

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

GPT is also subject to the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* ("EEO") and the *National Greenhouse and Energy Reporting Act 2007* ("NGER'). The *Energy Efficiency Opportunities Act 2006* requires GPT to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action GPT intends to take as a result. As required under this Act, GPT has registered with the Department of Resources, Energy and Tourism as a participant entity and reported the results from its initial assessments and is currently collating energy data for the 30 June 2010 period, to ensure the Energy Efficiency Opportunities data is available for the Public Report by 31 December 2010.

The *National Greenhouse and Energy Reporting Act 2007* requires GPT to report its annual greenhouse gas emissions and energy use. The second measurement period for this Act is from 1 July 2009 to 30 June 2010. GPT has implemented systems and processes for the collection and calculation of the data required and to submit its report to the Greenhouse and Energy data Officer within the legislative deadline of 31 October 2010.

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

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

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

Events subsequent to the end of the half year
The Directors are not aware of any matter or circumstance occurring since 30 June 2010 not otherwise dealt with in the half year financial report that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in subsequent financial years.

Rounding of amounts
The Group is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts shown in the Directors' Report have been rounded off to the nearest tenth of a million dollars in accordance with that Class Order.

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

Auditors' independence declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Signed in accordance with a resolution of the Directors.

Rob Ferguson
Chairman

Michael Cameron
Managing Director

Sydney
23 August 2010

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Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

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

DH Armstrong
Partner
PricewaterhouseCoopers

Sydney
23 August 2010

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THE GPT GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 30 June 2010

	Note	Consolidated entity 30 Jun 10 $M	30 Jun 09 $M
Revenue			
Rent from property investments		**259.6**	253.2
Property and fund management fees		**17.9**	19.3
Development project revenue		**2.7**	2.9
		280.2	275.4
Other income			
Fair value adjustments to investment properties		**5.8**	(378.7)
Share of after tax profit / (loss) of investments in associates and joint ventures		**124.7**	(158.3)
Interest revenue - joint venture investment arrangements		**3.2**	4.1
Interest revenue - cash and short term money market securities		**1.3**	12.6
Net foreign exchange gain		**-**	230.4
Net gain on fair value of derivatives		**-**	383.7
		135.0	93.8
Total revenue and other income		**415.2**	369.2
Expenses			
Property expenses and outgoings		**73.0**	66.3
Management and other administration costs		**36.2**	28.4
Depreciation and amortisation expense		**3.6**	4.8
Finance costs		**65.3**	112.5
Impairment expense - loan and receivables		**6.1**	15.0
Impairment expense - other		**2.5**	-
Net loss on fair value of derivatives		**68.9**	-
Net loss on disposal of assets		**0.4**	58.9
Net foreign exchange loss		**8.3**	-
Total expenses		**264.3**	285.9
Profit before income tax expense		**150.9**	83.3
Income tax expense		**(1.3)**	(4.0)
Profit after income tax expense		**149.6**	79.3
Loss from discontinued operations	2(a)	**(4.4)**	(1,274.8)
Net profit / (loss) for the half year		**145.2**	(1,195.5)
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		**11.7**	(178.5)
Total comprehensive income / (loss) for the half year		**156.9**	(1,374.0)
Net profit / (loss) attributable to:			
- Securityholders of the Trust		**186.8**	(992.2)
- Securityholders of other entities stapled to the Trust (non-controlling interest)		**(41.6)**	(201.8)
- External non-controlling interest		**-**	(1.5)
Total comprehensive income / (loss) attributable to:			
- Securityholders of the Trust		**197.8**	(1,203.4)
- Securityholders of other entities stapled to the Trust (non-controlling interest)		**(40.9)**	(169.1)
- External non-controlling interest		**-**	(1.5)
Basic and diluted earnings per ordinary security of the Trust			
Earnings per security (cents per security) for profit from continuing operations	4(a)	**2.2**	10.2
Earnings per security (cents per security) for profit / (loss) from discontinued operations	4(a)	**0.2**	(103.0)
Earnings per security (cents per security)	4(a)	**2.4**	(92.8)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2010

		Consolidated entity	
		30 Jun 10	31 Dec 09
	Note	**$M**	$M
ASSETS			
Current Assets			
Cash and cash equivalents	13(b)	**39.3**	40.3
Loans and receivables		**60.4**	60.1
Tax receivables		**-**	3.2
Prepayments		**11.4**	9.5
		111.1	113.1
Assets classified as held for sale	5(c)	**579.4**	635.7
Total Current Assets		**690.5**	748.8
Non-Current Assets			
Investment properties	7	**6,175.7**	6,023.6
Investments in associates and joint ventures	8	**2,439.5**	2,236.7
Property, plant & equipment		**4.6**	5.1
Loans and receivables	6	**84.8**	87.7
Other assets		**0.7**	0.2
Intangible assets		**41.2**	32.4
Derivative assets		**17.7**	4.4
Deferred tax assets		**22.2**	24.5
Total Non-Current Assets		**8,786.4**	8,414.6
Total Assets		**9,476.9**	9,163.4
LIABILITIES			
Current Liabilities			
Payables		**176.1**	181.3
Borrowings	9	**1,670.1**	1,699.9
Derivative liabilities		**-**	1.5
Current tax liabilities		**0.3**	-
Provisions		**9.5**	6.7
		1,856.0	1,889.4
Liabilities directly associated with assets classified as held for sale	5(c)	**12.4**	18.4
Total Current Liabilities		**1,868.4**	1,907.8
Non-Current Liabilities			
Borrowings	9	**764.8**	483.8
Derivative liabilities		**182.2**	98.5
Provisions		**4.2**	3.9
Deferred tax liabilities		**0.6**	1.0
Total Non-Current Liabilities		**951.8**	587.2
Total Liabilities		**2,820.2**	2,495.0
Net Assets		**6,656.7**	6,668.4
EQUITY			
Equity attributable to secutityholders of the Trust (parent entity)			
Contributed equity	10	**8,155.3**	8,155.3
Reserves		**48.3**	36.9
Accumulated losses		**(997.9)**	(1,014.6)
Total equity of GPT Trust securityholders		**7,205.7**	7,177.6
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	10	**324.7**	324.7
Reserves		**16.5**	14.7
Accumulated losses		**(890.2)**	(848.6)
Total equity of other stapled securityholders		**(549.0)**	(509.2)
Equity attributable to non-controlling interests - external			
Contributed equity	10	**-**	-
Reserves		**-**	-
Retained profits		**-**	-
Total equity of external non-controlling interests		**-**	-
Total Equity		**6,656.7**	6,668.4

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2010

		Consolidated Entity												
		Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				Attributable to the Securityholders of external non-controlling interests				
	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Total equity $M
Balance at 1 January 2009		6,525.6	405.3	289.0	7,219.9	324.7	(17.3)	(716.5)	(409.1)	-	-	1.5	1.5	6,812.3
Movement in foreign currency translation reserve		-	(211.2)	-	(211.2)	-	32.7	-	32.7	-	-	-	-	(178.5)
Net income / (loss) recognised directly in equity		-	(211.2)	-	(211.2)	-	32.7	-	32.7	-	-	-	-	(178.5)
Loss for the half year		-	-	(992.2)	(992.2)		-	(201.8)	(201.8)	-	-	(1.5)	(1.5)	(1,195.5)
Total comprehensive income / (loss) for the half year		-	(211.2)	(992.2)	(1,203.4)	-	32.7	(201.8)	(169.1)	-	-	(1.5)	(1.5)	(1,374.0)
Transactions with Securityholders in their capacity as Securityholders:														
Issue of share capital		1,627.2	-	-	1,627.2	-	-	-	-	-	-	-	-	1,627.2
Movement in treasury stock reserve		-	(0.5)	-	(0.5)	-	-	-	-	-	-	-	-	(0.5)
Distribution paid or payable	3	-	-	(177.7)	(177.7)	-	-	-	-	-	-	-	-	(177.7)
Balance at 30 June 2009		8,152.8	193.6	(880.9)	7,465.5	324.7	15.4	(918.3)	(578.2)	-	-	-	-	6,887.3
Balance at 1 January 2010		**8,155.3**	**36.9**	**(1,014.6)**	**7,177.6**	**324.7**	**14.7**	**(848.6)**	**(509.2)**	**-**	**-**	**-**	**-**	**6,668.4**
Movement in foreign currency translation reserve		**-**	**11.0**	**-**	**11.0**	**-**	**0.7**	**-**	**0.7**	**-**	**-**	**-**	**-**	**11.7**
Net income recognised directly in equity		**-**	**11.0**	**-**	**11.0**	**-**	**0.7**	**-**	**0.7**	**-**	**-**	**-**	**-**	**11.7**
Profit / (loss) for the half year		**-**	**-**	**186.8**	**186.8**	**-**	**-**	**(41.6)**	**(41.6)**			**-**	**-**	**145.2**
Total comprehensive income / (loss) for the half year		**-**	**11.0**	**186.8**	**197.8**	**-**	**0.7**	**(41.6)**	**(40.9)**	**-**	**-**	**-**	**-**	**156.9**
Transactions with Securityholders in their capacity as Securityholders:														
Movement in treasury stock reserve		**-**	**0.4**	**-**	**0.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.4**
Movement in employee incentive security scheme reserve		**-**	**-**	**-**	**-**	**-**	**1.1**	**-**	**1.1**	**-**	**-**	**-**	**-**	**1.1**
Distribution paid or payable	3	**-**	**-**	**(170.1)**	**(170.1)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(170.1)**
Balance at 30 June 2010		**8,155.3**	**48.3**	**(997.9)**	**7,205.7**	**324.7**	**16.5**	**(890.2)**	**(549.0)**	**-**	**-**	**-**	**-**	**6,656.7**

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

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CONSOLIDATED STATEMENT OF CASH FLOW
for the half year ended 30 June 2010

		Consolidated entity	
		30 Jun 10	30 Jun 09
	Note	**$M**	$M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**360.7**	442.0
Cash payments in the course of operations (inclusive of GST)		**(177.3)**	(231.0)
Distributions received from associates and joint ventures		**71.9**	71.9
Dividend income		**0.3**	-
Interest received		**5.0**	23.7
Income taxes paid		**2.5**	(21.9)
Payments for derivatives		**(8.0)**	(37.0)
		255.1	247.7
Finance costs		**(67.0)**	(117.8)
Net cash inflows from operating activities	13(a)	**188.1**	129.9
Cash flows from investing activities			
Payments for investment properties		**(39.9)**	(23.3)
Proceeds from disposal of investment properties		**24.0**	43.9
Payments for properties under development		**(114.6)**	(160.2)
Payments for property, plant and equipment		**(2.2)**	(4.8)
Proceeds from sale of property, plant & equipment		**13.9**	-
Payments for intangibles		**(13.8)**	(4.1)
Payment for warehoused property investments		**-**	(0.6)
Net investment in joint ventures and associates		**(138.6)**	(19.6)
Proceeds from disposal of controlled entities and associates		**-**	142.3
Loan to joint ventures and associates		**-**	(6.0)
Loan repayment from associate		**11.3**	-
Cash at bank of the disposed entities		**-**	(12.0)
Payments for cost to sell on assets held for sale		**(9.2)**	(2.7)
Net cash outflows from investing activities		**(269.1)**	(47.1)
Cash flows from financing activities			
Proceeds / (repayment) of net bank facilities		**245.0**	(2,239.7)
Repayments of net short and medium term notes		**-**	(173.8)
Repayment of employee incentive scheme loans, net of distributions		**0.3**	0.3
Proceeds from the issue of securities		**-**	1,627.2
Distributions paid to securityholders		**(170.2)**	(177.7)
Net cash inflow / (outflow) from financing activities		**75.1**	(963.7)
Net decrease in cash and cash equivalents		**(5.9)**	(880.9)
Cash and cash equivalents at the beginning of the half year		**51.0**	961.9
		45.1	81.0
Less: Cash balance classified as assets held for sale		**(5.8)**	(10.8)
Cash and cash equivalents at the end of the half year	13(b)	**39.3**	70.2

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

1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 30 June 2010 has been prepared in accordance with General Property Trust's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 December 2009 and any public announcements made by the Group during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were approved by the Board of Directors on 23 August 2010.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. No significant changes are expected to GPT's financial performance, financial position or accounting principles as a result of the application of the new and amended standards and Interpretations, mandatory for annual reporting periods beginning on or after 1 January 2010.

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

(c) New accounting standards and interpretations

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect GPT's accounting for its financial assets. This standard is not mandatory for GPT until 1 January 2013 and as a result GPT is yet to fully assess its impact. However, initial indications are that it may affect GPT's current recognition of available-for-sale financial assets, given AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. As a result, GPT will be required to recognise fair value gains and losses on available-for-sale debt investments directly in profit or loss.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*, which amongst other things, simplifies the definition of a related party. This standard is mandatory for GPT from 1 January 2011 at which time GPT will be required to include additional disclosure by disclosing all transactions between its subsidiaries and associates.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in the profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. GPT will apply the interpretation from 1 July 2010 however it is not expected to result in any impact on GPT's financial statements since GPT has not entered into any debt for equity swaps since 1 July 2009.

1. Summary of significant accounting policies (continued)

(d) Critical accounting estimates and judgements

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

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

(i) Valuation of property investments

Critical judgements are made by GPT in respect of the fair values of investments in investment properties including investment properties under development and hotel properties that are classified as assets held for sale at 30 June 2010. 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.

(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 may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

(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 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.

(e) Rounding of amounts

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

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2010

2. Segment reporting

(a) Financial Performance by Segment
The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2010 is below.

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	**Total Core operations**	US Senior Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels / Tourism	**Total**
	$M	$M	$M	$M	$M	**$M**	$M	$M	$M	$M	**$M**
Revenue											
Rent from investment properties	185.6	52.1	33.1	-	-	**270.8**	-	-	-	0.1	**270.9**
Revenue from hotel operations	-	-	-	-	-	**-**	-	-	-	48.1	**48.1**
Property and fund management fees	6.7	-	-	11.2	-	**17.9**	-	-	-	-	**17.9**
Development project revenue	1.1	1.6	-	-	-	**2.7**	-	-	-	-	**2.7**
Total segment revenue	193.4	53.7	33.1	11.2	-	**291.4**	-	-	-	48.2	**339.6**
Other income											
Share of after tax profits of investments in associates and joint ventures	4.4	21.7	-	41.0	-	**67.1**	9.8	-	1.9	-	**78.8**
Dividend from investments	-	-	-	-	-	**-**	-	-	-	0.3	**0.3**
Interest revenue - associates and other investments	-	-	-	-	-	**-**	3.2	-	0.4	-	**3.6**
Total other income	4.4	21.7	-	41.0	-	**67.1**	13.0	-	2.3	0.3	**82.7**
Total segment revenue and other income	197.8	75.4	33.1	52.2	-	**358.5**	13.0	-	2.3	48.5	**422.3**
Less:											
Property expenses and outgoings	(54.0)	(13.5)	(5.5)	-	-	(73.0)	-	-	-	-	**(73.0)**
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(42.8)	**(42.8)**
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense	143.8	61.9	27.6	52.2	-	**285.5**	13.0	-	2.3	5.7	**306.5**
Management and other administration costs	(8.9)	(4.3)	(0.6)	(5.3)	(16.2)	**(35.3)**	(0.9)	-	(2.2)	-	**(38.4)**
Depreciation and amortisation expense	-	-	-	-	(1.5)	**(1.5)**	-	-	-	-	**(1.5)**
Income tax (expense) / benefits	(0.2)	0.4	0.1	(1.9)	2.7	**1.1**	(0.7)	-	(0.7)	3.4	**3.1**
Finance costs	-	-	-	-	(64.0)	**(64.0)**	-	-	-	0.1	**(63.9)**
Segment result for the half year *	134.7	58.0	27.1	45.0	(79.0)	**185.8**	11.4	-	(0.6)	9.2	**205.8**
Fair value adjustments to investment properties	6.5	3.3	(4.0)	-	-	**5.8**	-	-	-	-	**5.8**
Fair value and other adjustments to investments in associates and joint ventures	-	8.1	-	9.5	-	**17.6**	30.2	-	(6.1)	-	**41.7**
Revaluation of Hotel Properties	-	-	-	-	-	**-**	-	-	-	2.8	**2.8**
Depreciation and amortisation expense - management rights and hotels & tourism	(2.1)	-	-	-	-	**(2.1)**	-	-	-	(3.0)	**(5.1)**
Reversal of prior year impairment	-	-	-	-	-	**-**	-	4.8	4.7	-	**9.5**
Impairment expense - loan and receivables	-	-	-	-	(6.1)	**(6.1)**	-	-	-	-	**(6.1)**
Impairment expense - other	-	-	-	-	(2.5)	**(2.5)**	-	-	-	(0.1)	**(2.6)**
Fair value movement of derivatives	-	-	-	-	(68.9)	**(68.9)**	-	-	-	-	**(68.9)**
Net foreign exchange loss	-	-	-	-	(8.3)	**(8.3)**	-	-	(6.9)	-	**(15.2)**
Net gain / (loss) on disposal of assets	0.4	-	(0.2)	-	(0.6)	**(0.4)**	-	(2.3)	3.8	(1.9)	**(0.8)**
Cost to sell for assets and liabilities held for sale	-	-	-	-	-	**-**	-	-	(2.1)	(2.4)	**(4.5)**
Non-cash IFRS revenue adjustments	(7.9)	(1.4)	(1.9)	-	-	**(11.2)**	-	-	-	-	**(11.2)**
Tax impact on reconciling items from Segment result to Net profit for the half year	-	-	-	-	(1.7)	**(1.7)**	-	-	-	(4.3)	**(6.0)**
Net profit for the half year	131.6	68.0	21.0	54.5	(167.1)	**108.0**	41.6	2.5	(7.2)	0.3	**145.2**

* The segment result is based on Realised Operating Income (ROI). The adjustments that reconcile the Segment Result to the net profit for the half year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(c).

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2010

2. Segment Reporting (continued)

(a) Financial Performance by Segment (continued)

The segment information provided to the CEO for the reportable segments (discussed at note 2(e)) for the half year ended 30 June 2009 is below.

	Core operations						Non-Core operations				
	Retail	Office	Industrial	Funds Management Australia	All other segments	**Total Core operations**	Seniors Housing	Discontinued operation - Joint Venture**	Discontinued operation - Funds Management Europe**	Discontinued operation - Hotels / Tourism	**Total**
	$M	$M	$M	$M	$M	**$M**	$M	$M	$M	$M	**$M**
Revenue											
Rent from investment properties	179.9	51.6	29.9	-	-	**261.4**	-	-	18.5	8.0	**287.9**
Revenue from hotel operations	-	-	-	-	-	**-**	-	-	-	88.1	**88.1**
Property and fund management fees	6.7	-	-	12.0	-	**18.7**	-	-	17.7	-	**36.4**
Development project revenue	1.7	1.2	-	-	-	**2.9**	-	-	-	-	**2.9**
Development profits	-	-	-	-	2.5	**2.5**	-	-	-	-	**2.5**
Total segment revenue	188.3	52.8	29.9	12.0	2.5	**285.5**	-	-	36.2	96.1	**417.8**
Other income											
Share of after tax profits of equity accounted investments	4.3	21.9	-	43.1	-	**69.3**	7.2	-	2.7	-	**79.2**
Interest revenue - associates and other investments	-	-	-	-	-	**-**	4.1	-	0.7	-	**4.8**
	4.3	21.9	-	43.1	-	**69.3**	11.3	-	3.4	-	**84.0**
Total segment revenue and other income	192.6	74.7	29.9	55.1	2.5	**354.8**	11.3	-	39.6	96.1	**501.8**
Less:											
Property expenses and outgoings	(45.6)	(15.5)	(5.1)	-	-	(66.2)	-	-	(4.5)	(0.1)	(70.8)
Expenses from hotel operations	-	-	-	-	-	-	-	-	-	(80.3)	(80.3)
Segment result before management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense	147.0	59.2	24.8	55.1	2.5	**288.6**	**11.3**	-	35.1	15.7	**350.7**
Management and other administration costs	(5.6)	(1.5)	(0.3)	(5.2)	(13.3)	**(25.9)**	(1.3)	(1.4)	(31.9)	(0.5)	**(61.0)**
Depreciation and amortisation expense	-	-	-	-	(1.2)	**(1.2)**	-	-	(0.5)	-	**(1.7)**
Income tax (expense) / benefits	(1.0)	(0.1)	-	(2.1)	1.0	**(2.2)**	(0.9)	-	(0.8)	6.1	**2.2**
Finance costs	-	-	-	-	(99.9)	**(99.9)**	-	-	(7.5)	0.2	**(107.2)**
Segment result for the half year *	140.4	57.6	24.5	47.8	(110.9)	**159.4**	9.1	(1.4)	(5.6)	21.5	**183.0**
Fair value adjustments to investment properties	(198.6)	(113.3)	(66.8)	-	-	**(378.7)**	-	-	-	(19.1)	**(397.8)**
Fair value and other adjustments to equity accounted investments	(14.9)	(56.7)	-	(113.3)	(12.3)	**(197.2)**	(37.6)	-	(14.4)	-	**(249.2)**
Revaluation of Hotel Properties	-	-	-	-	-	**-**	-	-	-	(65.7)	**(65.7)**
Depreciation and amortisation expense - management rights and hotels & tourism	(3.6)	-	-	-	-	**(3.6)**	-	-	(0.1)	(6.7)	**(10.4)**
Impairment expense - warehoused property investments	-	-	-	-	-	**-**	-	-	(42.3)	-	**(42.3)**
Impairment expense - loan and receivables	-	-	-	-	(15.0)	**(15.0)**	-	(1,085.7)	(24.7)	(0.3)	**(1,125.7)**
Impairment expense - other	-	-	-	-	-	**-**	-	-	-	(5.6)	**(5.6)**
Fair value movement of derivatives	-	-	-	-	383.7	**383.7**	-	-	(7.0)	-	**376.7**
Net foreign exchange gain / (loss)	-	-	-	-	230.4	**230.4**	-	-	(0.5)	-	**229.9**
Impairment expense - interest	-	-	-	-	-	**-**	-	(40.2)	-	-	**(40.2)**
Interest revenue - joint venture investment arrangements	-	-	-	-	-	**-**	-	40.2	-	-	**40.2**
Net gain / (loss) on disposal of assets	0.3	-	(1.2)	(58.0)	-	**(58.9)**	-	-	(18.2)	-	**(77.1)**
Cost to sell for assets and liabilities held for sale	-	-	-	-	-	**-**	-	-	(3.1)	-	**(3.1)**
Development profit - adjustment	-	-	-	-	(2.6)	**(2.6)**	-	-	-	-	**(2.6)**
Non-cash IFRS revenue adjustments	(4.7)	(3.3)	(0.2)	-		**(8.2)**	-	-	-	-	**(8.2)**
Indemnity to shareholders in DAF	-	-	-	-	-	**-**	-	-	(8.5)	-	**(8.5)**
Surplus lease provision	-	-	-	-	-	**-**	-	-	(3.3)	-	**(3.3)**
Tax impact on reconciling items from Segment result to Net loss for the half year	-	-	-	-	(0.9)	**(0.9)**	-	0.3	16.2	0.2	**15.8**
Other	-	-	-	-	(1.2)	**(1.2)**	0.6	(0.7)		(0.1)	**(1.4)**
Net loss for the half year	(81.1)	(115.7)	(43.7)	(123.5)	471.2	**107.2**	(27.9)	(1,087.5)	(111.5)	(75.8)	**(1,195.5)**

* The segment result is based on Realised Operating Income (ROI). The adjustments that reconcile the Segment Result to the net loss for the half year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(c).

** These segments were classified as discontinued operations in the annual financial report for the year ended 31 December 2009 but not in the interim financial report for half year ended 30 June 2009. As a result, the comparatives for 30 June 2009 have been restated for consistency.

2. Segment Reporting (continued)

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

30 June 2010

	Note	Reportable segment Core operations $M	Reportable segment Non-Core operation $M	All other segment $M	**Total continuing operations $M**	ROI adjustments $M	**Total Statement of Comprehensive Income $M**
Revenue							
Rent from investment properties		270.8	-	-	**270.8**	-	**270.8**
Property and fund management fees		17.9	-	-	**17.9**	-	**17.9**
Development project revenue		2.7	-	-	**2.7**	-	**2.7**
Total segment revenue		291.4	-	-	**291.4**	-	**291.4**
Less: Non-cash IFRS adjustments	2 (c)(i)	-	-	-	**-**	(11.2)	**(11.2)**
		291.4	-	-	**291.4**	(11.2)	**280.2**
Other income							
Share of after tax profits of investments in associates and joint ventures		67.1	9.8	-	**76.9**	-	**76.9**
Less: Fair value adjustments to investments in associates and joint ventures	2 (c)(ii)	-	-	-	**-**	47.8	**47.8**
Interest revenue - associates and other investments		-	3.2	-	**3.2**	-	**3.2**
Add: Interest revenue - cash and short term money market securities	2 (c)(vi)	-	-	-	**-**	1.3	**1.3**
Less: Fair value adjustments to investment properties	2 (c)(iii)	-	-	-	**-**	5.8	**5.8**
Total other income		67.1	13.0	-	**80.1**	54.9	**135.0**
Total segment revenue and other income		358.5	13.0	-	**371.5**	43.7	**415.2**
Less:							
Property expenses and outgoings		(73.0)	-	-	(73.0)		**(73.0)**
Segment result before Management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense		285.5	13.0	-	**298.5**	43.7	**342.2**
Management and other administration costs		(19.1)	(0.9)	(16.2)	**(36.2)**	-	**(36.2)**
Depreciation and amortisation expense		-	-	(1.5)	**(1.5)**	-	**(1.5)**
Add: Amortisation expense - intangibles	2 (c)(v)	-	-	-	**-**	(2.1)	**(2.1)**
Finance costs		-	-	(64.0)	**(64.0)**	-	**(64.0)**
Less: Interest revenue included in segments	2 (c)(vi)	-	-	-	**-**	(1.3)	**(1.3)**
Net foreign exchange loss		-	-	-	**-**	(8.3)	**(8.3)**
Net loss on fair value of derivatives	2 (c)(iv)	-	-	-	**-**	(68.9)	**(68.9)**
Income tax (expense) / benefits		(1.6)	(0.7)	2.7	**0.4**	-	**0.4**
Add: Tax impact on reconciling items from Segment result to Net profit for year		-	-	-	**-**	(1.7)	**(1.7)**
Segment result for the half year		264.8	11.4	(79.0)	197.2	(38.6)	158.6
Net loss on disposal of assets		-	-	-	**-**	(0.4)	**(0.4)**
Impairment expense - loan and receivables		-	-	-	**-**	(6.1)	**(6.1)**
Impairment expense - other		-	-	-	**-**	(2.5)	**(2.5)**
Net profit for the half year		264.8	11.4	(79.0)	197.2	(47.6)	149.6

2. Segment Reporting (continued)

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

30 June 2009

		Reportable segment Core operations	Reportable segment Non-Core operation	All other segments	**Total continuing operations**	ROI adjustments	**Total Statement of Comprehensive Income**
		$M		$M	**$M**	$M	**$M**
Revenue							
Rent from investment properties		261.4	-	-	**261.4**	-	**261.4**
Revenue from hotel operations		-	-	-	**-**	-	**-**
Property and fund management fees		18.7	-	-	**18.7**	-	**18.7**
Development project revenue		2.9	-	-	**2.9**	-	**2.9**
Development profits		-	-	2.5	**2.5**	-	**2.5**
Total segment revenue		283.0	-	2.5	**285.5**	-	**285.5**
Less: Non-cash IFRS adjustments	2 (c)(i)					(10.2)	**(10.2)**
		283.0	-	2.5	**285.5**	(10.2)	**275.3**
Other income							
Share of after tax profits of equity accounted investments		69.3	7.2	-	**76.5**	-	**76.5**
Less: Fair value adjustments to investments in associates and joint ventures	2 (c)(ii)	-	-	-	**-**	(234.8)	**(234.8)**
Interest revenue - associates and other investments		-	4.1	-	**4.1**	-	**4.1**
Add: Interest revenue - cash and short term money market securities	2 (c)(vi)	-	-	-	**-**	12.6	**12.6**
Less: Fair value adjustments to investment properties	2 (c)(iii)	-	-	-	**-**	(378.7)	**(378.7)**
Add: Net foreign exchange gain		-	-	-	**-**	230.4	**230.4**
Add: Net gain on fair value of derivatives	2 (c)(iv)	-	-	-	**-**	383.7	**383.7**
		69.3	11.3	-	**80.6**	13.2	**93.8**
Total segment revenue and other income		352.3	11.3	2.5	**366.1**	3.0	**369.1**
Less:							
Property expenses and outgoings		(66.2)	-	-	(66.2)	-	(66.2)
Segment result before Management and other administration costs, depreciation & amortisation expense, finance costs and income tax expense		286.1	11.3	2.5	**299.9**	3.0	**302.9**
Management and other administration costs		(12.6)	(1.3)	(13.3)	**(27.2)**	-	**(27.2)**
Add: Other costs related to offshore investments		-	-	-	**-**	(1.2)	**(1.2)**
Depreciation and amortisation expense		-	-	(1.2)	**(1.2)**	-	**(1.2)**
Add: Amortisation expense - intangibles	2 (c)(v)	-	-	-	**-**	(3.6)	**(3.6)**
Finance costs		-	-	(99.9)	**(99.9)**	-	**(99.9)**
Less: Interest revenue included in segments	2 (c)(vi)	-	-	-	**-**	(12.6)	**(12.6)**
Income tax (expense) / benefits		(3.2)	(0.9)	1.0	**(3.1)**	-	**(3.1)**
Segment result for the half year		270.3	9.1	(110.9)	**168.5**	(14.4)	**154.1**
Impairment expense - loan and receivables					**-**	(15.0)	**(15.0)**
Net loss on disposal of assets					**-**	(58.9)	**(58.9)**
Tax impact on reconciling items from Segment result to Net profit for the half year					**-**	(0.9)	**(0.9)**
Net profit for the half year		270.3	9.1	(110.9)	**168.5**	(89.2)	**79.3**

2. Segment Reporting (continued)

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

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

(i) **Non-cash IFRS adjustments** comprise primarily amounts for amortising lease incentives. These are required for IFRS purposes but are non-cash amounts and therefore have been excluded from ROI to better reflect revenue on a cash basis in ROI.

(ii) **Fair value and other adjustments to investments in associates / joint ventures** comprise movements in the value of GPT's investments in joint ventures and associates as required by IFRS but 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 IFRS for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.

(iv) **Fair value movement of derivatives** comprise mark-to-market movements required by IFRS for valuation purposes and are non-cash. Therefore, GPT has excluded this amount from ROI to better reflect a cash basis in ROI.

(v) **Amortisation expense** is required for IFRS and is a non-cash transaction. GPT has therefore excluded this amount from ROI to better reflect a cash basis in ROI.

(vi) **Finance costs** are presented net of interest revenue from cash at bank and short term money markets in the Segment Result. This adjustment is required to reconcile to the finance costs shown in the Statement of Comprehensive Income.

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 CEO in respect of total assets and total liabilities are measured in a manner consistent with that of the financial statements 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, reconciliations of the reportable segments' assets and liabilities to total assets and liabilities for the half year ended 30 June 2010 and year ended 31 December 2009 are set out below:

30 June 2010

		Core operations						Non-Core operations				
		Retail	Office	Industrial	Funds Management Australia	All other segments	**Total Core operations**	US Senior Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels / Tourism	**Total**
	Note	$M	$M	$M	$M	$M	**$M**	$M	$M	$M	$M	**$M**
Current Assets												
Non-current assets classified as held for sale	5 (c)	193.2	-	13.3	-	-	**206.5**	-	-	55.5	317.4	**579.4**
Other current assets		-	-	-	-	111.1	**111.1**	-	-	-	-	**111.1**
Total Current Assets		193.2	-	13.3	-	111.1	**317.6**	-	-	55.5	317.4	**690.5**
Non-Current Assets												
Investment properties		4,231.7	1,162.8	781.2	-	-	**6,175.7**	-	-	-	-	**6,175.7**
Investments in associates and joint ventures		145.3	663.8	-	1,491.3	12.6	**2,313.0**	126.5	-	-	-	**2,439.5**
Property, plant and equipment		-	-	-	-	4.6	**4.6**	-	-	-	-	**4.6**
Loans and receivables		-	-	-	-	6.7	**6.7**	78.1	-	-	-	**84.8**
Intangible assets		14.1	-	-	-	27.1	**41.2**	-	-	-	-	**41.2**
Other non-current assets		-	-	-	-	40.6	**40.6**	-	-	-	-	**40.6**
Total Non-Current Assets		4,391.1	1,826.6	781.2	1,491.3	91.6	**8,581.8**	204.6	-	-	-	**8,786.4**
Total Assets		4,584.3	1,826.6	794.5	1,491.3	202.7	**8,899.4**	204.6	-	55.5	317.4	**9,476.9**
Non-current liabilities classified as held for sale	5 (c)	-	-	-	-	-	**-**	-	-	-	12.4	**12.4**
Other current and non-current liabilities		-	-	-	-	2,807.8	**2,807.8**	-	-	-	-	**2,807.8**
Total Liabilities		-	-	-	-	2,807.8	**2,807.8**	-	-	-	12.4	**2,820.2**
Net Assets		4,584.3	1,826.6	794.5	1,491.3	(2,605.1)	**6,091.6**	204.6	-	55.5	305.0	**6,656.7**

31 December 2009

	Note	Retail	Office	Industrial	Funds Management Australia	All other segments	**Total Core operations**	US Senior Housing	Discontinued operation - Joint Venture	Discontinued operation - Funds Management Europe	Discontinued operation - Hotels / Tourism	**Total**
Current Assets												
Assets classified as held for sale	5(c)	222.0	-	-	-	-	**222.0**	-	-	67.5	346.2	**635.7**
Other current assets		-	-	-	-	113.1	**113.1**	-	-	-	-	**113.1**
Total Current Assets		222.0	-	-	-	113.1	**335.1**	-	-	67.5	346.2	**748.8**
Non-Current Assets												
Investment properties		4,111.2	1,131.8	780.6	-	-	**6,023.6**	-	-	-	-	**6,023.6**
Investments in associates and joint ventures		144.9	654.0	-	1,346.0	12.6	**2,157.5**	79.2	-	-	-	**2,236.7**
Property, plant and equipment		-	-	-	-	5.1	**5.1**	-	-	-	-	**5.1**
Loans and receivables		-	-	-	-	14.5	**14.5**	73.2	-	-	-	**87.7**
Intangible assets		16.2	-	-	-	16.2	**32.4**	-	-	-	-	**32.4**
Other non-current assets		-	-	-	-	29.1	**29.1**	-	-	-	-	**29.1**
Total Non-Current Assets		4,272.3	1,785.8	780.6	1,346.0	77.5	**8,262.2**	152.4	-	-	-	**8,414.6**
Total Assets		4,494.3	1,785.8	780.6	1,346.0	190.6	**8,597.3**	152.4	-	67.5	346.2	**9,163.4**
Liabilities directly associated with assets classified as held for sale	5(c)	-	-	-	-	-	**-**	-	-	-	18.4	**18.4**
Other current and non-current liabilities		-	-	-	-	2,476.6	**2,476.6**	-	-	-	-	**2,476.6**
Total Liabilities		-	-	-	-	2,476.6	**2,476.6**	-	-	-	18.4	**2,495.0**
Net Assets		4,494.3	1,785.8	780.6	1,346.0	(2,286.0)	**6,120.7**	152.4	-	67.5	327.8	**6,668.4**

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2010

2. Segment Reporting (continued)

(e) Identification of Reportable Segments

The Group's operating segments 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 property management of retail assets.
Office	Office space with associated retail space and office developments.
Industrial	Traditional industrial and business park assets with capacity for organic growth through the development of vacant land as well as industrial re-developments.
Funds Management – Australia	Asset and funds management of Australian wholesale fund vehicles, investments by the Group in GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
US Senior Housing	Investments in a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets.
All Other Segments	Costs associated with the funds management of General Property Trust, foreign exchange gains and losses, finance costs and company operating costs.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture in Europe, the United States of America, New Zealand and Australia. GPT has divested its interest in the Joint Venture.
Discontinued operation - Hotel / Tourism	Investments in nature-based resorts and hotel assets. GPT has divested all resorts with the exception of Ayers Rock Resort as at 30 June 2010.
Discontinued operation - Funds Management – Europe	Asset and funds management in Europe and investments in various funds through the GPTHalverton and Hamburg Trust platforms up until their sale in 2009.

3. Distributions paid and payable to securityholders

Distributions Paid/Payable to Securityholders

		Consolidated Entity	
		30 Jun 10	30 Jun 09
		$M	$M
(a) Stapled Securityholders			
(i) Distributions paid			
Quarter ended December 2009:	1.0 cents per stapled security paid 26 March 2010 (2.1 cents per stapled security paid 27 March 2009)	**92.8**	93.8
Quarter ended March 2010:	0.7 cents per stapled security paid 28 May 2010 (1.6 cents per stapled security paid 29 May 2009)	**64.9**	71.5
Total distributions paid		**157.7**	165.3
(ii) Distributions proposed and not recognised as a liability [1]			
Quarter ended June 2010:	4.1 cents per stapled security - on the basis of post 5 to 1 consolidation of stapled securities [2] (0.9 cents per stapled security paid 24 September 2009)	**76.1**	83.5
(b) Exchangeable Securityholders [3]			
(i) Distributions paid			
Period from 27 November 2009 to 27 May 2010	10% per exchangeable security	**12.4**	12.4
(ii) Distributions payable			
Period from 28 May 2010 to 30 June 2010	10% per exchangeable security	**2.4**	2.4

(1) The June quarter distribution of 4.1 cent per stapled security is expected to be paid on 24 September 2010.
No provision for the quarterly June distribution has been recognised in the Statement of Financial Position at 30 June 2010 as the distribution was not declared until 23 August 2010, which was after the end of the half year.
(2) On 10 May 2010, the securityholders of GPT Group approved the consolidation of every 5 stapled securities into 1 stapled security. Refer to note 10 (b) for further details
(3) Refer to note 10(c) for further information on the Exchangeable Securities.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2010

4. Earnings per stapled security

	Note	30 Jun 10 Cents	30 Jun 09 Cents
(a) Attributable to ordinary securityholders of the Trust			
Basic and diluted earning per share - Profit from continuing operations		**2.2**	10.2
Basic and diluted earning per share - Profit / Loss from discontinued operations		**0.2**	(103.0)
Total basic and diluted earning per share attributable to ordinary securityholders of the Trust		**2.4**	(92.8)
(b) Attributable to stapled ordinary stapled securityholders of The GPT Group			
Basic and diluted earning per share - Profit from continuing operations		**1.8**	6.3
Basic and diluted earning per share - Loss from discontinued operations		**(0.1)**	(117.8)
Total basic and diluted earning per share attributable to ordinary stapled securityholders of The GPT Group		**1.7**	(111.5)

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

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	30 Jun 10 $M	30 Jun 09 $M
Net Profit from continuing operations attributable to the securityholders of the Trust	**174.0**	122.9
Net Profit / Loss from discontinued operations attributable to the securityholders of the Trust	**12.8**	(1,115.1)
	186.8	(992.2)
Less: distribution to the holders of Exchangeable Securities **	**(12.4)**	(12.4)
Basic and diluted earnings of the Trust	**174.4**	(1,004.6)
Add: Net Loss from continuing operations attributable to the securityholders of other stapled entities (minority interest)	**(24.4)**	(42.1)
Add: Net Loss from discontinued operations attributable to the securityholders of other stapled entities (minority interest)	**(17.2)**	(159.7)
Basic and diluted earnings of the Company	**(41.6)**	(201.8)
Basic and diluted earnings of the Trust and other entities stapled to the Trust (The GPT Group)	**132.8**	(1,206.4)
Add: Net Loss attributable to external minority interest	**-**	(1.5)
Basic and diluted earnings of The Group	**132.8**	(1,207.9)

(d) Weighted average number of ordinary stapled securities		No. of securities millions 30 Jun 10	No. of securities millions 30 June 09*
Weighted average number of ordinary stapled securities used as the denominator in calculating			
Basic earnings per ordinary stapled security - Trust and The Group		**7,514.3**	1,082.4
Adjustments for calculation of diluted earnings per share:			
Performance rights (weighted average basis)	4(e)	**0.1**	-
Weighted average number of ordinary stapled securities and potential ordinary stapled securities used as the denominator in calcuating diluted earnings per ordinary stapled security:		**7,514.4**	1,082.4

* The June 2009 weighted average number of securities and EPSs have been adjusted for the share/stapled security consolidation effective of 19 May 2010. Refer to note 10(b) for further details on the share/stapled security consolidation.

** These securities are not considered dilutive as the distribution per exchangeable security is higher than the basic EPS per stapled security. Refer to note 10(c) for further details on the Exchangeable Securities.

(e) Information concerning the classification of securities

Performance Rights

3,818,257 Performance Rights (restated for the 5 to 1 consolidation of the stapled securities) (Dec 09: 4,556,777 restated for the 5 to 1 consolidation of stapled securities) were granted to certain Senior Executives under the Stapled Security Rights Plan during 2010. Only 64,314 Performance Rights have met the vesting conditions and are considered dilutive. As such, only 64,314 Performance Rights have been included in the determination of diluted earnings per security. The remaining 8,310,720 Performance Rights have not been included in the calculation of diluted earnings per security because their vesting conditions are not satisfied for the half year ended 30 June 2010. These Performance Rights could potentially dilute basic earnings per share in the future. No Performance Rights have been included in the determination of basic earnings per share.

5. Assets held for sale, discontinued operations and other disposals

(a) Details of discontinued operations

At 30 June 2010, there are three discontinued operations: Hotel / Tourism Portfolio, Joint Venture and Funds Management – Europe portfolios. With the exception of the Hotel / Tourism Portfolio, these operations were not classified as discontinued operations in the 2009 interim financial report. As a result, the 30 June 2009 comparatives have been restated to be consistent with the presentation in this report.

As part of GPT's refined strategic direction to focus on Australian assets, management has continued with its plans and further disposals have occurred in the six months to 30 June 2010. These disposals and the remaining investments for each discontinued operation at 30 June 2010, along with their impact on the Statement of Comprehensive Income and Statement of Financial Position, are discussed in detail below.

(i) Hotel / Tourism

Whilst sale contracts were exchanged for the El Questro Station and Brampton Island Resort last year, settlement occurred this year on 1 March 2010 and 16 June 2010 respectively. As a consequence, the Ayers Rock Resort remains the only hotel asset at 30 June 2010 and at the date of this report, the sale process for the Resort continues to progress. The carrying value of the Resort at 30 June 2010 is $300 million.

At 30 June 2010, the Hotel / Tourism assets included as assets classified as held for sale in the Statement of Financial Position remains the same as 31 December 2009 excluding El Questro Station and Brampton Island Resort.

(ii) Joint Venture

(a) BGA Real Estate Finance Trust

BGA Real Estate Finance Trust provided mezzanine loan financing over an Australian and New Zealand property portfolio and formed part of the Joint Venture.

On 15 June 2010,

- GPT International Pty Limited (GPTI) sold 100% of its ordinary units for a cash consideration of $10; and
- GPT Funds Management No.2 Pty Limited (GPTFM2) (as trustee of GPT Investment Trust No.1) sold 100% of its ordinary and preferred units for a cash consideration of $10.

Prior to the sale, the ordinary units were disclosed as a joint venture investment in BGA Real Estate Finance Trust (BGA) and the preferred equity units were disclosed as Australian dollar and New Zealand dollar denominated loans to BGA. Both forms of investment previously provided funding to the BGA joint venture which was part of the B&B joint venture arrangement.

The sales resulted in a nominal net gain, as both the BGA joint venture investment and loans to BGA had a carrying value of nil prior to sale.

GPT also sold 100% of its shares in BGA Real Estate Finance Nominees Pty Limited, the trustee of BGA, on 15 June 2010 for a cash consideration of $10, also resulting in a nominal net gain on sale.

(b) Babcock & Brown GPT REIT Inc

The following developments have occurred since 31 December 2009 on the US retail property assets held in the Joint Venture via the Babcock & Brown GPT REIT Inc:

Marelda Assets

In February 2010, discussions commenced with lenders of each of the eight properties held in the Marelda Retail Holdings LLC structure (referred to as Marelda Assets). Since then, the required documentation has been submitted to the loan providers. At the date of this report, no lender consents have been granted however current indications are that the lender consent approvals are likely to be received in the near term with the exception of one consent, which is more likely to be received around December 2010. As the sale is conditional on receipt of the lender consents, ownership of the Marelda Assets remain in the 50% joint venture, Babcock & Brown GPT REIT Inc (refer to note 5(c)(vi)).

At 30 June 2010, GPT's investment in the Babcock & Brown GPT REIT Inc continues to be held at nil and classified as 'assets held for sale'. The Joint Venture investments included as 'assets classified as held for sale' at 30 June 2010 have not changed since 31 December 2009.

5. Assets held for sale, discontinued operations and other disposals (continued)

(ii) Joint Venture (continued)

(c) Babcock & Brown Residential Operating Partnership LP Loan

During the half year ended 30 June 2010, GPT entered into a sale agreement to sell its Series D Preferred units (classified as Loans and receivables - asset) in Babcock & Brown Residential Operating Partnership LP (the Partnership) for cash consideration of USD$20m less selling costs. The investment is currently recorded as an asset in the Statement of Financial Position of GPT USA 3 GmbH & Co. KG, an entity that is ultimately owned by GPT Management Holdings Limited.

The sale is conditional on obtaining a withholding tax exemption certificate from the Internal Revenue Service (IRS) in the United States of America. If the certificate is not received or the withholding tax exceeds USD$20 million, the sale agreement may be terminated.

At 30 June 2010, GPT continues to recognise the loan owing from the Babcock & Brown Residential Operating Partnership LP and disclose as an 'asset classified as held for sale' at $21.7 million as the sale transaction does not qualify as a sale under Australian Accounting Standards.

(iii) Funds Management - Europe

(a) Dutch Active Fund Propco BV (DAF)

The following developments have occurred since 31 December 2009 in relation to the legal sale of GPT Europe 2 Sarl's 38.04% shareholding in DAF:

- regulatory consent of the sale transaction has been provided by the Dutch Tax Authority with effect from 8 August 2009, resulting in REIT status for DAF; and
- regulatory consent of the sale transaction by HM Revenue and Customs (Charity Commission), was received on 6 July 2010, with the consent confirming that the purchasers' investment in DAF is a qualifying investment under Schedule 20 ICTA 1988 and income arising from the transaction will be exempt for UK income tax purposes. As this regulatory consent was not received until 6 July 2010, this was an event subsequent to balance date.

The consents above result in an unconditional legal sale of the DAF investment effective 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 of owning this investment still remain with GPT and does not qualify as a sale under Australian Accounting Standards. As a result, at 30 June 2010, GPT Europe 2 Sarl, continues to recognise the 38.04% investment in DAF for $23.1 million.

Funds Management Europe investments included as assets classified as held for sale in the Statement of Financial Position at 30 June 2010 have not changed since 31 December 2009.

(b) Assets classified as Held for Sale

In addition to the assets classified as held for sale in the Hotel / Tourism, Joint Venture and Funds Management - Europe Portfolios, the following assets are also included as assets classified as held for sale in the Statement of Financial Position as at 30 June 2010:

Investment Properties

- Homemaker City Jindalee
- Homemaker City Aspley
- Homemaker City Fortitude Valley
- Unit G17 of 24 - 46 Westgate Drive, Citiwest Industrial Estate, Altona North
- 21 Talavera Road, North Ryde

These assets are non-core to GPT's strategy and are being actively marketed for sale by GPT at a range of reasonable prices. Offers have been received for some properties above and as such there is an expectation that it is likely these assets will be sold within the next 12 months. These assets are held in the Retail and Industrial portfolios.

5. 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 30 June 2010 (discussed in note 5(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		Assets held for sale				
		Hotels / Tourism	Funds Management Europe	Joint Venture	Industrial	Retail	Total	Total
		30 Jun 10	30 Jun 10	30 Jun 10	30 Jun 10	30 Jun 10	30 Jun 10	31 Dec 09
	Note	$M	$M	$M	$M	$M	$M	$M
Assets classified as held for sale								
Cash at bank and at call		**5.8**	**-**	**-**	**-**	**-**	**5.8**	10.7
Loans and receivables	(v)	**6.0**	**32.4**	**-**	**-**	**-**	**38.4**	50.7
Inventories		**3.4**	**-**	**-**	**-**	**-**	**3.4**	4.4
Investment properties								
- Homemaker City, Aspley, QLD	(i)	**-**	**-**	**-**	**-**	**45.5**	**45.5**	47.0
- Homemaker City, Bankstown, NSW		**-**	**-**	**-**	**-**	**-**	**-**	24.0
- Homemaker City, Fortitude Valley, QLD	(ii)	**-**	**-**	**-**	**-**	**100.2**	**100.2**	102.0
- Homemaker City, Jindalee, QLD	(iii)	**-**	**-**	**-**	**-**	**47.5**	**47.5**	49.0
- Unit G17 of 24 - 46 Westgate Drive, Citiwest, Altona North	5(b)	**-**	**-**	**-**	**3.1**	**-**	**3.1**	-
- 21 Talavera Road, North Ryde	(iv), 7(e)	**-**	**-**	**-**	**10.2**	**-**	**10.2**	-
Investments in associates and joint ventures	(vi)	**4.8**	**23.1**	**-**	**-**	**-**	**27.9**	35.5
Property, plant and equipment	(vii)	**297.2**	**-**	**-**	**-**	**-**	**297.2**	311.2
Other assets		**0.2**	**-**	**-**	**-**	**-**	**0.2**	1.2
Total assets classified as held for sale	2(d)	**317.4**	**55.5**	**-**	**13.3**	**193.2**	**579.4**	635.7
Liabilities classified as held for sale								
Trade payables and accruals		**10.5**	**-**	**-**	**-**	**-**	**10.5**	16.0
Provision for employee benefits		**1.9**	**-**	**-**	**-**	**-**	**1.9**	2.4
Total liabilities directly associated with assets classified as held for sale	2(d)	**12.4**	**-**	**-**	**-**	**-**	**12.4**	18.4

(i) Reclassified as an 'asset held for sale' from Investment Property in December 2009. Refer to note 5(b) for further details. Acquisition date: November 2001. GPT has a 100% ownership interest. Fair value is the value shown above (2009: $47.0 million). Latest independent valuation was 31 December 2009 by CB Richard Ellis Pty Limited.

(ii) Reclassified as an 'asset held for sale' from Investment Property in December 2009. Refer to note 5(b) for further details. Acquisition date: December 2001. GPT has a 100% ownership interest. Fair value is the value shown above (2009: $102.0 million). Latest independent valuation was 31 March 2010 by Knight Frank Valuations.

(iii) Reclassified as an 'asset held for sale' from Investment Property in December 2009. Refer to note 5(b) for further details. Acquisition date: November 2001. GPT has a 100% ownership interest. Fair value is the value shown above (2009: $49.0 million). Latest independent valuation was 31 December 2009 by Knight Frank Valuations.

(iv) Reclassified as a 'asset held for sale' from Investment Property in June 2010. Refer to note 5(b) for further details. Acquisition date: June 2006. GPT has a 100% ownership interest. Fair value is the value shown above (2009: $12.2 million). Latest independent valuation was 30 June 2009 by Jones Lang LaSalle.

(v) Loans and receivables comprise:
- the loan receivable of $21.7m from the Babcock & Brown Residential Operating Partnership LP was reclassified as an 'asset held for sale' from Loans & Receivables in December 2009. Refer to note 5(a)(ii)(c) for further details and;
- the loan receivable of $10.7m from German Retail Fundco SARL was reclassified as an 'asset held for sale' from Loans & Receivables in December 2009.

(vi) Investments in associates and joint ventures comprise:
- the 38.04% investment in DAF held at $23.1m, which was reclassified as an 'asset held for sale' from investments in associates and joint ventures in December 2009. Refer to note 5(a)(iii)(a) for further details.
- the 50% investment in Babcock & Brown GPT REIT Inc was reclassified as an 'asset held for sale' from investments in associates and joint ventures in December 2009. This investment continues to be held at nil at 30 June 2010. Refer to note 5(a)(ii)(b) for further details.
- the 50% investment in Babcock & Brown GPT Holdings (No. 1) LLC, B&B GPT Alliance 1 LLC and B&B GPT Alliance 2 LLC were reclassified as 'asset held for sale' from investments in associates and joint ventures in December 2009. This investment continues to be held at nil at 30 June 2010.
- the 40% Investments in 161 Sussex St Pty Limited held at $4.3m and 46% investment in Kings Canyon (Watarrka) Resort Trust held at $0.5m were reclassified as 'assets held for sale' from investments in associates and joint ventures in December 2009.

(vii) Ayers Rock Resort, NT, which was reclassified as an 'asset held for sale' from property, plant & equipment in December 2009. Refer to 5(a)(i) for further details.

5. Assets held for sale, discontinued operations and other disposals (continued)

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

The table below sets out the financial performance and cashflow information up to 30 June 2010 for the three discontinued operations that continue to be owned by the Group 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 been included. These results are shown at note 2(a) within the Discontinued Operations segments.

		Consolidated entity	
		30 Jun 10	30 Jun 09
	Note	**$M**	$M
Revenue		**48.2**	132.3
Share of after tax loss of investments in associates and joint ventures		**(4.2)**	(11.7)
Expenses		**(46.8)**	(1,417.4)
Profit / (loss) before income tax		**(2.8)**	(1,296.8)
Income tax expense / (credit)		**1.6**	(22.0)
Loss after income tax of discontinued operations	2(a)	**(4.4)**	(1,274.8)
Net cash inflow from operating activities		**13.9**	32.6
Net cash outflow from investing activities		**(2.6)**	(1.1)
Net increase in cash generated by discontinued operations		**11.3**	31.5

5. Assets held for sale, discontinued operations and other disposals (continued)

(e) Details of Disposals

As part of GPT's strategy to exit non-core assets, GPT also disposed of the following assets/investments during the six months to 30 June 2010:

	Date of disposal (settlement)	Principal Activity	Ownership interest disposed	Total Consideration $M
Retail Portfolio				
Non-Core Assets				
Homemaker City, Bankstown, NSW	25 May 10	Investment property	100%	25.2

(f) Details of Disposals including disposals in Discontinued Operations

The net loss on sale of disposals in discontinued operations and in the general course of business during the six months to 30 June 2010 were:

	Consolidated entity	
	30 Jun 10	30 Jun 09
	$M	$M
Details of disposals during the year:		
Cash consideration - net of transaction costs	**35.2**	187.1
Total consideration	**35.2**	187.1
Carrying amount of net assets sold	**(40.2)**	(264.2)
Foreign exchange gain realised on disposal	**4.2**	-
Loss on sale before income tax	**(0.8)**	(77.1)
Income tax expense	**-**	-
Loss on sale after income tax	**(0.8)**	(77.1)
The carrying amounts of assets and liabilities as at the date of disposal were:		
Cash at bank and at call	**-**	12.0
Inventories	**-**	265.8
Investment properties	**24.0**	44.8
Equity accounted investments	**-**	201.2
Property, plant and equipment	**16.2**	-
Other assets	**-**	2.6
Total assets	**40.2**	526.4
Trade payables and accruals	**-**	17.6
Derivative liabilities	**-**	22.1
External debt	**-**	215.7
Other liabilities	**-**	6.8
Total liabilities	**-**	262.2
Net assets	**40.2**	264.2

6. Loans and receivables – non-current

GPT's investment in joint ventures and associates comprise equity investments (refer to note 8) and also the following loans set out below:

		Consolidated entity	
		30 Jun 10	31 Dec 09
	Note	**$M**	$M
Australian dollar denominated loans with associates and joint ventures			
Lend Lease GPT (Rouse Hill) Pty Limited		**6.7**	14.5
		6.7	14.5
US dollar denominated loans with associates and joint ventures			
Benchmark GPT LLC	(i)	**75.7**	70.9
B-VII Operations Holding Co LLC	(i)	**1.7**	1.6
Benchmark Assisted Living LLC	(i)	**0.7**	0.7
		78.1	73.2
Total non-current loans and receivables		**84.8**	87.7

(i) Loans provided to the Benchmark entities are part of the funding of the Benchmark joint venture arrangement. The interest on the loans is paid monthly at 9% for Benchmark GPT LLC and B-VII Operations Holding Co LLC, paid quarterly at 8% for Benchmark Assisted Living LLC.

7. Investment properties

	Note	Consolidated entity 30 Jun 10 $M	31 Dec 09 $M
Retail	7(b)	**4,231.7**	4,111.2
Office	7(c)	**1,069.5**	1,131.8
Industrial	7(d)	**687.6**	658.0
Properties under development	7(e)	**186.9**	122.6
Total investment properties		**6,175.7**	6,023.6

(a) Reconciliation

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

	For the 6 months to 30 Jun 10 $M	For the 12 months to 31 Dec 09 $M
Carrying amount at start of the half year	**6,023.6**	6,696.1
Additions - operating capex	**10.3**	29.4
Additions - interest capitalised	**15.4**	20.4
Additions - development capex	**120.9**	224.1
Acquisitions	**13.0**	242.4
Transfer to non-current assets classified as held for sale	**(13.3)**	(222.0)
Lease incentives	**8.4**	6.3
Amortisation of lease incentives	**(13.3)**	(21.2)
Disposals	**-**	(401.1)
Net gain / loss from fair value adjustments	**10.7**	(551.8)
Leasing costs	**-**	1.0
Carrying amount at end of the half year	**6,175.7**	6,023.6

Details of the Group's Investment Properties

	Ownership Interest [1] %	Acquisition Date	Fair Value 30 Jun 10 $M	Fair Value 31 Dec 09 $M	Latest Independent Valuation Date	Valuer
(b) Retail						
Casuarina Square, NT	100.0	Oct 1973	444.0	433.4	Jun 2010	Knight Frank Valuations
Charlestown Square, NSW	100.0	Dec 1977	739.7	642.2	Mar 2009	Knight Frank Valuations
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	12.1	12.0	Mar 2009	Knight Frank Valuations
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	201.7	201.0	Oct 2009	CB Richard Ellis Pty Limited
Erina Fair, NSW [2]	33.3	Jun 1992	250.9	250.3	Oct 2009	CB Richard Ellis Pty Limited
Highpoint Shopping Centre, VIC [5]	16.7	Aug 2009	200.6	200.0	-	-
Homemaker City, Maribyrnong, VIC [5]	16.7	Aug 2009	8.8	8.8	-	-
Westfield Penrith, NSW	50.0	Jun 1971	494.2	493.6	Sep 2009	CB Richard Ellis Pty Limited
Sunshine Plaza, QLD	50.0	Dec 1992 / Sep 2004	311.5	310.2	Sep 2009	CB Richard Ellis Pty Limited
Plaza Parade, QLD	50.0	Jun 1999	10.0	10.0	Sep 2009	CB Richard Ellis Pty Limited
Westfield Woden, ACT	* 50.0	Feb 1986	287.8	286.0	Mar 2009	CB Richard Ellis Pty Limited
Rouse Hill Town Centre	100.0	Dec 2005	476.0	475.0	Dec 2009	CB Richard Ellis Pty Limited
Newcastle CBD, NSW	100.0	Jun 2007	49.5	47.0	Dec 2008	Knight Frank Valuations
Melbourne Central, VIC - retail portion [3]	100.0	May 1999 / May 2001	744.9	741.7	Jun 2009	Colliers International
Total Consolidated entity			**4,231.7**	**4,111.2**		
(c) Office						
Australia Square, Sydney, NSW	50.0	Sep 1981	269.9	269.1	Mar 2009	CB Richard Ellis Pty Limited
MLC Centre, Sydney, NSW	50.0	Apr 1987	381.8	379.5	Mar 2009	Knight Frank Valuations
Melbourne Central, VIC - office portion [3]	100.0	May 1999 / May 2001	300.8	299.7	Jun 2009	Colliers International
818 Bourke St, Victoria Harbour, VIC	100.0	Jun 2006	117.0	114.0	Dec 2009	CB Richard Ellis Pty Limited
Total Consolidated entity			**1,069.5**	**1,062.3**		

7. Investment properties (continued)

Details of the Group's Investment Properties (continued)

	Ownership Interest (1)	Acquisition Date	Fair Value 30 Jun 10	Fair Value 31 Dec 09	Latest Independent Valuation Date	Valuer
	%		$M	$M		
(d) Industrial						
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	44.1	44.0	Jun 2008	Colliers Pty Limited
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	66.0	68.5	Mar 2009	Jones Lang LaSalle
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	19.5	18.8	Jun 2010	CB Richard Ellis Pty Limited
Quad 2, Sydney Olympic Park, NSW	* 100.0	Dec 2001	19.6	20.0	Jun 2010	CB Richard Ellis Pty Limited
Quad 3, Sydney Olympic Park, NSW	* 100.0	Mar 2003	20.2	20.2	Dec 2009	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	June 2004	32.4	32.4	Dec 2009	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW (6)	* 100.0	Jun 2010	12.0	-	-	-
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	8.9	8.3	Jun 2010	CB Richard Ellis Pty Limited
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	18.6	18.6	Jun 2008	Colliers Pty Limited
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	10.0	10.0	Jun 2010	CB Richard Ellis Pty Limited
7 Parkview Drive, Sydney Olympic Park, NSW	* 100.0	May 2002	17.5	17.0	Dec 2009	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	64.1	64.0	Sep 2009	CB Richard Ellis Pty Limited
15 Berry Street, Granville, NSW	100.0	Nov 2000	12.1	12.0	Sep 2009	CB Richard Ellis Pty Limited
19 Berry Street, Granville, NSW	100.0	Dec 2000	24.5	24.5	Sep 2009	CB Richard Ellis Pty Limited
Erskine Park, NSW (Stage 1)	100.0	Jun 2008	37.5	36.0	Jun 2009	Knight Frank Valuations
Erskine Park, NSW (Stage 2) (7)	100.0	Jun 2008	19.0	-	Apr 2009	Knight Frank Valuations
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	139.8	139.7	Oct 2009	Jones Lang LaSalle
134-140 Fairbairn Road, Sunshine West, VIC	100.0	Mar 2006	13.0	13.0	Dec 2008	Jones Lang LaSalle
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	15.3	15.2	Dec 2008	Jones Lang LaSalle
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	30.0	30.0	Dec 2008	Jones Lang LaSalle
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	18.0	18.0	Jun 2009	Knight Frank Valuations
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	13.5	13.5	Dec 2008	Jones Lang LaSalle
Lots 42 & 44 Ocean Steamers Drive, Port Adelaide, SA	50.0	Jul 2006	7.0	7.0	Jun 2009	Colliers International
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	25.0	27.3	-	-
Total Consolidated entity			**687.6**	**658.0**		
(e) Properties under development						
Office						
One One One Eagle Street, Brisbane (4)	33.3	Apr 1984	93.3	69.5	Jun 2010	Knight Frank Valuations
Industrial						
17 Berry St, Granville	100.0	Sep 2009	5.0	5.8	-	-
Erskine Park, NSW (7)	100.0	Jun 2008	65.0	81.5	Jun 2009	Knight Frank Valuations
407 Pembroke Rd, Minto NSW	50.0	Oct 2008	7.1	7.1	-	-
21 Talavera Rd, Macquarie Park, NSW	100.0	Jun 2006	-	12.2	Jun 2009	Jones Lang LaSalle
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	16.5	16.0	Oct 2009	Jones Lang LaSalle
Total Consolidated entity			**186.9**	**192.1**		

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

(2) 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 8(a)(i)).

(3) For Melbourne Central, 50% of the car park included in Office has been transferred to Retail from 1 January 2010. Consequently, prior period comparatives have been restated: 71.0% Retail and 29.0% Office (December 2009: 71.2% Retail and 28.8% Office).

(4) Currently under redevelopment. An external valuation on 100% ownership was obtained at 30 June 2010 which resulted in an "as if complete" value of $640.0 with a capitalisation rate of 6.75% and "as at today" value of $280m.

(5) GPT purchased 16.67% of Highpoint Shopping Centre and the adjacent Homemaker City Maribyrnong for $205.8 million (excluding transaction costs) on 31 August 2009.

(6) GPT purchased 100% of 6 Herb Elliott, Sydney Olympic Park on 25 June 2010 for $12 million (excluding transaction costs).

(7) Erskine Park, NSW (Stage 2) has been transferred from Properties under development to Industrial portfolio during the period.

Investment properties held in associates and joint ventures are set out in note 8.

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8. Equity accounted investments

	Note	Consolidated entity 30 Jun 10 $M	31 Dec 09 $M
Investments in joint ventures	(a)(i)	**935.2**	877.8
Investments in associates	(a)(ii)	**1,504.3**	1,358.9
Total investments in associates and joint ventures		**2,439.5**	2,236.7

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest Jun 10 %	Dec 09 %	30 Jun 10 $M	31 Dec 09 $M
(i) Joint Ventures					
Entities incorporated in Australia					
1 Farrer Place Trust [1]	Investment property	50.00	50.00	**309.1**	309.4
2 Park Street Trust [1]	Investment property	50.00	50.00	**354.6**	344.5
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	**124.2**	123.8
Horton Trust [1]	Investment property	50.00	50.00	**21.1**	21.1
Lend Lease GPT (Rouse Hill) Pty Limited [1] [4]	Property development	50.00	50.00	**-**	-
Entities incorporated in the United States					
Benchmark GPT LLC [2]	Property investment	95.00	95.00	**126.1**	76.3
B-VII Operations Holding Co LLC [2]	Property investment	95.00	95.00	**-**	2.6
Total investment in joint ventures				**935.2**	877.8
(ii) Associates					
Entities incorporated in Australia					
GPT Wholesale Office Fund [1] [3]	Property investment	33.79	34.13	**895.6**	753.3
GPT Wholesale Shopping Centre Fund [1]	Property investment	33.44	33.46	**595.7**	592.7
Lend Lease (Twin Waters) Pty Limited [1]	Property development	49.00	49.00	**12.6**	12.6
Entities incorporated in the United States					
Benchmark Assisted Living LLC [2]	Property management	20.00	20.00	**0.4**	0.3
Total investments in associates				**1,504.3**	1,358.9

1. The entity has a 30 June balance date.
2. GPT has a 95% economic interest in Benchmark GPT LLC and B-VII Operations Holding Co LLC, entities which both own seniors housing assets and a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC. GPT has equal representation and voting rights on the Board of Benchmark GPT LLC and B-VII Operations Holding Co LLC with all major decisions regarding the joint venture requiring unanimous approval from both parties, resulting in joint control with BE Capital LLC. Accordingly, Benchmark GPT LLC and B-VII Operations Holding Co LLC has been accounted for as a joint venture. Funding of the joint venture is by way of both ordinary equity and loans (refer to note 6).
3. GPT participated in the 2010 equity raising of GPT Wholesale Office Fund which resulted in GPT acquiring a further 140,276,633 units in GWOF for a total value of approximately $135.3 million. The effect resulted in a small decrease in GPT's investment in GWOF to 33.79%.
4. GPT has a 50% interest in Lend Lease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at the New Rouse Hill, in partnership with Landcom and the NSW Department of Planning.

Investments in BGA Real Estate Finance Trust, Babcock & Brown GPT REIT Inc and the Dutch Active Fund Propco BV were shown as equity accounted investments at 30 June 2009. The investment in BGA Real Estate Finance Trust was sold on 15 June 2010 (refer to note 5(a)(ii)(a)). The other investments had been reclassified as 'assets classified as held for sale' (refer to note 5(a)(ii)(b) and 5(a)(iii)(a)).

8. Equity accounted investments (continued)

(b) Share of joint ventures and associates' commitments

The Group's share of its associates and joint ventures' capital expenditure commitments for the purchase of property, plant and equipment which have been approved but not provided for at 30 June 2010, operating lease and other commitments are as follows:

	Australia		Europe		United States		Total	
	30 Jun 10	31 Dec 09	**30 Jun 10**	31 Dec 09	**30 Jun 10**	31 Dec 09	**30 Jun 10**	31 Dec 09
	$M	$M	**$M**	$M	**$M**	$M	**$M**	$M
Capital expenditure commitments	**148.7**	80.2	**-**	6.4	**2.6**	1.8	**151.3**	88.4
Operating lease commitments	**-**	-	**-**	-	**0.1**	0.1	**0.1**	0.1
Total joint venture and associates' commitments	**148.7**	80.2	**-**	6.4	**2.7**	1.9	**151.4**	88.5

9. Borrowings

	Note	Consolidated entity 30 Jun 10 $M	Consolidated entity 31 Dec 09 $M
Current - unsecured			
Bank borrowings			
Multi option syndicated facility - US Dollar	(a)(i)	**154.6**	144.9
Multi option syndicated facility - Australian Dollar	(a)(i)	**1,293.0**	1,330.0
Medium term notes	(b)(i)	**222.5**	225.0
Total current borrowings - unsecured		**1,670.1**	1,699.9
Total current borrowings		**1,670.1**	1,699.9
Non-Current - unsecured			
Bank borrowings			
Multi option syndicated facility - Australian Dollar	(a)(i)	**353.0**	90.0
Medium term notes	(b)(i)	**211.0**	212.0
CPI coupon indexed bond	(c)	**85.0**	85.0
Total non-current borrowings - unsecured		**649.0**	387.0
Non-Current - secured			
Bank facilities - Somerton	(a)(iv)	**75.9**	77.0
Bank facility - One One One Eagle Street	(a)(v)	**39.9**	19.8
Total non-current borrowings - secured		**115.8**	96.8
Total non-current borrowings		**764.8**	483.8
Total borrowings		**2,434.9**	2,183.7
The maturity profile of the above current and non-current borrowings is:			
Due within one year		**1,670.1**	1,699.9
Due between one and five years		**679.8**	398.8
Due after five years		**85.0**	85.0
		2,434.9	2,183.7

(a) Bank facilities

Unsecured

(i) Euro multi option syndicated facility

A €2,010 million (AUD $2,924.9 million) multi option syndicated facility became available to the Group on 26 October 2007.

The facility has two maturity tranches as follows:

- Tranche A and B: €1,005 million maturing 26 October 2010, and
- Tranche C: €1,005 million maturing 26 October 2012.

At 30 June 2010, the tranches are drawn to USD $130.0 million (AUD $154.6 million) and AUD $1,646.0 million (Dec 2009: USD $130 million (AUD $144.9 million) and AUD $1,420.0 million).

9. Borrowings (continued)

(a) Bank facilities (continued)

(i) Euro multi option syndicated facility (continued)

The undrawn balance for both tranches as at 30 June 2010 is EUR €772.6 million (AUD $1,124.3 million) and along with other undrawn bank bilateral facilities will be used to refinance in part Tranche A and B. The Syndicate banks which invest in GPT's Euro Syndicated facility have equal exposure amount to GPT under both tranches. There is no legal impediment to drawing Tranche C or other bank bilateral facilities to refinance Tranche A and B. GPT remain drawn in Tranche A and B as opposed to Tranche C, to save interest expense due to different credit margins.

(ii) Bank Loan

Two AUD bilateral facilities totalling AUD $440 million became available to the Group on 31 March 2010. These facilities mature on 31 March 2015 and remain undrawn at 30 June 2010.

In addition, a EUR €100 million bilateral facility will be available to the Group from 26 October 2010 to partly refinance Tranche A & B of the Euro multi option syndicated facility. This facility has a maturity date of 31 March 2013 and will be restated into an AUD denominated limit on the forward start date.

An AUD $200 million bank loan is also currently available to the Group and matures on 4 September 2011. The facility was secured in October 2008 by a mortgage over Australia Square and Quad 3 and Quad 4 in Sydney Olympic Park. The mortgages were released on 27 May 2010. The facility has been extended to 26 September 2015 (refer to note 15 for further details). At 30 June 2010 this facility remains undrawn.

(iii) Multi option facility

On 11 May 2010, the Group cancelled AUD$100m of its AUD$275 million multi option facility. The remaining AUD $175m facility matures on 22 August 2011. This facility was secured on 30 September 2008 by a mortgage over Casuarina Square and 818 Bourke Street. The 818 Bourke Street mortgage was released on 9 February 2010 and the mortgage over Casuarina Square was released on 24 June 2010. At 30 June 2010, this facility is undrawn.

On 11 May 2010, the Group also cancelled an additional multi-option facility of AUD $200 million which, if drawn, would have been secured by mortgages over the MLC Centre, Sydney.

Secured

(iv) Bank facilities

A floating rate bill facility was established for the GPT/Austrak Joint Venture to fund the capital expenditure requirements of the Austrak Business Park, Somerton, Victoria. On 31 May 2010, the facility was reduced from AUD $155 million to AUD $152.4 million (GPT 50% share: AUD $76.2 million) and its maturity extended by 2 years to 31 March 2013. The facility is a non-recourse loan to GPT, secured by a mortgage over Austrak Business Park, Somerton, Victoria. As at 30 June 2010, the facility is drawn to AUD $151.8 million (GPT 50% share: $75.9 million) (Dec 09: AUD $154.0 million (GPT 50% share: $77.0 million)).

(v) One One One Eagle Street

An AUD $150.5m facility is available to the Group for the purpose of funding GPT's one third share of the construction of One One One Eagle Street, Brisbane, QLD. The facility is secured by a mortgage over the One One One Eagle Street Property. At 30 June 2010, the facility is drawn to AUD $39.9 million (Dec 09: $19.8 million) and matures on 30 November 2011.

(b) Short Term Notes (STNs)/Medium Term Notes (MTNs) program

The Short Term and Medium Term Note Programme was a debt program which was established in 1999 to provide flexible funding to enable GPT to fund short term and medium term commitments. At 30 June 2010, no STNs were on issue.

On 30 June 2010, GPT replaced this 1999 program with a revised MTN program including financial covenants and a negative pledge provision. No MTN notes have been issued under the new program.

(i) Medium Term Notes (MTNs)

At 30 June 2010, fixed rate MTNs have a principal value of AUD $300 million (Dec 09: AUD $300.0 million) and floating rate MTNs have a principal value of AUD $137 million (Dec 09: $137.0 million) with maturities ranging from November 2010 to August 2013. GPT hold $3.5 million of MTNs, netted against the MTNs liabilities. The net principal value at 30 June 2010 is AUD $433.5 million (Dec 09: $433.5 million).

9. Borrowings (continued)

(c) CPI coupon indexed bonds

GPT issued a CPI coupon indexed bond in December 1999 with a current coupon of 8.23% per annum (2009: 8.22%) payable quarterly in arrears and indexed by the maximum CPI since September 1999. At 30 June 2010, the principal value is AUD $85 million (Dec 09: $85 million). The CPI coupon indexed bonds mature on 10 December 2029.

(d) Financing Facilities

A summary of GPT's finance facilities is below:

Financing Facilities	Note	30 June 2010 Total facility $M	Used facility $M	\ Unused facility $M
Euro multi option syndicated facility - multi currency	(a)(i)	**2,924.9**	**1,800.6**	**1,124.3**
Bank borrowings				
Bank loan*	(a)(ii)	**640.0**	**-**	**640.0**
Multi option facilities	(a)(iii)	**175.0**	**-**	**175.0**
Bank facilities - Somerton	(a)(iv)	**76.2**	**75.9**	**0.3**
Bank facilities - One One One Eagle Street	(a)(v)	**150.5**	**39.9**	**110.6**
Medium Term Notes	(b)(i)	**437.0**	**433.5**	**3.5**
CPI coupon indexed bonds	(c)	**85.0**	**85.0**	**-**
Total financing facilities		**4,488.6**	**2,434.9**	**2,053.7**
Cash and cash equivalents				**39.3**
Total financing resources available at end of the half year				**2,093.0**

* Excludes €100 million forward starting facility. Refer to note (a)(ii).

(e) Maturity profile of financing facilities

	Consolidated entity 30 Jun 10 $M	31 Dec 09 $M
Due within one year	**1,685.9**	1,829.9
Due between one and five years	**2,717.7**	2,719.9
Due after five years	**85.0**	85.0
Total financing facilities	**4,488.6**	4,634.8

(f) Gearing Ratios

(i) Headline Gearing

At 30 June 2010, the percentage of debt to total tangible assets is 25.8% (Dec 09: 23.9%) and the percentage on a net debt basis is 25.5% (Dec 09: 23.6%).

(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 30 June 2010, the percentage of 'look through' debt to total assets is 33.0% (Dec 09: 31.9%) and the percentage on a net debt basis is 32.7% (Dec 09: 31.6%).

(g) Debt Covenants

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

- a 40% maximum threshold limit on the percentage of GPT debt to total tangible assets.
- a 55% maximum threshold limit on the percentage of GPT debt to total tangible assets on a "look through" basis; and
- a minimum interest cover ratio of 2 times, being EBIT (Realised Operating Income before taxes and finance costs) divide 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 30 June 2010 and no breaches were identified.

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10. Contributed equity

		Note	GPT Stapled Securities Number	GPT $M	Other entities stapled to GPT $M	Non-controlling interest $M	Total $M
(i) Ordinary stapled securities							
1 Jan 2009	Opening securities on issue		4,467,363,800	6,285.0	324.7	-	6,609.7
27 May 2009	Issue of stapled securities	(a)	4,091,926,477	1,432.2	-	-	1,432.2
16 Jun 2009	Issue of stapled securities	(a)	718,294,466	251.4	-	-	251.4
	Less: Transaction costs			(53.9)	-	-	(53.9)
31 Dec 2009	Closing securities on issue		9,277,584,743	7,914.7	324.7	-	8,239.4
1 Jan 2010	Opening securities on issue		**9,277,584,743**	**7,914.7**	**324.7**	**-**	**8,239.4**
19 May 2010	5 to 1 consolidation of stapled securities	(b)	**(7,422,055,312)**	**-**	**-**	**-**	**-**
30 Jun 2010	Closing securities on issue		**1,855,529,431**	**7,914.7**	**324.7**	**-**	**8,239.4**
(ii) Exchangeable securities							
1 Jan 2009	Opening securities on issue		2,500	240.6	-	-	240.6
31 Dec 2009	Closing securities on issue		2,500	240.6	-	-	240.6
1 Jan 2010	Opening securities on issue		**2,500**	**240.6**	**-**	**-**	**240.6**
30 Jun 2010	Closing securities on issue	(c)	**2,500**	**240.6**	**-**	**-**	**240.6**
Total Contributed Equity				**8,155.3**	**324.7**	**-**	**8,480.0**

(a) Equity Raising
On 7 May 2009, GPT undertook a capital raising at an offer price of 35 cents per stapled security. The capital raising comprised a $120 million institutional placement and a non-renounceable 1 for 1 pro-rata entitlement offer to eligible securityholders which had an institutional component of $1,270.8 million and a retail component of $292.8 million. A total of $1.7 billion was raised with total transaction costs of $53.9 million.

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

(c) Exchangeable Securities
On 27 November 2008, 2,500 Exchangeable Securities were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at $100,000 per exchangeable security (ES). 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 (Dec 09: $0.7766) 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.

11. Commitments

(a) Capital expenditure commitments

At 30 June 2010, GPT has commitments principally relating to the purchase of property, plant and equipment which have been approved but not recognised as liabilities in the Statement of Financial Position as set out below:

	Consolidated entity	
	30 Jun 10	31 Dec 09
	$M	$M
Due within 1 year	**267.5**	338.5
Due between 1 and 5 years	**150.0**	103.2
Over 5 years	**5.1**	11.8
Total capital expenditure commitments*	**422.6**	453.5

* Include GPT's share of commitments relating to associate and joint venture investments. Refer to note 8(b) for further details on the share of associates and joint venture entities' commitments.

(b) Operating lease commitments

At 30 June 2010, future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	**3.6**	5.2
Due between 1 and 5 years	**14.5**	14.2
Over 5 years and expiry date of leases.	**13.6**	20.3
Total operating lease commitments*	**31.7**	39.7

* Include GPT's share of commitments relating to associate and joint venture investments. Refer to note 8(b) for further details on the share of associates and joint venture entities' commitments.

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

(c) Other commitments

Aggregate amount of other commitments agreed or contracted but not recognised in the Statement of Financial Position are as follows:

Due within 1 year	**-**	0.5
Due between 1 and 5 years	**-**	1.1
Total other commitments	**-**	1.6

12. Contingent assets and liabilities

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

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

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

13. Notes to the Statement of Cash Flow

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

	Consolidated entity	
	30 Jun 10	30 Jun 09
	$M	$M
Net profit / (loss) for the half year	**145.2**	(1,195.5)
Fair value adjustments to investment properties	**(5.8)**	397.8
Share of after tax (losses) / profits of investments in associates and joint ventures	**(51.2)**	170.0
Fair value adjustments to derivatives	**68.9**	(386.7)
Net foreign exchange (gain) / loss	**15.2**	(229.9)
Reversal of prior year impairment	**(9.5)**	-
Impairment expense	**8.7**	1,213.8
Revaluation of hotel properties	**(2.8)**	65.7
Net loss on disposal of assets	**0.8**	77.1
Cost to sell for non-current assets held for sale	**4.5**	3.1
Depreciation and amortisation	**6.6**	12.1
Non-cash employee benefits - share based payments	**3.2**	1.7
Non-cash revenue adjustments	**11.3**	8.2
Non cash expense adjustments	**0.2**	2.8
Interest capitalised	**(15.4)**	(9.0)
Impairment of trade receivables	**0.2**	0.3
Change in operating assets and liabilities		
Decrease in operating assets	**9.5**	29.7
Decrease in operating liabilities	**(1.5)**	(31.3)
Net cash inflows from operating activities	**188.1**	129.9

(b) Reconciliation of cash

Cash at bank and on hand	39.3	70.2
Total cash and cash equivalent at end of the half year	**39.3**	70.2

14. Net tangible asset backing

	Consolidated entity	
	30 Jun 10	31 Dec 09*
	$	$
Net tangible asset backing per stapled security/unit	**3.45**	3.46

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 (Dec 09: $0.7766).

* Prior period comparative has been restated at the basis of post 5 to 1 consolidation of the stapled securities.

15. Events subsequent to reporting date

The following events have occurred subsequent to 30 June 2010:

- On 6 July 2010, the legal sale of the DAF shareholding by GPT was finalised as the regulatory consent from the Charity Commission was received on this date. For further details refer to note 5(a)(iii)(a).

- On 12 July 2010, GPT sold a small unit at the Citiwest Industrial Estate, Altona North, VIC for a cash consideration of $3.12 million. The sale resulted in a nominal loss on sale.

- On 23 August 2010, a distribution of 4.1 cents per stapled security ($76.1 million) was declared for the quarter ended 30 June 2010 (refer to note 3(a)(ii)).

- On 23 August 2010, GPT secured written commitments for a further three bank bilateral facilities for up to $800 million commencing October 2010 for a term ranging between 5 and 7 years. Of the amount, up to $200 million extends the existing bilateral facility maturing 4 September 2011. These facilities are unsecured and are subject to formal documentation which is expected to complete by October 2010.

THE GPT GROUP

DIRECTORS' DECLARATION

In the directors of the Responsible Entity's opinion:

(a) the financial statements and notes set out on pages 8 to 37 are in accordance with the *Corporations Act 2001*, including:
- complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Trust's and GPT Group's financial position as at 30 June 2010 and of their performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

The directors have been given the declarations by the chief executive officer and chief financial officer as required by Section 295A of the *Corporations Act 2001*.

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

Rob Ferguson
Chairman

Michael Cameron
Managing Director

GPT RE Limited

Sydney
23 August 2010

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the GPT Group (the consolidated entity). The consolidated entity comprises both the Trust and the entities it controlled during that half-year, including GPT Management Holdings Limited and its controlled entities.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of The GPT Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Liability limited by a scheme approved under Professional Standards Legislation

PRICEWATERHOUSECOOPERS

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

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the consolidated entity for the half-year ended 30 June 2010 included on The GPT Group's web site. The Responsible Entity's directors are responsible for the integrity of The GPT Group's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

DH Armstrong
Partner

Sydney
23 August 2010