GPT Management Holdings Limited

ABN: 67 113 510 188

Interim Financial Report
30 June 2019

This financial report covers both GPT Management Holdings Limited (the Company) as an individual entity and the Consolidated Entity consisting of GPT Management Holdings Limited and its controlled entities.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

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

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DIRECTORS' REPORT

Half year ended 30 June 2019

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2019. The Consolidated Entity is stapled to the General Property Trust (Trust) and the GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

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

1. OPERATING AND FINANCIAL REVIEW

Review of operations

The Consolidated Entity's financial performance for the half year ended 30 June 2019 is summarised below.

The net profit after tax for the half year ended 30 June 2019 is $19,874,000 (Jun 2018: loss $8,432,000).

For the half year ended	**30 Jun 19**	30 Jun 18	Change
	$'000	$'000	%
Property management fees	**22,141**	21,011	5%
Development management fees and revenue	**9,919**	10,890	(9%)
Fund management fees	**42,592**	41,693	2%
Management costs recharged	**15,697**	16,360	(4%)
Proceeds from sale of inventory	**33,736**	22,453	50%
Other income	**296**	294	1%
Expenses	**(98,946)**	(110,264)	(10%)
Profit from continuing operations before income tax expense	**25,435**	2,437	944%
Income tax expense	**(5,561)**	(4,554)	22%
Profit/(loss) after income tax for continuing operations	**19,874**	(2,117)	N/A
Loss from discontinued operations	**-**	(6,315)	N/A
Net profit/(loss) for the half year	**19,874**	(8,432)	N/A

Consolidated Entity result

The profit after tax compared with a loss in June 2018 is largely attributable to an increase in proceeds from sale of inventory, the reversal of impairment expense and lower revaluation of financial instruments.

Property management

The Consolidated Entity is responsible for property management activities across the retail, office and logistics sectors. Property management fees increased by 5 per cent overall to $22,141,000 in 2019 (Jun 2018: $21,011,000). The increase primarily relates to an increase in office leasing fees and Space&Co membership income. Retail and logistics property management fees are in line with the prior period.

The Group's operating results

Retail

(i) Operations net income

The retail portfolio recorded a negative revaluation of $35.4 million (-0.6 per cent) in the first half of 2019, including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). Positive revaluations attributed to Sunshine Plaza and Westfield Penrith were partially offset by Casuarina Square, with the asset written down 16 per cent, due to a combination of softening in valuation metrics and further deterioration in net income reflecting the challenging Northern Territory economy.

Like for like income growth of 1.4 per cent (including interest in GWSCF) was constrained, largely due to the underperformance of Casuarina Square. In addition, fixed rental escalations across the portfolio over the 6 month period have been partially offset by an increase in downtime associated with actively re-mixing the retail offer to drive sales productivity.

Retail sales growth has continued to moderate in the first half of 2019, with weighted total centre sales up 1.0 per cent and total specialty sales up 0.7 per cent.

(ii) Development net income

In March 2019, the second stage of the $432 million (GPT share: $216 million) expansion of Sunshine Plaza was completed. The 34,000sqm expansion incorporated a new David Jones, Big W, international mini majors, a refurbished Myer and an additional 100 specialty stores.

Office

(i) Operations net income

The office portfolio achieved a net revaluation uplift of $114.8 million in the first half of 2019, including GPT's equity interest in the GPT Wholesale Office Fund (GWOF), predominately as a result of market rental growth. The positive revaluation has been driven by the Group's Melbourne and Sydney assets, in particular Melbourne Central Tower, 181 William/550 Bourke Street, Melbourne and Australia Square, Sydney.

Like for like income growth of 6.5 per cent was achieved as a result of higher occupancy during the period and structured rental reviews. The assets which were the main contributors to income growth were Melbourne Central Tower, Melbourne, Governor Phillip Tower & Governor Macquarie Tower and 2 Park Street, Sydney together with GPT's interest in GWOF.

(ii) Development net income

Construction is progressing on the new 26,400sqm tower at 32 Smith Street, Parramatta following the acquisition of the site in 2017. The pre-committed tenant for the new tower is QBE, who will occupy approximately 51 per cent of the building. Practical completion is due in late 2020.

DIRECTORS' REPORT
For the half year ended 30 June 2019

A number of repositioning projects are underway in Melbourne at 100 Queen Street, Melbourne Central Tower, 550 Bourke Street and 530 Collins Street.

Logistics
(i) Operations net income
The logistics portfolio achieved a net revaluation uplift of $51.4 million in the first half of 2019. This uplift is attributed to continued investor demand for quality logistics assets which led to a firming of investment metrics combined with positive leasing outcomes. The weighted average lease expiry has been maintained and like for like income growth of 2.2 per cent has been achieved. Occupancy at the end of the period was lower due to two expiries in Melbourne, one of which is now leased. During the period, a portfolio of three assets was acquired in Western Sydney for $111 million (including transaction costs) and in early July an additional two facilities in Erskine Park, Sydney were acquired for $113 million (including transaction costs).

(ii) Development net income
Development net income reduced as a result of lower development profits than what was achieved in the prior corresponding period.

The Group continued to develop logistics facilities to increase the portfolio quality and scale. A 30,100sqm facility at 50 Old Wallgrove Road, Eastern Creek, reached practical completion in January 2019 and is fully leased to ACR Supply Partners until 2027.

Work continues to develop out and replenish the logistics land bank. This includes the acquisition of land in Truganina, Victoria. One parcel of 8 hectares settled in November 2018, with an adjoining 15 hectare parcel acquired in July 2019 on delayed settlement terms. The combined site provides the opportunity to develop 140,000sqm of new logistics facilities. The first speculative facility of 26,400sqm is due for completion in December 2019.

In Brisbane construction is underway across two facilities at Berrinba. A 20,500sqm facility has been pre-committed to an international logistics company, with a speculative facility of 14,400sqm being constructed on the adjacent land. Following the completion of these facilities, the remaining site can provide a further 39,000sqm of logistics space.

A fund through for a new 50,000sqm facility on a 10 year lease has also been committed in Western Sydney, while at Yennora a 4,800sqm pre-leased development is due for completion in 2020.

Funds Management

GWOF
GWOF's total assets increased to $8.5 billion, up $1.0 billion from 30 June 2018 and the fund delivered a one year equity IRR of 9.7 per cent. The management fee income earned from GWOF for the half year ended 30 June 2019 increased by $1,896,000 as compared to 30 June 2018 due to the increase in the asset value of the portfolio.

GWSCF
The fund delivered a one year equity IRR of 1.3 per cent. GWSCF's total assets decreased to $4.8 billion, down $0.1 billion from 30 June 2018, primarily driven by the sale of Homemaker City, Maribyrnong in December 2018 and asset devaluations. Management fee income earned from GWSCF remained steady at $10,916,000.

Management costs recharged
Management costs recharged are in line with prior year. In the first half of 2019 GPT's MER (Management Expense Ratio) is 30 basis points on a rolling annual basis (30 Jun 2018: 29 basis points).

Expenses
Expenses have decreased by 10 per cent overall to $98,946,000 due to the reversal of impairment expense and lower revaluation of financial instruments partially offset by higher cost of sale of inventory and remuneration expenses and lower share of earnings from equity accounted investments.

Financial position

	30 Jun 19 $'000	31 Dec 18 $'000	Change %
Current assets	**142,420**	107,299	33%
Non-current assets	**271,553**	239,101	14%
Total assets	**413,973**	346,400	20%
Current liabilities	**93,941**	70,751	33%
Non-current liabilities	**192,202**	175,759	9%
Total liabilities	**286,143**	246,510	16%
Net assets	**127,830**	99,890	28%

Total assets increased by 20 per cent to $413,973,000 in 2019 (Dec 2018: $346,400,000) primarily due to the recognition of right-of-use assets under AASB 16 leases. Refer to note 15 of the financial statements for details.

Total liabilities increased by 16 per cent to $286,143,000 in 2019 (Dec 2018: $246,510,000) due to the recognition of lease liabilities under AASB 16, partially offset by reduced borrowings.

Capital management
The Consolidated Entity has an external loan relating to the Metroplex joint venture.

The Consolidated Entity has related party borrowings from General Property Trust (Trust) and its subsidiaries. Under Australian Accounting Standards, the loans are revalued to fair value each reporting period.

DIRECTORS' REPORT
For the half year ended 30 June 2019

Cash flows
The cash balance as at 30 June 2019 increased to $28,236,000 (Dec 2018: $19,259,000).

Operating activities
Net cash inflows from operating activities have increased in 2019 to $29,595,000 (Jun 2018: $21,163,000) driven by higher proceeds on sale of inventory and lower tax payments.

The following table shows the reconciliation from net profit/(loss) to the cash flow from operating activities:

For the half year ended	30 Jun 19 $'000	30 Jun 18 $'000	Change %
Net profit/(loss) for the half year	19,874	(8,432)	N/A
Non-cash items included in net profit/loss	4,646	32,441	(86%)
Timing difference	5,075	(2,846)	N/A
Net cash flows from operating activities	29,595	21,163	40%

Dividends
The Directors have not declared any dividends for the half year ended 30 June 2019 (Jun 2018: nil).

Prospects
(i) Group
GPT retains a portfolio of high quality assets with high occupancy levels and structured rental growth. As at 30 June 2019, the Group's balance sheet is in a strong position, with a smooth, long debt expiry profile and net gearing below the Group's target gearing range of 25 to 35 per cent due to the sale of MLC and the equity raise during the period.

(ii) Retail
Retail sales growth has continued to moderate in the first half of 2019, with weighted total centre sales up 1.0 per cent and total specialty sales up 0.7 per cent. GPT's assets are predominantly located in NSW and Victoria which continue to experience solid economic and population growth. The Group continues to invest in its retail assets to provide engaging places for customers, to attract best in class retailers which will result in delivering consistent long term returns. The expansion of Melbourne Central and Rouse Hill will be opportunities for GPT to deliver leading examples on how retail assets need to evolve and adapt to meet the changing needs of today's retail consumer.

(iii) Office
GPT is progressing its future development pipeline in Sydney and Melbourne. Stage 1 Development Approval has been achieved for the proposed new office tower and retail precinct of up to 73,000sqm at Darling Park in Sydney. In Melbourne, the Group is seeking a pre-commitment tenant for a proposed 20,000sqm office tower at Melbourne Central.

The Eastern Seaboard CBD office markets continued to experience favourable conditions during the past 12 months with contracting vacancy levels, solid rental growth and stable to tightening capitalisation rates. Sydney and Melbourne have low vacancy rates at 4.1 per cent and 3.8 per cent respectively as at June 2019, whilst Brisbane's vacancy rate has contracted significantly during the past 12 months from 14.4 per cent to 11.0 per cent. Vacancy rates are forecast to increase over the short to medium term, however are expected to remain below the long-term average vacancy levels.

(iv) Logistics
GPT is executing its strategy to increase its portfolio weighting to the Logistics sector through the acquisition of investment assets and development land. The Sydney and Melbourne industrial markets have continued to benefit from strong occupier demand, underpinned by solid State economies, infrastructure spending and ongoing demand shifts driving the requirement for supply-chain improvements via new logistics facilities. This has resulted in declining vacancy which in turn has driven growth in land values and rents.

(v) Funds management
GPT has a large funds management platform which has experienced significant growth in the value of assets under management over the past five years. The funds management team will continue to actively manage the existing portfolios, with new acquisitions, divestments and developments in line with the relevant investment objectives of each fund.

(vi) Guidance for 2019
In 2019 GPT expects to deliver 2.5 per cent growth in Funds from Operations (FFO) per ordinary security and 4 per cent growth in distribution per ordinary security. Achieving this target is subject to risks including those detailed in the following section.

Risks
The Board is ultimately accountable for corporate governance and the appropriate management of risk. The Board determines the risk appetite and oversees the risk profile to ensure activities are consistent with GPT's strategy and values. The Sustainability and Risk Committee and the Audit Committee support the Board and are responsible for overseeing and reviewing the effectiveness of the risk management framework. The Sustainability and Risk Committee, the Audit Committee and through them, the Board, receive reports on GPT's risk management practices and control systems including the effectiveness of GPT's management of its material business risks.

GPT has an active enterprise-wide risk management framework. Within this framework the Board has adopted a policy setting out the principles, objectives and approach established to maintain GPT's commitment to integrated risk management. GPT requires effective risk management as a core capability and consequently all employees are expected to be managers of risk. GPT's risk management approach incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing adverse effects. The approach is consistent with AS/NZS ISO 31000:2018: Risk Management.

The key components of the approach include the following:
- The GPT Board, Leadership Team, employees and contractors all understand their risk management accountabilities, promote the risk awareness and risk management culture and apply risk processes to achieve the organisation's objectives;
- Specialist risk management experts provide guidance and advice to the broader team;
- Risks are identified and assessed in a timely and consistent manner;
- Controls are appropriately designed, operating effectively and assessed;

DIRECTORS' REPORT
For the half year ended 30 June 2019

- Material operational risks and critical controls are monitored and reported to provide transparency and assurance that the risk profile is aligned with GPT's risk appetite, strategy and values; and
- Macro-economic factors that may impact the business are considered and monitored.

The Board considers the most significant risks to which GPT is exposed and reviews the monitoring of risk exposures which may arise over the short, medium and long term. The following table sets out material operational risks and issues, the potential impact to GPT and the ways in which the business mitigate these risks:

Risk Category	Risk/Issue	Potential Impact	Mitigation
Investment mandate	Investments do not perform in line with forecast	• Lower FFO and distributions • Lower NTA • Credit ratings downgrade • Breach of debt covenants	• Robust investment approval process • Formal due diligence process • Active asset management • Experienced internal management capability • Diversified multi-asset portfolio
	Adverse changes in market conditions	• Lower FFO and distributions • Lower NTA • Credit ratings downgrade • Breach of debt covenants	• Strategic capital allocation process • Multi-asset portfolio diversified across sectors and geographic markets • Regular monitoring of Risk Metrics and review of Risk Appetite to ensure it is appropriate for current market conditions • Scenario and business stress testing
Development	Developments do not perform in line with forecast	• Lower FFO and distributions • Lower NTA • Credit ratings downgrade • Breach of debt covenants	• Robust investment approval process • Oversight by Project Control Group • Experienced internal management capability • Multi-asset portfolio diversified across sectors and geographic markets • Limit to proportion of portfolio under development at any time • Limits to individual contractor exposure • Where appropriate minimum leasing pre-commitments are in place prior to construction commencement
Leasing	Portfolio occupancy deteriorates	• Lower FFO and distributions • Lower NTA • Credit ratings downgrade • Breach of debt covenants	• Large and diversified tenant base • Limit single tenant exposure • Ongoing investment to maintain quality of property portfolio • Experienced leasing team • Pro-actively forward solve lease expiry
Capital management, including macro-economic factors	Re-financing and liquidity risk	• Limits ability to meet debt maturities • Limits ability to execute strategy • Credit ratings downgrade • Failure to continue as a going concern	• Diversity of funding sources and spreading of debt maturities with a long weighted average debt term • Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve-month period
	Interest rate risk – higher interest rate cost than forecast	• Lower FFO and distributions • Breach of debt covenants	• Interest rate exposures are actively hedged • Minimum of 60% interest rate hedging for forward 12 month period
Health and safety	Incidents causing injury to employees, visitors, tenants, contractors and other stakeholders	• Harm to employees, visitors, tenants, contractors and other stakeholders • Criminal/civil proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Health and Safety management system including appropriate policies and procedures for managing safety • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions
People and culture	Inability to attract, retain and develop talented people and provide an inclusive workplace Inability to maintain a high performing, ethical, and values based workplace Unauthorised breach of internal policies Failure to provide a safe working environment free of harassment, bullying and discrimination This includes the consideration of risk culture and specifically conduct risk	• Limits the ability to achieve business objectives in line with GPT's values • Impact on employee wellbeing	• Regular Employee Engagement Survey helps monitor health of culture • Annual performance management process setting objectives to promote clarity and accountability • Diversity and inclusion policies, guidelines and training • Monitoring of risk culture and conduct risk • Discretionary incentive system and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Awareness of GPT Values and Code of Conduct • Consequence framework for breaches of internal policy

DIRECTORS' REPORT
For the half year ended 30 June 2019

			• Whistleblower Policy
Environmental and social sustainability	Inability to operate in a manner that does not compromise the health of ecosystems and meets accepted social norms This includes consideration of climate change, energy intensity, community wellbeing and supply chain integrity	• Negative impact to the communities, the environment and the ecosystems in which GPT operates • Limits the ability to deliver the business objectives and strategy • Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Environment and Sustainability management system including policies and procedures for managing environmental and social sustainability risks • Climate related risks and potential financial impacts are assessed within GPT's enterprise-wide risk management framework
Information security	Risk of loss of data, breach of confidentiality, regulatory breach (privacy) and/or reputational impact including as a result from a cyber attack	• Limits the ability to deliver the business objectives and strategy • Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Technology risk management framework including third party risk management procedures around cyber security • Privacy policy, guidelines and procedures

2. TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE

In May 2019, GPT commenced work on creating a series of climate risk disclosures aligned to the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations. GPT has appointed EY to advise and assist GPT to deliver these disclosures for the full year 2019 reporting in February 2020.

3. EVENTS SUBSEQUENT TO REPORTING DATE

The Consolidated Entity sold lots 306 and 307 on 4 July 2019, and lot 314 on 11 July 2019 at Macgregor Place, Richlands (Metroplex). The Consolidated Entity's share of the total consideration for these sales were $1,229,000 and $1,750,000 respectively.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2019 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

4. DIRECTORS

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

(i) Chairman - Non-Executive Director
Vickki McFadden (appointed 1 March 2018, Chairman from 2 May 2018)

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

(iii) Non-Executive Directors
Eileen Doyle (appointed March 2010, retired May 2019)
Swe Guan Lim (appointed March 2015)
Michelle Somerville (appointed December 2015)
Gene Tilbrook (appointed May 2010)
Angus McNaughton (appointed November 2018)
Tracey Horton AO (appointed May 2019)

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 and forms part of the Directors' Report.

DIRECTORS' REPORT
For the half year ended 30 June 2019

6. ROUNDING OF AMOUNTS

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

The Directors' Report is signed in accordance with a resolution of the Directors of GPT Management Holdings Limited.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
12 August 2019

Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

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

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

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

S. Horlin

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
12 August 2019

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GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half year ended 30 June 2019

	Note	30 Jun 19 $'000	30 Jun 18 $'000
Revenue			
Fund management fees		**42,592**	41,693
Property management fees		**22,141**	21,011
Development management fees		**9,919**	10,890
Management costs recharged		**15,697**	16,360
		90,349	89,954
Other income			
Interest revenue		**296**	294
Proceeds from sale of inventory		**33,736**	22,453
		34,032	22,747
Total revenue and other income		**124,381**	112,701
Expenses			
Remuneration expenses		**59,156**	52,981
Cost of sale of inventory		**32,633**	20,790
Share of after tax loss/(profit) of equity accounted investments		**49**	(4,559)
Property expenses and outgoings		**1,860**	4,560
Repairs and maintenance		**2,542**	2,115
Professional fees		**1,692**	2,110
Depreciation of right-of-use asset		**2,566**	-
Depreciation		**979**	1,073
Amortisation		**2,362**	2,612
Revaluation of financial arrangements		**15**	11,775
Impairment (reversal)/expense		**(11,101)**	11,391
Finance costs		**1,217**	760
Other expenses		**4,976**	4,656
Total expenses		**98,946**	110,264
Profit before income tax		**25,435**	2,437
Income tax expense		**5,561**	4,554
Profit/(loss) after income tax from continuing operations		**19,874**	(2,117)
Loss from discontinued operations		**-**	(6,315)
Net profit/(loss) for the half year		**19,874**	(8,432)
Other comprehensive income from discontinued operations			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments		**(10)**	(1,722)
Total comprehensive profit/(loss) for the half year		**19,864**	(10,154)
Net profit/(loss) attributable to:			
- Members of the Company		**19,618**	(8,730)
- Non-controlling interest		**256**	298
Total comprehensive income/(loss) attributable to:			
- Members of the Company		**19,608**	(10,452)
- Non-controlling interest		**256**	298
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	8(a)	**1.08**	(0.13)
Basic and diluted earnings per share (cents per share) - Total	8(a)	**1.08**	(0.48)

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	30 Jun 19 $'000	31 Dec 18 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**28,236**	19,259
Trade receivables		**50,267**	45,476
Other receivables		**7,079**	4,507
Current tax asset		**6,663**	763
Inventories	4	**49,068**	34,654
Prepayments		**1,107**	2,640
Total current assets		**142,420**	107,299
Non-current assets			
Intangible assets	3	**26,815**	26,799
Property, plant and equipment	5	**11,588**	12,661
Inventories	4	**119,517**	143,618
Equity accounted investments	2	**21,494**	21,423
Right-of-use asset		**59,687**	-
Deferred tax asset		**19,501**	21,091
Deferred acquisition costs		**218**	545
Other assets	6	**12,733**	12,964
Total non-current assets		**271,553**	239,101
Total assets		**413,973**	346,400
LIABILITIES			
Current liabilities			
Payables		**34,987**	36,889
Provisions		**32,090**	33,862
Borrowings	10	**19,224**	-
Lease liabilities		**7,640**	-
Total current liabilities		**93,941**	70,751
Non-current liabilities			
Borrowings	10	**125,252**	154,618
Provisions		**7,808**	13,602
Lease liabilities		**59,142**	-
Other liabilities		**-**	7,539
Total non-current liabilities		**192,202**	175,759
Total liabilities		**286,143**	246,510
Net assets		**127,830**	99,890
EQUITY			
Contributed equity	7	**331,498**	325,855
Reserves		**20,493**	19,794
Accumulated losses		**(240,457)**	(261,799)
Total equity attributable to Company members		**111,534**	83,850
Non-controlling interests		**16,296**	16,040
Total equity		**127,830**	99,890

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half year ended 30 June 2019

		Company				Non-controlling interests				
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Equity attributable to Company Members										
At 1 January 2018		325,703	37,803	(220,275)	143,231	22,060	-	(9,396)	12,664	155,895
Foreign currency translation reserve		-	(1,722)	-	(1,722)	-	-	-	-	(1,722)
Other comprehensive income for the half year		-	(1,722)	-	(1,722)	-	-	-	-	(1,722)
(Loss)/profit for the half year		-	-	(8,730)	(8,730)	-	-	298	298	(8,432)
Total comprehensive income for the half year		-	(1,722)	(8,730)	(10,452)	-	-	298	298	(10,154)
Transactions with Members in their capacity as Members										
Issue of securities	7	152	-	-	152	-	-	-	-	152
Movement in employee incentive security scheme reserve net of tax		-	354	-	354	-	-	-	-	354
At 30 June 2018		325,855	36,435	(229,005)	133,285	22,060	-	(9,098)	12,962	146,247
Equity attributable to Company Members										
At 31 December 2018		**325,855**	**19,794**	**(261,799)**	**83,850**	**21,172**	**-**	**(5,132)**	**16,040**	**99,890**
Adoption of new accounting standard [1]		**-**	**-**	**1,724**	**1,724**	**-**	**-**	**-**	**-**	**1,724**
At 1 January 2019		**325,855**	**19,794**	**(260,075)**	**85,574**	**21,172**	**-**	**(5,132)**	**16,040**	**101,614**
Foreign currency translation reserve		**-**	**(10)**	**-**	**(10)**	**-**	**-**	**-**	**-**	**(10)**
Other comprehensive income for the half year		**-**	**(10)**	**-**	**(10)**	**-**	**-**	**-**	**-**	**(10)**
Profit for the half year		**-**	**-**	**19,618**	**19,618**	**-**	**-**	**256**	**256**	**19,874**
Total comprehensive income for the half year		**-**	**(10)**	**19,618**	**19,608**	**-**	**-**	**256**	**256**	**19,864**
Transactions with Members in their capacity as Members										
Issue of securities	7	**5,643**	**-**	**-**	**5,643**	**-**	**-**	**-**	**-**	**5,643**
Movement in employee incentive security scheme reserve net of tax		**-**	**709**	**-**	**709**	**-**	**-**	**-**	**-**	**709**
At 30 June 2019		**331,498**	**20,493**	**(240,457)**	**111,534**	**21,172**	**-**	**(4,876)**	**16,296**	**127,830**

(1) Refer to note 15 for details.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Half year ended 30 June 2019

	Note	**30 Jun 19 $'000**	30 Jun 18 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**99,294**	121,916
Payments in the course of operations (inclusive of GST)		**(88,928)**	(98,301)
Proceeds from the sale of inventories		**33,736**	20,870
Payments for inventories		**(7,938)**	(7,921)
Interest received		**296**	294
Finance costs paid		**(338)**	(582)
Income taxes paid		**(6,527)**	(15,113)
Net cash inflows from operating activities	11	**29,595**	21,163
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**-**	84
Payments for property, plant and equipment		**(470)**	(4,188)
Payments for intangibles		**(2,881)**	(816)
Net cash outflows from investing activities		**(3,351)**	(4,920)
Cash flows from financing activities			
Repayment of related party borrowings		**(97,522)**	(93,853)
Proceeds from related party borrowings		**92,587**	89,637
Repayments of borrowings		**(10,552)**	(17,823)
Proceeds from borrowings		**2,711**	6,593
Principal elements of lease payments		**(4,491)**	-
Net cash outflows from financing activities		**(17,267)**	(15,446)
Net cash increase in cash and cash equivalents		**8,977**	797
Cash and cash equivalents at the beginning of the half year		**19,259**	20,033
Cash and cash equivalents at the end of the half year		**28,236**	20,830

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

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2019

These are the consolidated financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity).

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

The notes to the financial statements are organised into the following sections:
Note 1 - Result for the half year: focuses on results and performance of the Consolidated Entity.
Notes 2 to 6 - Operating assets: provides information on the assets used to generate the Consolidated Entity's trading performance.
Notes 7 to 10 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Notes 11 to 16 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

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

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

Area of judgements and estimates	**Assumptions underlying**
Loans receivable	Recoverability
Management rights with indefinite life	Impairment trigger and recoverable amounts
IT development and software	Impairment trigger and recoverable amounts
Inventories	Lower of cost and net realisable value
Deferred tax assets	Recoverability
Security based payments	Fair value
Investment in equity accounted investments	Assessment of control versus disclosure guidance
Lease liabilities	Lease term and incremental borrowing rate

RESULT FOR THE HALF YEAR

1. SEGMENT INFORMATION

The chief operating decision makers monitor the performance of the business in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for total assets and liabilities.

OPERATING ASSETS

2. EQUITY ACCOUNTED INVESTMENTS

	Note	**30 Jun 19 $'000**	31 Dec 18 $'000
Investments in joint ventures	(i)	**11,494**	11,423
Investments in associates	(ii)	**10,000**	10,000
Total equity accounted investments		**21,494**	21,423

Details of equity accounted investments

Name	**Principal activity**	**Ownership interest**			
		30 Jun 19 %	31 Dec 18 %	**30 Jun 19 $'000**	31 Dec 18 $'000
(i) Joint ventures					
DPT Operator Pty Limited	Management	**50.00**	50.00	**90**	90
Lendlease GPT (Rouse Hill) Pty Limited (1)	Property development	**50.00**	50.00	**11,378**	11,324
Erskine Park Trust	Property development	**50.00**	50.00	**26**	9
Total investment in joint ventures				**11,494**	11,423
(ii) Associates					
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10,000**	10,000
Total investment in associates				**10,000**	10,000

(1) The entity has a 30 June balance date. The Consolidated Entity has a 50 per cent interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning. The Group interest is held through a subsidiary that is 52 per cent owned by the Consolidated Entity and 48 per cent owned by GPT Trust.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2019

3. INTANGIBLE ASSETS

	Management rights $'000	IT development and software $'000	Total $'000
Cost			
At 1 January 2018	55,825	63,235	119,060
Additions	-	3,498	3,498
Transfers	-	(2,395)	(2,395)
At 31 December 2018	55,825	64,338	120,163
Additions	**-**	**2,998**	**2,998**
Impairment	**-**	**(1,464)**	**(1,464)**
Transfers	**-**	**306**	**306**
At 30 June 2019	**55,825**	**66,178**	**122,003**
Accumulated amortisation			
At 1 January 2018	(45,420)	(42,739)	(88,159)
Amortisation	(138)	(5,067)	(5,205)
At 31 December 2018	(45,558)	(47,806)	(93,364)
Amortisation	**(24)**	**(2,338)**	**(2,362)**
Impairment	**-**	**538**	**538**
At 30 June 2019	**(45,582)**	**(49,606)**	**(95,188)**
Carrying amounts			
At 31 December 2018	10,267	16,532	26,799
At 30 June 2019	**10,243**	**16,572**	**26,815**

4. INVENTORIES

	30 Jun 19 $'000	31 Dec 18 $'000
Development properties	**49,068**	34,654
Current inventories	**49,068**	34,654
Development properties	**119,517**	143,618
Non-current inventories	**119,517**	143,618
Total inventories	**168,585**	178,272

During the 6 months to 30 June 2019 impairment expense of $12,027,000 was reversed due to recent sales activity.

5. PROPERTY, PLANT AND EQUIPMENT

	30 Jun 19 $'000	31 Dec 18 $'000
Computers		
At cost	**15,081**	15,008
Less: accumulated depreciation	**(12,891)**	(12,314)
Total computers	**2,190**	2,694
Office fixtures and fittings		
At cost	**17,365**	17,532
Less: accumulated depreciation	**(7,967)**	(7,565)
Total office fixtures and fittings	**9,398**	9,967
Total property, plant and equipment	**11,588**	12,661

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2019

Reconciliations of the carrying amount of property, plant and equipment at the beginning and end of the financial period are set out below:

	Computers $'000	Office fixtures & fittings $'000	Total $'000
At 1 January 2018			
Opening carrying value	4,015	5,895	9,910
Additions	-	2,578	2,578
Transfers	(84)	2,271	2,187
Depreciation	(1,237)	(777)	(2,014)
At 31 December 2018	2,694	9,967	12,661
At 1 January 2019			
Opening carrying value	**2,694**	**9,967**	**12,661**
Additions	**23**	**189**	**212**
Transfers	**50**	**(356)**	**(306)**
Depreciation	**(577)**	**(402)**	**(979)**
At 30 June 2019	**2,190**	**9,398**	**11,588**

6. OTHER ASSETS

	30 Jun 19 $'000	31 Dec 18 $'000
Lease incentive asset	**4,845**	5,338
Investment in financial asset	**4,786**	4,576
Other financial asset	**3,102**	3,050
Total other assets	**12,733**	12,964

CAPITAL STRUCTURE

7. EQUITY

	Number	$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2018	1,801,640,882	325,703
Securities issued - Long Term Incentive Plan	2,332,026	92
Securities issued - Deferred Short Term Incentive Plan	875,344	57
Securities issued - Broad Based Employee Security Ownership Plan	42,174	3
Closing securities on issue at 30 June 2018	1,804,890,426	325,855
Opening securities on issue at 1 January 2019	**1,804,890,426**	**325,855**
Securities issued - institutional placement	**131,795,717**	**5,735**
Transaction costs	**-**	**(92)**
Closing securities on issue at 30 June 2019	**1,936,686,143**	**331,498**

8. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	30 Jun 19 Cents	30 Jun 18 Cents
Basic and diluted earnings per share - profit/(loss) from continuing operations	**1.08**	(0.13)
Basic and diluted loss per share - loss from discontinued operations	**-**	(0.35)
Total basic and diluted earnings per share	**1.08**	(0.48)

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2019

(b) The profit/(loss) used in the calculation of the basic and diluted earnings per share are as follows:

	30 Jun 19	30 Jun 18
Profit/(loss) reconciliation - basic and diluted	**$'000**	$'000
Profit/(loss) from continuing operations	**19,618**	(2,415)
Loss from discontinued operations	**-**	(6,315)
Profit attributed to external non-controlling interest	**256**	298
	19,874	(8,432)

(c) WANOS

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

	30 Jun 19 Number of shares '000s	30 Jun 18 Number of shares '000s
WANOS used as denominator in calculating basic earnings per ordinary share	**1,808,500**	1,803,900
Performance security rights (weighted average basis)(1)	**1,758**	2,500
WANOS used as denominator in calculating diluted earnings per ordinary share	**1,810,258**	1,806,400

(1) Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary share where the performance hurdles are met at the end of the half year.

9. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the half year to 30 June 2019 (Jun 2018: nil).

10. BORROWINGS

	30 Jun 19		31 Dec 18	
	Carrying amount(1) $'000	**Fair value(2) $'000**	Carrying amount(1) $'000	Fair value(2) $'000
Current related party borrowings from GPT Trust at amortised cost	**19,224**	**19,224**	-	-
Current borrowings	**19,224**	**19,224**	-	-
Non-current borrowings at amortised cost - secured	**4,761**	**4,795**	12,587	12,636
Non-current related party borrowings from GPT Trust at amortised cost	**120,491**	**120,491**	142,031	142,031
Non-current borrowings	**125,252**	**125,286**	154,618	154,667
Total borrowings	**144,476**	**144,510**	154,618	154,667

(1) Including unamortised establishment costs.
(2) Excluding unamortised establishment costs. For the majority of borrowings, the carrying amount approximates its fair value.

The unsecured borrowings below have been provided by Trust and its subsidiaries and are subject to limited recourse. These have been revalued to nil at 30 June 2019 (Dec 2018: nil) based on an adjusted working capital calculation, in accordance with the loan agreements.

- The amount outstanding on the loan facility to GPT Management Holdings Limited at 30 June 2019 is $332,527,776 (Dec 2018: $332,527,776). This facility expires on 31 December 2030.
- The amount outstanding on the loan facility to GPT International Pty Limited at 30 June 2019 is $59,359,269 (Dec 2018: $59,359,269). This facility expires on 12 June 2032.
- The amount outstanding on the loan facility to Voyages Hotels & Resorts (Loan 1) at 30 June 2019 is $16,347,082 (Dec 2018: $16,347,082). This facility expires on 30 June 2032.
- The amount outstanding on the loan facility to Voyages Hotels & Resorts (Loan 2) at 30 June 2019 is $31,683,609 (Dec 2018: $31,683,609). This facility expires on 3 January 2035.

No interest is payable in connection with the above loans from 3 September 2015. The loans are non-revolving interest free borrowings that are revalued each reporting date in accordance with accounting standards.

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2019

The maturity profile of borrowings is provided below:

	Total facility(1) $'000	Used facility(1) $'000	Unused facility $'000
Due within one year	19,224	19,224	-
Due between one and five years	167,300	76,453	90,847
Due after five years	506,918	488,752	18,166
	693,442	**584,429**	**109,013**
Cash and cash equivalents			**28,236**
Total financing resources available at the end of the half year			**137,249**

(1) Excluding unamortised establishment costs.

OTHER DISCLOSURE ITEMS

11. CASH FLOW INFORMATION

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

	30 Jun 19 $'000	30 Jun 18 $'000
Net profit/(loss) for the half year	**19,874**	(8,432)
Share of after tax loss/(profit) of equity accounted investments (net of distributions)	**49**	(4,559)
Impairment (reversal)/expense	**(11,101)**	11,391
Profit on transfer from foreign cash translation reserve	-	(1,773)
Non-cash employee benefits - security based payments	**7,663**	2,359
Fair value movement of investment in Trust	**15**	(225)
Interest capitalised	**(2,785)**	(2,894)
Amortisation of rental abatement	**162**	207
Depreciation expense	**979**	1,073
Depreciation of right-of-use asset	**2,566**	-
Amortisation expense	**2,362**	2,612
Amortisation of deferred acquisition costs	**327**	326
Finance costs	**3,034**	2,933
Revaluation of financial arrangements	-	20,000
Profit on sale of inventory	**(1,103)**	(1,663)
Payments for inventories	**(7,938)**	(7,921)
Proceeds from inventories	**33,736**	20,870
(Increase)/decrease in operating assets	**(631)**	10,507
Decrease in operating liabilities	**(18,990)**	(24,639)
Other	**1,376**	991
Net cash inflows from operating activities	**29,595**	21,163

12. COMMITMENTS

(a) Capital expenditure commitments

The capital expenditure commitments at 30 June 2019 were $9,984,000 (Dec 2018: $10,019,000).

Commitments arise from the purchase of plant and equipment and intangibles, which have been contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

(b) Share of joint ventures and associates commitments and contingent liabilities

	30 Jun 19 $'000	31 Dec 18 $'000
Capital expenditure commitments	**830**	40
Total joint venture and associates commitments	**830**	40

The capital expenditure commitments in the Consolidated Entity's joint ventures relate to Lendlease GPT (Rouse Hill) Pty Limited.

13. FAIR VALUE DISCLOSURES

Information about how the fair value of financial instruments is calculated and other information required by the accounting standards, including the valuation process and critical assumptions underlying the valuations are disclosed below.

(a) Fair value measurement, valuation techniques and inputs

Class of assets	Fair value hierarchy (1)	Valuation technique	Inputs used to measure fair value	Range of unobservable inputs 30 Jun 19	31 Dec 18
Investment in financial assets	Level 2	Market price	Market price	Not applicable - observable	

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

14. ACCOUNTING POLICIES

(a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Company's constitution, *Corporations Act 2001* and Australian Accounting Standards AASB 134 *Interim Financial Reporting;*
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis in the belief that the Consolidated Entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements;
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2018.

Comparatives in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and notes to the financial statements have been restated to the current year presentation. There was no effect on the profit for the year.

The interim financial report was approved by the Board of Directors on 12 August 2019.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of the adoption of AASB 16 *Leases*.

New and amended accounting standards and interpretations commencing 1 January 2019
The Consolidated Entity has adopted AASB 16 at 1 January 2019. AASB 16 replaces AASB 117 *Leases* and is effective for reporting periods on or after 1 January 2019. The impact on the Consolidated Entity's previously reported financial position at 31 December 2018 as a result of the adoption of AASB 16 and its application is detailed in note 15.

(c) New accounting standards and interpretations issued but not yet adopted

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

15. ADOPTION OF NEW ACCOUNTING STANDARD

AASB 16 Leases
The Consolidated Entity has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening Consolidated Statement of Financial Position on 1 January 2019.

(a) Policies applicable from 1 January 2019
Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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

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

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate.

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

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the half year the financial effect of revising lease terms was an increase in recognised liabilities and right-of-use assets of $23,056,000.

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

The Consolidated Entity's right-of-use assets are all property leases.

(b) Adjustments recognised on adoption of AASB 16
On adoption of AASB 16, the Consolidated Entity recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the Consolidated Entities weighted average incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.7 per cent.

The difference between the operating lease commitments disclosed at 31 December 2018 discounted using the incremental borrowing rate as 1 January 2019 and the balance of the lease liabilities recognised at 1 January 2019 reflects:
- the exclusion of leases committed to but for which the term had not yet commenced;
- the removal of contracts reassessed as service agreements; and
- adjustments as a result of different treatment of extension and termination options.

Right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(c) Practical expedients applied
In applying AASB 16 for the first time, the Consolidated Entity has used the following practical expedients permitted by the standard:
- the use of a single discount rate to the portfolio of property leases where they have reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous; and
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

The Consolidated Entity has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

16. EVENTS SUBSEQUENT TO REPORTING DATE

The Consolidated Entity sold lots 306 and 307 on 4 July 2019, and lot 314 on 11 July 2019 at Macgregor Place, Richlands (Metroplex). The Consolidated Entity's share of the total consideration for these sales were $1,229,000 and $1,750,000 respectively.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2019 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

DIRECTORS' DECLARATION

Half year ended 30 June 2019

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

(a) the consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Consolidated Entity's financial position at 30 June 2019 and of its performance for the half year ended on that date; and

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

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
12 August 2019

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GPT Management Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors' declaration for GPT Management Holdings Limited. The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GPT Management Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

1. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

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S. Horl

Susan Horlin
Partner

Sydney
12 August 2019