The GPT Group

GPT Management Holdings Limited
ABN: 67 113 510 188

Annual Financial Report
31 December 2014

This financial report covers both GPT Management Holdings Limited as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities.

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
Year ended 31 December 2014

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 financial year ended 31 December 2014. The Consolidated Entity forms part of the stapled entity, the GPT Group (GPT or the Group). The Company is stapled to the General Property Trust and the GPT Group financial statements include the results of the stapled entity as a whole.

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

1. OPERATING AND FINANCIAL REVIEW

About GPT
The Consolidated Entity is an active manager of a $9.4 billion diversified portfolio of high quality Australian retail, office and logistics property assets and has a funds management platform with $9.6 billion of property assets under management.

The Group owns, and has created, some of Australia's most iconic real estate assets, including the MLC Centre and Australia Square in Sydney, Melbourne Central and Highpoint Shopping Centre in Melbourne and One One One Eagle Street in Brisbane.

The Consolidated Entity forms part of the Group which has been listed on the Australian Securities Exchange (ASX) since 1971. GPT is today one of Australia's largest diversified listed property groups with a market capitalisation of approximately $7.3 billion. GPT is one of the top 50 listed stocks on the ASX by market capitalisation as at 31 December 2014.

GPT has significant end to end capability within its business across all three sectors, supporting the performance of its $18.1 billion portfolio of assets under management. Core to the business is the capital allocation process of the portfolio. This is enhanced through development and active asset management. The business is optimised through an efficient support team ensuring GPT applies a frugal approach, with disciplined capital management and a fortress balance sheet.

Strategic plan
The Consolidated Entity's strategic plan is part of the Group's strategic plan, as set out below.

GPT Group's strategy is on delivering a disciplined, consistent and transparent approach to investment.

Driven by Total Return
A key performance measure for GPT is Total Return, measured at both GPT level and at an individual asset level. Total Return is calculated as the change in Net Tangible Assets (NTA) per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year. This focus on Total Return is aligned with securityholders' long term investment aspirations. It also reflects the characteristics of property as an asset class. GPT targets to deliver a Total Return of greater than 9.0% over the long term.

This measure now also drives the incentive payment structure for staff, providing simplicity, alignment and transparency. From 2014 onwards, short term incentives are discretionary and the amount is based on achieving Total Return targets. For 2014, GPT achieved a Total Return of 9.6%.

Increasing Active Earnings
GPT has a focus on increasing the proportion of its earnings that it derives from "active" property-related business areas. These are Funds Management, Logistics and Major Project Development, and Asset Management. GPT is targeting a contribution of 10% of its earnings to come from these various lines of business.

GPT is well positioned to execute on this strategy given its success to date in funds management, with $9.6 billion of funds currently under management, recording 34.6% growth since 31 December 2013.

During the year, GPT launched the $375.9 million GPT Metro Office Fund, which has a portfolio of six A Grade metropolitan and business park office properties located across Sydney, Melbourne and Brisbane. GPT's two wholesale funds have acquired $1.5 billion in assets and raised $872.0 million of equity capital in the 2014 financial year.

$1.5 bn Asset acquisitions	34.6% Growth in FUM	11.8% Total Return to GPT from funds management business

In Logistics Development GPT has completed a number of significant developments, which have delivered high quality investment assets to the GPT portfolio and generated NTA uplift of $46.7 million in 2014.

These achievements position GPT to take advantage of the large and growing demand for real estate assets and investment products in Australia from both domestic and offshore capital sources.

Maintaining a Frugal Approach and Fortress Balance Sheet
GPT targets a Management Expense Ratio (MER) of less than 45 basis points. MER is calculated as management expenses as a percentage of assets under management. In 2014, GPT achieved an MER of 39 basis points, making it one of the most efficient AREITs in the sector.

GPT focusses on maintaining a strong balance sheet. GPT has moderate gearing and significant investment capacity giving it the flexibility to execute on investment and business opportunities as they arise.

4.8% Weighted average cost of debt	26.3% Net Gearing	5.8 years Weighted average term to maturity

DIRECTORS' REPORT
For the year ended 31 December 2014

Review of operations
The Consolidated Entity's financial performance for the year ended 31 December 2014 is summarised below.

The net profit after tax for the year ended 31 December 2014 is $36.2 million (2013: $5.0 million loss).

	31 Dec 14 $'000	31 Dec 13 $'000	Change %
Fund management fees	61,246	58,481	5%
Property management fees	36,833	34,076	8%
Development management fees and revenue	40,460	15,379	163%
Management costs recharged	32,541	26,148	24%
Other income	51,096	14,600	250%
Expenses	(185,193)	(144,222)	28%
Profit from continuing operations before income tax expense	36,983	4,462	729%
Income tax benefit / (expense)	7,144	(4,682)	(253%)
Profit / (loss) after income tax expense for continuing operations	44,127	(220)	(20,158%)
Loss from discontinued operations	(7,916)	(4,749)	67%
Net profit / (loss) for the year	36,211	(4,969)	(829%)

Consolidated Entity result
The increase in profit after tax compared with 2013 is largely as a result of an increase in the revaluation of financial liabilities, development revenue earned on the 3 Murray Rose development, increased fund management fees, development management fees and property management fees due to the internalisation of seven assets during the year. Offset with increased expenses with the development of 3 Murray Rose and management of the newly internalised assets.

Funds Management
The responsible entity fees earned from GPT have decreased in 2014 due to efficiencies and cost savings in the Consolidated Entity, resulting in lower fees charged to GPT.

GPT Wholesale Office Fund's (GWOF) assets under management continue to grow strongly, up $1.2 billion in 2014. The management fee earned on GWOF increased by $2.9 million in 2014 due to the acquisition of four assets in Melbourne and strong upward revaluations across the portfolio.

GPT Wholesale Shopping Centre Fund's (GWSCF) assets under management grew by $858.7 million in 2014. The management fee earned on GWSCF increased by $1.1 million in 2014 due to a higher asset base as a result of acquisitions and strong upward revaluations.

GMF was successfully listed on the Australian Securities Exchange on 24 October 2014.

Asset management
GPT internalised the property management function of seven assets held by GWOF and GPT during the year (CBW, 150 Collins Street, 655 Collins Street, 750 Collins Street, 8 Exhibition Street, Hawthorn and Green Square). This takes the number of internalised office assets to 17. The internalisation further reinforces GPT's core business strategy to own and actively manage quality Australian property assets, as well as delivering great customer experiences and performance outcomes.

As a result, property management fees have increased to $36.8 million (2013: $34.1 million).

Development
Retail & major projects:
The Development – retail & major project team delivered $427.0 million of completed developments during the year, being 150 Collins Street in Melbourne, Wollongong Central West Keira and Student Accommodation at Casuarina Square.

The team has identified additional forward pipeline opportunities of $0.7 billion, growing the pipeline to $2.7 billion forecast over the next seven years.

Logistics:
The total development projects undertaken by the division in 2014 comprised eight logistics projects and one business park development with a total end value of $480.0 million of which $372.0 million will be retained as investment assets by the group. One asset valued at $78 million at completion, was acquired by the recently listed GMF. A further two projects with an end value of $30.0 million were sold to external parties.

Total development management fees and revenue:
The development management fees and revenue have increased to $40.5 million due to the 3 Murray Rose development revenue earned in 2014, more assets being developed in 2014 and an increase in the Consolidated Entity's share of profits from developments in joint venture entities.

Management costs recharged
Management costs recharged have increased by $6.4 million in 2014 due to higher expenses, and hence higher recharges, associated with the expansion of property management across the newly internalised assets.

Other income
Other income has increased by $36.5 million in 2014 due to the revaluation of financial arrangements required under accounting standards. This is due to an increase in loans in 2014.

Expenses
The Consolidated Entity continues to focus on operational efficiency. Expenses increased by 28.4% to $185.2 million (2013: $144.2 million). The primary drivers for the increase are the development costs associated with the 3 Murray Rose development and expenses associated with the expansion of property management across the newly internalised assets.

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Non - core operations

On 8 April 2014, the Consolidated Entity completed the divestment of B&B GPT Alliance I LLC for nil consideration, resulting in a loss on sale of $1.8 million.

Financial position

	31 Dec 14 $'000	31 Dec 13 $'000	Change %
Total Current Assets	90,613	42,124	115%
Total Non-Current Assets	156,126	108,067	44%
Total Assets	246,739	150,191	64%
Current Liabilities	79,887	58,275	37%
Non-Current Liabilities	46,088	12,268	276%
Total Liabilities	125,975	70,543	79%
Net Assets	120,764	79,648	52%

Total assets increased by 64.3% to $246.7 million (2013: $150.2 million) primarily due to the acquisition of Metroplex, an increase in receivables and cash.

Total liabilities increased by 78.6% to $126.0 million (2013: $70.5 million) due to increased borrowings to fund Metroplex as well as increased payables.

Capital management

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

The Consolidated Entity has non-current, related party borrowings from GPT Trust and its subsidiaries. Under Australian Accounting Standards, the loans entered into prior to 2014 have been revalued to nil (2013: nil) based on a forecast cash flow for amounts payable.

Cash flows

The cash balance as at December 2014 increased to $50.4million (2013: $22.1 million).

Operating activities:

Cash flows from operating activities have decreased in 2014 due to payments for inventory.

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

	31 Dec 14 $'000	31 Dec 13 $'000	Change %
Net profit / (loss) for the year	36,211	(4,969)	(829%)
Add back: non-cash expenses included in net profit	46,923	38,437	22%
Less: non-cash revenue items	(47,262)	(15,754)	200%
Timing difference	(43,837)	(1,757)	2,395%
Cash flow from operating activities	(7,965)	15,957	(150%)

Investing activities:

There has been lower cash outflow from investing activities in 2014 due to lower payments for property, plant and equipment and intangible assets.

Financing activities:

There has been higher cash inflow from financing activities in 2014 due to higher loan proceeds.

Equity – on market buy back

During the year, GPT bought back 11.4 million securities at an average price of $3.597 per security for a total cost of $41.0 million of which the Company's share is $0.3 million, GPT announced the extension of the on market buy back for an additional 12 months until May 2015.

Dividends

The Directors have not declared any dividends for the year ended 31 December 2014 (2013: nil).

Prospects

The Consolidated Entity's prospects are incorporated with those of the Group. The Group prospects relevant to the Consolidated Entity are set out below.

(i) Group

GPT will be focused on ensuring it maintains a disciplined, consistent and transparent approach to the management of it business activities. This approach includes:

- A disciplined approach to capital allocation, utilising its strategic business intelligence capability to inform decision making
- Increasing the proportion of its earnings that it derives from "active" property-related business areas, including Funds Management, Logistics and Major Project Development, and Asset Management
- Adopting a customer centric approach in providing property solutions to customers
- Targeting a Total Return of greater than 9.0% over the long-term
- Targeting a Management Expense Ratio of less than 40 basis points

(ii) Funds management

GPT's longer term target is to increase active earnings to 10% of FFO, predominantly from Funds Management. This growth will come from a combination of growing existing funds and launching new products. The existing funds management team will continue to actively manage their existing portfolios, with new acquisitions based on meeting the relevant investment objectives of the respective funds.

(iii) Guidance for 2015

In 2015, GPT is targeting to deliver a Total return of at least 9.0% and a 5.0% increase in FFO per ordinary security which is based on a like for like portfolio of assets. Achieving these targets are subject to risks detailed in the section following.

Risks

The Consolidated Entity has an active enterprise-wide risk framework. Within this framework the Board has adopted a policy setting out the principles, objectives and approach established to maintain the Consolidated Entity's commitment to integrated risk management. The Consolidated Entity recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk. The Consolidated Entity's risk management approach incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing adverse effects. This approach is consistent with AS/NZS ISO 31000:2009: Risk Management.

The key components of this approach include:

- The GPT Management Holdings Limited Board, leadership team, employees and contractors all understand their risk management accountabilities, promote the risk management culture and apply the risk processes to achieve the organisation's objectives.
- Specialist risk management expertise is developed and maintained internally and provides coaching, guidance and advice.
- Risks are identified and assessed in a timely and consistent manner.
- Controls are effectively designed, embedded and assessed.
- Material risks and critical controls are monitored and reported to provide transparency and assurance that the risk profile is aligned with the Consolidated Entity's risk appetite, strategy and values.

The Consolidated Entity's risk management policy applies to all directors and employees of the Consolidated Entity and, to the maximum extent possible, to the agents and contractors that act on for or on behalf of the Consolidated Entity. Further details of roles and responsibilities in relation to risk management are set out below:

- The GPT Management Holdings Limited Board is ultimately accountable for corporate governance and the appropriate management of risk across GPT. The Board sets the risk appetite and oversees the Consolidated Entity's risk profile to ensure activities are consistent with the strategy and values of the organisation.
- The Audit and Risk Management Committee (the Committee) supports the Board. The Committee is responsible for overseeing and reviewing the effectiveness of the Consolidated Entity's risk management framework. The Committee, and through it the Board, receive reports on the Consolidated Entity's risk management practises, control systems and the effectiveness of the Consolidated Entity's management of its material business risks.
- The Leadership team supports the framework and culture of risk management at the Consolidated Entity and each member is accountable for developing and promoting this within their business area. The Leadership team is responsible for appropriately managing key risks and for the ongoing maintenance of the control environment.
- The Chief Risk Officer is responsible for designing, implementing and reporting on the risk management framework to the Board, Audit and Risk Management Committee and the Leadership team.
- Employees are responsible for ensuring they comply with all legislative, regulatory and GPT Management Holdings Limited policy requirements including reporting any identified risks to the appropriate management in a timely manner.

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The table below shows the key inherent risks faced by the Consolidated Entity and the strategies which the Consolidated Entity uses to manage them:

Level	Risk Description	Strategic Impact	Mitigation
Operational performance	Investments do not perform in line with forecast	• Management fees are lower than target	• Formal deal management process • Active asset management including regular forecasting and monitoring of performance • High quality property portfolio • Development program to enhance asset returns • Comprehensive asset insurance program
	Expenses are not controlled and kept in line with forecast	• Expenses are higher than target	• Regular forecasting and monitoring of expenses
Targeting growth in active earnings of 10%	Insufficient quality product or detrimental market conditions negatively impact the ability to grow existing funds and create new products in line with strategy	• Unable to achieve 10% in active earnings • Management fees are lower than target	• Strategy communicates multiple pathways to successful growth in FUM
Capital management	Availability of cost of funding	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • Failure to continue as a going concern	• Access to external and related party funding
	Interest rate risk – higher interest rate cost than forecast	• Detrimental impact to asset and portfolio performance • Adversely affect GPT's operating results	• Interest rate exposures are actively hedged by the GPT Group
Health and safety	Risk of incidents, causing injury to employees and contractors	• Criminal/civic proceedings and resultant reputation damage • Financial impact of remediation and restoration	• Formalised Health and Safety management system including policies and procedures for managing safety • Training and education of staff and contractors
People	Inability to attract, retain and develop talented people	• Limits the ability to deliver the business objectives	• Competitive remuneration • Structured development planning • Succession planning and talent management

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

The NGER Act requires GPT to report its annual greenhouse gas emissions and energy use. The measurement period for GPT is 1 July 2013 to 30 June 2014. GPT has implemented systems and processes for the collection and calculation of the data required which enabled submission of its report to the Department of Climate Change and Energy Efficiency within the legislative deadline of 31 October 2014.

On 11 September 2014, the Energy Efficiency Opportunities (Repeal) Bill 2014 received Royal Assent. The repeal has a retrospective commencement clause and is effective from 29 June 2014. Accordingly, all obligations and activities under the EEO Program have ceased.

More information about the GPT's participation in the NGER program is available at www.gpt.com.au.

3. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2015, GPT announced to the market that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325 million fully underwritten institutional placement (placement) and a non-underwritten security purchase plan for a maximum of $50 million. The placement was completed on 22 January 2015 at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015. 76.8 million securities were issued under the placement on 29 January 2015.

Other than the above, the Directors are not aware of any matter or circumstance occurring since 31 December 2014 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' REPORT
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4. DIRECTORS AND SECRETARY

Information on directors

Rob Ferguson – Chairman
Rob joined the Board on 25 May 2009 and is also a member of the Nomination and Remuneration Committee. He brings a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Rob currently holds Non-Executive directorships in the following listed entities:
- Primary Health Care Limited (since 2009) – Chairman
- Watermark Market Neutral Fund Limited (since 2013)

He was also a Non-Executive Chairman of IMF Bentham Limited from 2004 to 5 January 2015.

As at the date of this report, he holds 204,082 GPT stapled securities.

Michael Cameron – Chief Executive Officer and Managing Director
Michael joined The GPT Group as Chief Executive Officer and Managing Director on 1 May 2009. He has over 30 years' experience in Finance and Business, including Group CFO at Commonwealth Bank of Australia and then St George Bank. Before that, he worked 10 years with Lend Lease and MLC Limited before moving to the US in 1994 with The Yarmouth Group, Lend Lease's US property business.

Since 2012, Michael has held the position of Non-Executive Director in listed entity, Suncorp Group Limited.

As at the date of this report he holds 1,267,229 GPT stapled securities and 2,221,718 performance rights.

Brendan Crotty
Brendan was appointed to the Board on 22 December 2009 and is also a member of the Audit and Risk Management Committee and the Sustainability Committee. He brings extensive property industry experience to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Brendan is currently a director of Brickworks Limited (since 2008) as well as being the Chairman of Western Sydney Parklands Trust. Brendan is also a member of the Investment Committee of CIMB Trust Cap Advisors.

As at the date of this report, he holds 60,000 GPT stapled securities.

Eileen Doyle
Eileen was appointed to the Board on 1 March 2010. She is also the Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee. She has diverse and substantial business experience having held senior executive roles and directorships in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export.

Eileen currently holds directorships in the following listed and other entities:
- Boral Limited (since 2010)
- Bradken Limited (since 2011)
- CSIRO (Deputy Chairman)

As at the date of this report, she holds 31,450 GPT stapled securities.

Eric Goodwin
Eric was appointed to the Board in November 2005 and is also a member of the Audit and Risk Management Committee and the Sustainability Committee. Eric has extensive experience in design, construction, project management, general management and funds management. He was the founding Fund Manager of the Australian Prime Property Fund and his experience includes fund management of the MLC Property Portfolio.

Since 2004, Eric has held the position of Non-Executive Director of listed entity Duet Group.

As at the date of this report, he holds 31,255 GPT stapled securities.

Anne McDonald
Anne was appointed to the Board on 2 August 2006 and is also the Chair of the Audit and Risk Management Committee. She is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Anne currently holds the position of Non-Executive Director in the following listed and other entities:
- Specialty Fashion Group Limited (since 2007)
- Spark Infrastructure Group (since 2009)
- Sydney Water Corporation

As at the date of this report, she holds 21,000 GPT stapled securities and 10,000 units in GPT Metro Office Fund.

Gene Tilbrook
Gene was appointed to the Board on 11 May 2010 and is also a Chair of the Nomination and Remuneration Committee. He brings extensive experience in finance, corporate strategy, investments and capital management.

Gene currently holds the position of Non-Executive Director in the following listed entities:
- Fletcher Building Limited (since 2009)
- Aurizon Holdings Limited (since 2010)
- Orica Limited (since 2013)
- Woodside Petroleum Limited (since 2014)

He was also a Director of listed entity Transpacific Industries Group Limited from 2009 to 2013.

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As at the date of this report, he holds 45,000 GPT stapled securities and 20,000 units in GPT Metro Office Fund.

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

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

	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chair	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	13	13	-	-	7	7	-	-
Michael Cameron	13	13	-	-	-	-	-	-
Brendan Crotty	13	13	5	5	-	-	4	4
Eileen Doyle	13	13	-	-	7	7	4	4
Eric Goodwin	13	13	5	5	-	-	4	4
Anne McDonald	13	13	5	5	-	-	-	-
Gene Tilbrook	13	13	-	-	7	7	-	-

5. OTHER DISCLOSURES

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

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

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

Non-audit services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 21 to the financial statements.

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

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

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18 and forms part of the Directors' Report.

Rounding of amounts
The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

6. REMUNERATION REPORT
The Nomination & Remuneration Committee (the Committee) of the Board presents the Remuneration Report (Report) for the GPT Group. This Report has been audited in accordance with section 308(3C) of the *Corporations Act 2011.*

The Board aims to communicate the remuneration outcomes with full transparency, demonstrate that the GPT Group's remuneration platform is both market competitive and fair to all stakeholders, and has performance measures aligned to the achievement of GPT's strategic objectives.

The report also covers the principles of remuneration for all GPT Group employees.

DIRECTORS' REPORT
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Governance

Who are the members of the Committee?	The Committee consists of 3 Non-Executive Directors: • Gene Tilbrook (Committee Chairman) • Eileen Doyle • Rob Ferguson
What is the scope of work of the Committee?	The Committee provides advice and recommendations to the Board on: • Criteria for selection of Directors; • Nominations for appointment of Directors (either between Annual General Meetings (AGM) or to stand for election); • Criteria for reviewing the performance of Directors both individually and the GPT Board collectively; • Remuneration policies for Directors and Committee members; • Remuneration amounts for Directors from within the overall Directors fee cap approved by security holders; • Remuneration policy for the CEO and employees; • Incentive plans for the CEO and employees, including exercising discretion where appropriate in determining Short term incentive compensation (STIC) and Long term incentive compensation (LTI) outcomes; and • Any other related matters regarding executives or the Board[1].
Who is included in the Remuneration Report?	GPT's KMP are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, the CEO and other key Executives). Since the prior year, the number of KMP has reduced.

Committee key decisions and outcomes in 2014

Platform component	Key decisions and outcomes
Base pay (fixed)	• Implemented a review of employee base pay, effective 1 January 2014, averaging 2.24%. • Absorbed the increase in compulsory superannuation guarantee contributions from 9.25 to 9.50% effective 1 July 2014 within employee base pay (fixed) packages. • Reviewed Non-Executive Director fees, introducing a Project Control Group (PCG) Chair fee.
Short term incentive compensation	• Adopted Total Return as the primary measure of Group financial performance with a target of 9%. • Delivered a 9.6% Total Return which created a STIC pool of $13.49 million. • Introduced a mandatory deferral of 50% of STIC for senior executives into future vesting equity in two equal tranches, tranche one to vest one year after the end of the performance period, and the second tranche to vest two years after the end of the performance period. • Aligned senior executive remuneration with investor interests by granting performance rights for the deferred equity component of STIC at the commencement of the performance period, therefore ensuring that employee value received in STIC moves with the GPT security price. • Following a review of the STIC platform by the Committee, removed approximately 80% of employees from STIC participation by way of an adjustment to base pay (fixed) of 60% of their target STIC potential (a total increment to base pay of $4.2 million). • Reduced the quantum of STIC funding available at all benchmarks to drive performance outcomes.
Long term incentive compensation	• Concluded the 2012-2014 LTI with a vesting outcome of 56.67% of performance rights as a result of exceeding the Group stretch target in FFO per security growth, exceeding the threshold performance required in the Total Return performance measure, and not achieving a threshold result in the Relative Total Shareholder Return (Relative TSR)[2] measure. • Launched the 2014-2016 LTI with two performance measures, Total Return and Relative TSR. • Reduced the quantum of performance rights in the 2014-2016 LTI that would vest at threshold performance in the Total Return performance measure from 50% to 25%.
Other employee ownership plans	• Continued the General Employee Security Ownership Plan (GESOP) for STIC eligible employees not in the LTI. • Introduced a Broad Based Employee Security Ownership Plan (BBESOP) for those ineligible for GESOP as a result of being ineligible for STIC. Under BBESOP, eligible employees received $1,000 worth of GPT securities that cannot be transferred or sold until the earlier of 3 years from the allocation date or cessation of employment.
Policy & governance	• Introduced a clawback policy to ensure that executive rewards can be adjusted in the event there are material misstatements or omissions in financial results that lead to unfair benefits. • Introduced a minimum security holding requirement (MSHR) which must be achieved by April 2017 for the CEO (150% of Base), leadership team (100% of Base) and Board (100% of Base fees) to increase alignment with investors. • Obtained external advice on market compensation benchmarks and practice, prevailing regulatory and governance standards, and drafting of incentive plan documentation from Ernst & Young and Conari Partners.
Diversity	• Increased the percentage of females in senior leadership roles from 27% to 34% towards the 2015 target of 40%. • Increased the participation of Indigenous employees from 1.2% to 1.8% towards the 2015 target of 2.5%.

[1] Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).
[2] TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested.

GPT's purpose & goals and the link to remuneration structures

GPT's purpose & goals (measured over 1,3 and 5 years)			
Property to Prosperity - We maximise the financial potential of Australian property with solutions that fulfil the aspirations of our investors, tenants and communities	**Total Return > 9%**	**Generate leading Relative Total Securityholder Return**	**Average FFO Growth > CPI plus 1%**

Total remuneration components			
Base pay (fixed) • Base level of reward • Set around Australian market median using external benchmark data (including AON Hewitt and FIRG) • Varies based on employee's responsibilities, experience, skills and performance • External & internal relativities considered.	**STIC (variable)** • Discretionary, at risk, and with aggregate STIC funding aligned to overall Group financial outcomes. • Set around market median for target performance with potential to approach top quartile for stretch outcomes. • Determined by GPT and individual performance against a mix of balanced scorecard measures which include financial & non-financial measures. • Financial measures include Total Return and FFO per security, portfolio and/or property level metrics. • Non-financial objectives focus on execution of strategy, delivery of key projects and developments, culture change, sustainability, innovation, people management and development, and process optimisation, as applicable. • Delivered in cash, or (for senior executives), a combination of cash and deferred vesting equity for 1 and 2 years.	**LTI (variable)** • Discretionary, at risk, and aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for Stretch outcomes. • Determined by GPT performance against Total Return and Relative TSR financial performance. • Relative TSR is measured against relevant comparators from the AREIT sector. • Assessed over a 3 year performance period, no re-testing. • No value derived unless GPT meets or exceeds defined performance measures. • Delivered in GPT securities to align executive and security holder interests.	**Other employee ownership plans (variable)** **GESOP** • For STIC eligible individuals who are ineligible for LTI. • Equal to 10% of STIC delivered in GPT securities, which must be held for at least 1 year. **BBESOP** • For individuals ineligible for STIC or LTI. • GPT must achieve at least Target outcome on the annual Total Return of 9%. • A grant of $1,000 worth of GPT securities which must be held until the earlier of 3 years or end of employment.

Attract, retain, motivate and reward high calibre executives to deliver superior performance by: • Providing competitive rewards • Opportunity to achieve incentives beyond base pay based on high performance	**Align executive rewards to GPT's performance and security holder interests by:** • Assessing incentives against multiple financial and non-financial business measures that are aligned with GPT strategy, with an equity component • Putting significant components of total remuneration at risk

Employment Terms

1. Employment terms – Chief Executive Officer and Managing Director

Term	Conditions
Contract duration	A rolling 12-month contract.
Termination entitlements	Termination entitlements vary depending on the circumstances, however any severance payment is capped at 12 months of base pay (fixed).
Remuneration package	In 2014, Michael Cameron's remuneration mix and potential incentives remained unchanged from the 2013 level as: • Fixed pay: $1,500,000. • STIC: $0 to $1,875,000 (ie 0% to 125% of base pay) based on performance and paid in a mix of cash and deferred GPT securities vesting in two equal tranches 1 year and 2 years after the conclusion of the performance year. • LTI: $0 to $2,250,000 (ie 0% to 150% of base pay) based on performance and continued service and delivered in restricted GPT securities.
Benchmark group for setting/reviewing remuneration	The Committee benchmarks the remuneration of the CEO annually against: • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
External Directorships	Under GPT policy Michael Cameron is eligible to take up one external Directorship. In 2012 he joined the Suncorp Group Board. All Board fees received by Michael Cameron associated with this appointment are paid to GPT.

2. Employment terms – Executive KMP

Term	Conditions
Contract duration	Open ended.
Termination by Executive	3 months' notice. GPT may elect to make a payment in lieu of notice.
Remuneration Package	(see table below)
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months' notice. Severance payments may be made subject to GPT policy and capped at the three year average of the executive's annual base (fixed) pay. Treatment of unvested STIC and LTI will be at Committee discretion under the terms of the relevant plans and GPT policy.
Termination payments	The maximum severance payment component is capped to the three year average of the executive's annual base (fixed) pay. In addition the executive may be entitled to pro-rata STIC and LTI at the end of the relevant period(s) subject to the achievement of any key performance indicators that had been set. The executive would also receive any accrued but untaken statutory entitlements.
Post-employment restraints	Non-solicitation of GPT employees for 12 months post-employment.

Remuneration Package:

	Mark Fookes	Nicholas Harris	Carmel Hourigan
Fixed pay	$775,000	$725,000	$750,000
STIC	$0 to $775,000	$0 to $725,000	$0 to $750,000
LTI	$0 to $775,000	$0 to $725,000	$0 to $750,000

3. Compensation mix

	Fixed remuneration	Variable or "at risk" remuneration	
Senior Executives	**Base pay**	**STI**	**LTI**
Michael Cameron Chief Executive Officer and Managing Director	36%	36%	28%
Mark Fookes Chief Financial Officer	43%	35%	22%
Nicholas Harris Head of Funds Management	43%	35%	22%
Carmel Hourigan Chief Investment Officer	43%	35%	22%

The percentage of each component of total remuneration is calculated with reference to "target" performance outcomes in both STI and LTI rather than maximum "stretch" level outcomes – for more information on performance measurement levels see the following sections on STIC and LTI.

Group financial performance & incentive outcomes

1. Five year Group financial performance

		2014	2013	2012	2011	2010
FFO / ROI until 2013[3]	$M	**452.1**	471.8	456.4	438.8	410.0
Total Shareholder Return (TSR)	%	**34.5**	4.1	26.9	10.5	2.9
FFO / ROI per security	cents	**26.8**	25.7	24.2	22.4	20.7
FFO / ROI per security growth	%	**4.1**	6.1	8.0	8.1	(13.0)
Distributions per security (DPS)	cents	**21.2**	20.4	19.3	17.8	16.3
Total Return	%	**9.6**	8.5	9.5	4.9	9.1
NTA (per security)	$	**3.94**	3.79	3.73	3.59	3.60
Security price at end of calendar year	$	**4.35**	3.40	3.68	3.07	2.94
Weighted average number of ordinary securities		**1,686.3**	1,738.0	1,780.6	1,845.2	1,855.5

2. Group performance driving the 2014 STIC result

Performance range	Total Return	STIC pool funding at each performance benchmark	2014 Total Return outcome	2014 STIC pool
Threshold	8.0%	$1.14 million	**9.6%**	**$13.49 million**
	8.5%	$5.44 million		
Target	9.0%	$9.90 million		
	9.5%	$12.90 million		
Stretch	10.0%	$15.85 million		

3. 2014 STIC outcomes by Executive KMP[4]

Senior Executive	Position	Actual STIC awarded ($)	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component ($)	Equity component (# of GPT securities)[5]
Michael Cameron	Chief Executive Officer & Managing Director	$1,200,000	64%	36%	$600,000	168,067
Mark Fookes	Chief Financial Officer	$590,000	76%	24%	$295,000	82,633
Nicholas Harris	Head of Funds Management	$560,000	77%	23%	$280,000	78,431
Carmel Hourigan	Chief Investment Officer	$560,000	75%	25%	$280,000	78,431

4. Group Performance driving the 2012-2014 LTI Result

LTI	LTI performance measurement period	Performance measure	Performance measure hurdle	Weighting	Results	Percentage of performance rights vesting for each performance measure (%)
2012	2012-2014	Relative TSR versus the top 80% of the ASX 200 Property Index.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	1/3rd	61.5%, 6th against comparator group	0%
		Funds from Operations (FFO) per security growth versus the CPI.	50% of rights vest if FFO growth = CPI plus 1%, up to 100% if FFO growth = CPI plus 1.5% percentile (pro rata vesting in between).	1/3rd	14.6%	100%
		Total Return	50% of rights vest at 9% Total Return, up to 100% at 9.5% Total Return (pro-rata vesting in between).	1/3rd	9.2%[6]	70%
2013	2013-2015	Relative TSR versus comparator group.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	50%	N/A	N/A
		Total Return	50% of rights vest at 9% TR, up to 100% at 9.5% Total Return (pro-rata vesting in between).	50%		
2014	2014-2016	Relative TSR versus comparator group.	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between)	50%	N/A	N/A
		Total Return	25% of rights vest at 9% TR, up to 100% at 9.75% Total Return (pro-rata vesting in between).	50%		

[3] FFO is lower than ROI due to $25 million distribution to exchangeable securities that was previously not measured in ROI.
[4] Excluding the impact of movements in the GPT security price on deferred STIC value received.
[5] The deferred GPT securities that have been allocated will vest subject to service in two equal tranches on 31 December 2015 and 31 December 2016.
[6] This is the three year compound Total Return result.

DIRECTORS' REPORT
For the year ended 31 December 2014

5. 2012-2014 LTI outcomes by Executive KMP

Senior Executive	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Michael Cameron	Chief Executive Officer and Managing Director	693,537	393,004	300,533
Mark Fookes	Chief Financial Officer	247,122	140,036	107,086
Nicholas Harris	Head of Funds Management	231,179	131,002	100,177
Carmel Hourigan	Chief Investment Officer	160,073	90,709	69,364

6. LTI outcomes – fair value and maximum value recognised in future years

Senior Executive	LTI scheme	Grant date	Fair value per performance right	Performance rights granted as at 31 Dec 14	Vesting date	Maximum value to be recognised in future years
Michael Cameron						
Chief Executive Officer and Managing Director	**2014**	**26 May 14**	**$2.09**	**630,252**	**31 Dec 16**	**$1,016,782**
	2013	3 May 13	$2.14	635,324	31 Dec 15	$510,547
Mark Fookes	**2014**	**26 May 14**	**$2.09**	**217,087**	**31 Dec 16**	**$350,225**
Chief Financial Officer	2013	3 May 13	$2.14	218,834	31 Dec 15	$175,855
Nicholas Harris	**2014**	**26 May 14**	**$2.09**	**203,081**	**31 Dec 16**	**$327,629**
Head of Funds Management	2013	3 May 13	$2.14	204,716	31 Dec 15	$164,510
Carmel Hourigan	**2014**	**26 May 14**	**$2.09**	**210,084**	**31 Dec 16**	**$338,927**
Chief Investment Officer	2013	3 May 13	$2.14	197,656	31 Dec 15	$158,837

Reported remuneration – Executive KMP - cash[7]

		Fixed pay		Variable or "at risk"[8]			
Senior Executive		Base pay	Superannuation guarantee	Other[9]	STIC	LTI	Total
Michael Cameron Chief Executive Officer and Managing Director	**2014**	$1,481,721	$18,279	$9,514	$1,290,402	$1,614,421	**$4,414,337**
Mark Fookes Chief Financial Officer	**2014**	$756,720	$18,279	$7,583	$634,448	$575,254	**$1,992,284**
Nicholas Harris Head of Funds Management	**2014**	$706,720	$18,279	$153,901	$602,187	$538,143	**$2,019,230**
Carmel Hourigan Chief Investment Officer	**2014**	$733,357	$18,279	$6,206	$602,187	$372,624	**$1,732,653**

[7] This table discloses the cash and other benefits received by GPT's executive KMP, as distinct from the accounting expense. As a result, it does not align to Australian accounting standards.
[8] For the purpose of recording a value for the STIC & LTI, the equity component of each has been calculated by multiplying the value of the performance rights awarded by GPT's fourth quarter 2014 volume weighted average security price (VWAP) of $4.1079.
[9] Other may include post balance date 2013 STIC adjustments (Nicholas Harris), death & total/permanent disability insurance premiums, service awards, superannuation plan administration fees, executive health assessments and other benefits.

DIRECTORS' REPORT

For the year ended 31 December 2014

Reported remuneration – Executive KMP – IFRS Accounting[10]

Senior Executive		Fixed pay: Base pay	Fixed pay: Superannuation guarantee	Variable or "at risk": Other[11]	Variable or "at risk": STIC (cash plus accrual)[12]	Variable or "at risk": LTI award accrual[13]	Variable or "at risk": Grant or vesting of non STI or LTI performance rights[14]	Total
Michael Cameron								
Chief Executive Officer and	**2014**	**$1,580,276**	**$18,279**	**$9,514**	**$855,274**	**$1,308,764**	**-**	**$3,772,107**
Managing Director	2013	$1,598,666	$17,122	$9,979	$1,000,000	$1,706,791	-	$4,332,558
Mark Fookes	**2014**	**$771,813**	**$18,279**	**$7,583**	**$420,510**	**$456,709**	**-**	**$1,674,894**
Chief Financial Officer	2013	$770,007	$17,122	$20,312	$430,000	$620,599	-	$1,858,040
Nicholas Harris	**2014**	**$704,657**	**$18,279**	**$153,901**	**$399,127**	**$427,244**	**-**	**$1,703,208**
Head of Funds Management	2013	$743,850	$17,122	$3,658	$250,000	$547,244	-	$1,561,874
Carmel Hourigan	**2014**	**$746,088**	**$18,279**	**$6,206**	**$399,127**	**$398,671**	**$53,687**	**$1,622,058**
Chief Investment Officer	2013	$715,140	$17,122	$1,719	$480,000	$306,247	$249,968	$1,770,196
Total	**2014**	**$3,802,834**	**$73,116**	**$177,204**	**$2,074,038**	**$2,591,388**	**$53,687**	**$8,772,267**
	2013	$3,827,663	$68,488	$35,668	$2,160,000	$3,180,881	$249,968	$9,522,668

Security ownership and performance rights entitlements of GPT's Executive KMP

Senior Executive	Current GPT security ownership at 31/12/14: Previously vested GPT security holding (# of securities)	GPT securities allocated or vesting in 2014[15] (# of securities)	Private holdings: Balance (31/12/13)	Private holdings: Purchase/ (Sale)	Private holdings: Balance (31/12/14)	MSHR[16] (Y/N)	Performance rights: Performance rights that lapsed in 2014[17] (# of rights)	Performance rights: Performance rights still on foot at 31/12/14[18] (# of rights)
Michael Cameron Chief Executive Officer and Managing Director	1,146,656	681,644	-	-	-	Yes	395,071	1,265,576
Mark Fookes Chief Financial Officer	291,078	222,669	80,000	(80,000)	-	Yes	132,996	435,921
Nicholas Harris Head of Funds Management	235,341	209,433	1,035,000	25,771	1,060,771	Yes	123,287	407,797
Carmel Hourigan Chief Investment Officer	77,808	246,949	-	-	-	No	95,975	407,740

[10] This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
[11] Other may include post balance date 2013 STIC adjustments (Nicholas Harris), death & total/permanent disability insurance premiums, service awards, superannuation plan administration fees, executive health assessments and other benefits.
[12] This column includes the cash value of the STIC award and an accounting valuation of the deferred equity component.
[13] This column records the amount of the fair value of performance rights under the various LTI plans expensed in the relevant financial years, and does not represent actual LTI awards made to executives.
[14] Grant or vesting of one off non STI or LTI performance rights includes a sign on package for Carmel Hourigan of granted performance rights, initially valued at $500,000, of which half vested 1 September 2013 and half vested 1 September 2014, into GPT securities for nil consideration.
[15] This number may include 2012-2014 LTI that has vested, and 2014 STIC deferred equity that was allocated, and is subject to further service conditions prior to vesting. In the case of Carmel Hourigan specifically, the number also includes the second tranche of her sign on performance rights, 77,809 of which vested on 1 September 2014.
[16] This shows whether the MSHR has been met at a GPT security price of $4.1079.
[17] The number of performance rights that were awarded to a participant in the 2012 LTI that did not vest at the end of the 2012-2014 performance period, and as a result, lapsed. It also includes performance rights granted under the 2014 STIC that also lapsed.
[18] The total of unvested GPT securities and Performance Rights granted over the years that are currently on foot and excludes any GPT securities or performance rights that may have lapsed up to 31 December 2014. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, these performance rights are "at risk" and may never vest.

DIRECTORS' REPORT
For the year ended 31 December 2014

Remuneration – Non-Executive Directors

What are the key elements of the Non-Executive Director Remuneration Policy?	• The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Committee. • Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited). • Non-Executive Director remuneration is composed of three main elements: – Main Board fees – Committee fees – Superannuation contributions at the statutory superannuation guarantee contribution rate. • Non-Executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation. • Non-Executive Director remuneration is set by reference to comparable entities listed on the ASX (based on GPT's industry sector and market capitalisation). • External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report. • Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of $1,650,000 per annum which was approved by GPT security holders at the Annual General Meeting on 11 May 2011. As an executive director, Michael Cameron does not receive fees from this pool as he is remunerated as one of GPT's senior executives. • In 2014 the Committee introduced a Project Control Group Chair fee.

Board and Committee fees[19,20]

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee	Project Control Group [21]
Chairman	**2014**	**$346,500**	**$34,650**	**$11,000**	**$23,100**	**$20,000**
	2013	$346,500	$34,650	$11,000	$23,100	-
Members	**2014**	**$138,600**	**$17,325**	**$8,000**	**$11,550**	**N/A**
	2013	$138,600	$17,325	$8,000	$11,550	N/A

Reported Remuneration - Non-Executive Directors – IFRS Accounting[22]

Director		Fixed pay			Total
		Salary & fees	Superannuation	Other[23]	
Rob Ferguson	**2014**	**$346,500**	**$18,279**	**-**	**$364,779**
Chairman	2013	$346,500	$17,122	-	$363,622
Brendan Crotty	**2014**	**$183,925**	**$16,171**	**-**	**$200,096**
	2013	$163,925	$14,958	-	$178,883
Eileen Doyle	**2014**	**$161,150**	**$15,108**	**-**	**$176,258**
	2013	$161,150	$14,704	-	$175,854
Eric Goodwin	**2014**	**$183,925**	**$16,171**	**-**	**$200,096**
	2013	$163,925	$14,958	-	$178,883
Anne McDonald	**2014**	**$173,250**	**$16,242**	**$1,329**	**$190,821**
	2013	$173,250	$15,809	$1,340	$190,399
Gene Tilbrook	**2014**	**$161,700**	**$15,159**	**$736**	**$177,595**
	2013	$161,699	$14,755	$989	$177,443
Total	**2014**	**$1,210,450**	**$97,130**	**$2,065**	**$1,309,645**
	2013	$1,170,449	$92,306	$2,329	$1,265,084

No termination benefits were paid during the financial year.

[19] 'Chairman' used in this sense may refer to the chairperson of the board or a particular committee.
[20] In addition to the fees noted in the table, all non-executive directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.
[21] In 2014 this was applicable to Eric Goodwin and Brendan Crotty.
[22] This table provides a breakdown of remuneration for non-executive directors in accordance with statutory requirements and Australian accounting standards
[23] The amount set out under 'Other' may include administration fees associated with membership of the GPT Superannuation Plan and Death & Total/Permanent Disability Insurance Premiums.

DIRECTORS' REPORT
For the year ended 31 December 2014

Non-Executive Director - GPT security holdings

Director	Private holdings (# of securities) Balance 31/12/13	Purchase / (Sale)	Balance 31/12/14	MSHR (Y/N)[24]
Rob Ferguson	204,082	-	204,082	Yes
Brendan Crotty	30,000	30,000	60,000	Yes
Eileen Doyle	20,650	10,800	31,450	No
Eric Goodwin	15,584	15,671	31,255	No
Anne McDonald	9,450	11,550	21,000	No
Gene Tilbrook	45,000	-	45,000	Yes

The directors' report, including the remuneration report, is signed in accordance with a resolution of the directors of the GPT Group.

Rob Ferguson
Chairman

Michael Cameron
Chief Executive Officer and Managing Director

Sydney
19 February 2015

[24] This shows whether the MSHR has been met at a GPT security price of $4.1079.

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
19 February 2015

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	**31 Dec 14 $'000**	31 Dec 13 $'000
Revenue			
Fund management fees		**61,246**	58,481
Property management fees		**36,833**	34,076
Development management fees		**18,799**	15,379
Development revenue		**21,661**	-
Management costs recharged		**32,541**	26,148
		171,080	134,084
Other income			
Share of after tax profit of equity accounted investments	3(d)	**3,040**	693
Interest revenue		**901**	660
Net profit / (loss) on disposal of assets		**14**	(949)
Net foreign exchange gain / (loss)		**6**	(51)
Revaluation of financial arrangements		**47,135**	14,247
		51,096	14,600
Total revenue and other income		**222,176**	148,684
Expenses			
Remuneration expenses		**115,338**	96,809
Property expenses and outgoings		**7,255**	5,670
Development expenses		**17,870**	-
Repairs and maintenance		**2,977**	2,835
Professional fees		**6,137**	4,602
Depreciation and amortisation expense		**8,649**	9,128
Finance costs		**19,343**	18,117
Other expenses		**7,624**	7,061
Total expenses		**185,193**	144,222
Profit from continuing operations before income tax expense		**36,983**	4,462
Income tax benefit / (expense)	10(a)	**7,144**	(4,682)
Profit / (loss) after income tax expense for continuing operations		**44,127**	(220)
Loss from discontinued operations	18(c)	**(7,916)**	(4,749)
Net profit / (loss) for the year		**36,211**	(4,969)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments	14(b)	**1,758**	391
Total comprehensive income/ (loss) for the year		**37,969**	(4,578)
Net profit attributable to:			
- Members of the Company		**36,211**	(4,969)
- Non-controlling interest		**-**	-
Total comprehensive income/(loss) attributable to:			
- Members of the Company		**37,969**	(4,578)
- Non-controlling interest		**-**	-
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings / (loss) per share (cents per share) from continuing operations	2(a)	**2.61**	(0.01)
Basic and diluted loss per share (cents per share) from discontinued operations	2(a)	**(0.47)**	(0.27)
Basic and diluted earnings / (loss) per share (cents per share) - Total	2(a)	**2.14**	(0.28)

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 BALANCE SHEET

As at 31 December 2014

	Note	31 Dec 14 $'000	31 Dec 13 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	11	**50,414**	22,118
Loans and receivables	4(a)	**38,800**	18,835
Prepayments		**1,179**	933
		90,393	41,886
Assets held for sale	18(b)	**220**	238
Total Current Assets		**90,613**	42,124
Non-Current Assets			
Intangible assets	5	**43,561**	50,651
Property, plant & equipment	7	**14,434**	12,582
Inventories	6	**43,647**	-
Investments in equity accounted Investments	3	**89**	86
Loans and receivables	4(b)	**13,397**	13,397
Deferred tax assets	10(c)	**32,452**	25,021
Deferred acquisition costs		**3,159**	-
Other assets		**5,387**	6,330
Total Non-Current Assets		**156,126**	108,067
Total Assets		**246,739**	150,191
LIABILITIES			
Current Liabilities			
Payables	8	**43,057**	31,919
Provisions	9	**29,888**	26,356
Borrowings	12	**6,942**	-
Total Current Liabilities		**79,887**	58,275
Non-Current Liabilities			
Provisions	9	**4,810**	4,389
Other liabilities		**7,231**	7,879
Borrowings	12	**34,047**	-
Total Non-Current Liabilities		**46,088**	12,268
Total Liabilities		**125,975**	70,543
Net Assets		**120,764**	79,648
EQUITY			
Contributed equity	14(a)	**319,315**	319,562
Reserves	14(b)	**40,549**	35,397
Accumulated losses	14(c)	**(243,948)**	(280,159)
Total equity attributable to Company members		**115,916**	74,800
Non-controlling interests		**4,848**	4,848
Total Equity		**120,764**	79,648

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2014

		Attributable to Company members				Attributable to 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
Balance at 1 January 2013		321,812	49,759	(275,190)	96,381	22,060	-	(17,212)	4,848	101,229
Movement in foreign currency translation reserve	14(b)	-	391	-	391	-	-	-	-	391
Net profit recognised directly in equity		-	391	-	391	-	-	-	-	391
Profit for the year	14(c)	-	-	(4,969)	(4,969)	-	-	-	-	(4,969)
Total comprehensive income for the year		-	391	(4,969)	(4,578)	-	-	-	-	(4,578)
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	14(a)	(2,282)	-	-	(2,282)	-	-	-	-	(2,282)
Security issued	14(a)	32	-	-	32	-	-	-	-	32
Movement in employee incentive security scheme reserve	14(b)	-	(14,753)	-	(14,753)	-	-	-	-	(14,753)
Balance at 31 December 2013		319,562	35,397	(280,159)	74,800	22,060	-	(17,212)	4,848	79,648
Balance at 1 January 2014		**319,562**	**35,397**	**(280,159)**	**74,800**	**22,060**	**-**	**(17,212)**	**4,848**	**79,648**
Movement in foreign currency translation reserve	14(b)	**-**	**1,758**	**-**	**1,758**	**-**	**-**	**-**	**-**	**1,758**
Net profit recognised directly in equity		**-**	**1,758**	**-**	**1,758**	**-**	**-**	**-**	**-**	**1,758**
Profit for the year	14(c)	**-**	**-**	**36,211**	**36,211**	**-**	**-**	**-**	**-**	**36,211**
Total comprehensive income for the year		**-**	**1,758**	**36,211**	**37,969**	**-**	**-**	**-**	**-**	**37,969**
Transactions with Securityholders in their capacity as Securityholders:										
On-market purchase of GPT stapled securities	14(a)	**(287)**	**-**	**-**	**(287)**	**-**	**-**	**-**	**-**	**(287)**
Securities issued	14(a)	**40**	**-**	**-**	**40**					**40**
Movement in employee incentive security scheme reserve	14(b)	**-**	**3,394**	**-**	**3,394**	**-**	**-**	**-**	**-**	**3,394**
Balance at 31 December 2014		**319,315**	**40,549**	**(243,948)**	**115,916**	**22,060**	**-**	**(17,212)**	**4,848**	**120,764**

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	31 Dec 14 $'000	31 Dec 13 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**153,308**	146,180
Cash payments in the course of operations (inclusive of GST)		**(116,093)**	(130,831)
Cash payments for inventory	11	**(43,647)**	-
Cash receipts from development activities		**4,877**	-
Cash payments from development activities		**(10,037)**	-
Distributions and dividends received		**2,523**	324
Interest received		**1,298**	284
Finance costs		**(194)**	-
Net cash (outflow)/inflow from operating activities	11	**(7,965)**	15,957
Cash flows from investing activities			
Payments for property, plant and equipment		**(998)**	(5,487)
Payments for intangibles		**(3,053)**	(6,502)
Investment in joint venture entities		**(2)**	(2)
Payments for costs to sell on assets held for sale		**-**	(205)
Proceeds from sale of controlled entities and joint venture entities		**-**	1,579
Net cash outflow from investing activities		**(4,053)**	(10,617)
Cash flows from financing activities			
Purchase of securities for the employee incentive scheme		**(388)**	(280)
Payments for buy-back of ordinary stapled securities		**(287)**	(2,282)
Proceeds from borrowings		**40,989**	(650)
Net cash inflow/(outflow) from financing activities		**40,314**	(3,212)
Net increase in cash and cash equivalents		**28,296**	2,128
Cash and cash equivalents at the beginning of the year		**22,118**	19,990
		50,414	22,118
Less: cash balance classified as held for sale		**-**	-
Cash and cash equivalents at the end of the year	11	**50,414**	22,118

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

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

The notes to these financial statements have been organised into logical groupings in order to help users find and understand the information they need to know. Where possible, related information has been provided in the same place, and more detailed information has been moved to the rear of the document and cross-referenced where necessary. The Consolidated Entity has also reviewed the notes for materiality and relevance, providing additional information where it is helpful to understand the Consolidated Entity's performance, and by removing immaterial information.

The notes are organised into the following sections:

Note 1 to 2 - Results for the year: focuses on results and performance of the Consolidated Entity.
Note 2 to 10 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.
Note 11 to 15 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Note 16 to 24 – Other disclosure items: provides information on items that the Directors do not consider significant in understanding the financial statements of the Consolidated Entity, however must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

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

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

Area of estimates	Assumptions underlying	Note
Management rights with indefinite life	Recoverable amounts	5
IT development and software	Impairment trigger and recoverable amounts	5
Inventories	Lower of costs and net realisable value	6
Deferred tax assets	Recoverability	10
Share based payments	Fair value	19

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

The Chief Operating Decision Maker has been identified as the board of directors which is accountable for the strategic decision making within the Consolidated Entity. Management of the Consolidated Entity has determined that the Consolidated Entity operates in a single segment based on the information provided to the board of directors.

The amounts provided to the board of directors in respect of the financial performance are measured in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Balance Sheet for the total assets and liabilities.

Revenue
Property, development and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts.

Development revenue is recognised on percentage of completion basis, using the proportion of development completed at reporting date.

Revenue from dividends and distributions is recognised when they are declared.

Interest income is recognised on an accruals basis using the effective interest method.

Gain or loss on disposal of assets is recognised as the difference between the carrying amount and the net proceeds from disposal. Where revenue is obtained from the sale of properties or assets, it is recognised when the significant risks and rewards have transferred to the buyer.

Expenses
Property expenses and outgoings include rates, taxes and other property outgoings are recognised on an accruals basis.

Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset.

A qualifying asset is an asset under development which generally takes a substantial period of time to get ready for its intended use or sale, for example more than 12 months. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete the asset . Where funds are borrowed specifically for a development project, finance costs associated with the development facility are capitalised. Conversely, where funds are used from group borrowings, finance costs are capitalised using an appropriate capitalisation rate.

2. EARNINGS / (LOSS) PER SHARE

	31 Dec 14 Cents	31 Dec 13 Cents
(a) Basic and diluted earnings per share		
Basic and diluted earnings / (loss) per share - profit from continuing operations	2.61	(0.01)
Basic and diluted loss per share - loss from discontinued operations	(0.47)	(0.27)
Total basic and diluted earnings / (loss) per share	2.14	(0.28)

(b) Weighted average number of ordinary stapled securities	Number of shares '000s	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	**1,686,320**	1,738,044
Adjustments for calculation of diluted earnings per share:		
Performance rights (weighted average basis)[1]	**2,754**	1,385
Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share	**1,689,074**	1,739,429

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

Profit reconciliation - basic and diluted	31 Dec 14 $'000	31 Dec 13 $'000
Profit / (loss) from continuing operations	**44,127**	(220)
Loss from discontinued operations	**(7,916)**	(4,749)
	36,211	(4,969)

[1] Performance security rights granted under the Long Term Incentive plan are only included in dilutive earnings per ordinary stapled security where the performance hurdles are met as at the year end.

Calculation of earnings per stapled security
Basic earnings per share is calculated as net profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding during the financial year which is adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per sshare is calculated as net profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary securities. Where there is no difference between basic earnings per share and diluted earnings per share, the term basic and diluted earnings per ordinary share is used.

OPERATING ASSETS AND LIABILITIES

3. EQUITY ACCOUNTED INVESTMENTS

	31 Dec 14 $'000	31 Dec 13 $'000
Investments in joint venture entities	**89**	86
Total equity accounted investments	**89**	86

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest 2014 %	2013 %	31 Dec 14 $'000	31 Dec 13 $'000
Entities incorporated in Australia					
DPT Operator Pty Limited	Managing property	**50.00**	50.00	**85**	84
Lend Lease GPT (Rouse Hill) Pty Limited	Property development	**26.00**	26.00	**-**	-
Chullora Trust 1	Property development	**50.00**	50.00	**2**	2
Erskine Park Trust	Property development	**50.00**	0.00	**2**	-
Total investment in joint venture entities				**89**	86

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

(b) Summarised financial information for joint venture entities
The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture entities and not the Consolidated Entity's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	31 Dec 14	31 Dec 13
	$'000	$'000
Cash and cash equivalents	**14,489**	23,126
Other assets	**20,691**	20,156
Property investments and loans	**35,852**	43,715
Total assets	**71,032**	86,997
Other liabilities	**29,875**	36,704
External borrowings - non current	**57,107**	69,094
Total liabilities	**86,982**	105,798
Net assets	**(15,950)**	(18,801)
Negative net assets not recognised[1]	**16,128**	18,973
Net assets recognised	**178**	172
Consolidated entity's share	**89**	86

(1) This is Lend Lease GPT (Rouse Hill) Pty Limited negative net assets.

(c) Share of joint venture entities commitments and contingent liabilities

	31 Dec 14	31 Dec 13
	$'000	$'000
Capital expenditure commitments	**-**	3,209
Total joint venture commitments	**-**	3,209

There are no contingent liabilities in the Consolidated Entity's joint venture entities at 31 December 2014 and 31 December 2013 respectively.

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

	31 Dec 14	31 Dec 13
	$'000	$'000
Carrying amount at the beginning of the year	**86**	82
Acquisitions	**2**	2
Share of joint venture entities' net operating profit	**3,040**	693
Distributions received/receivable from joint ventures	**(3,039)**	(691)
Carrying amount at the end of the year	**89**	86

4. LOANS AND RECEIVABLES

	31 Dec 14	31 Dec 13
	$'000	$'000
(a) Current assets		
Trade receivables	**14,977**	14,667
Distributions receivable from joint venture entities	**515**	691
Accrued development revenue	**11,916**	-
Other debtors	**2,865**	1,701
Related party receivables	**8,527**	1,776
Total current loans and receivables	**38,800**	18,835
(b) Non-Current assets		
Loan to Lend Lease GPT (Rouse Hill) Pty Limited[1]	**5,850**	6,850
Loans to related parties	**7,547**	6,547
Total non-current loans and receivables	**13,397**	13,397

(1) The loan is provided to Lend Lease GPT (Rouse Hill) Pty Limited as part of the funding of the joint venture agreement. During 2014, loan repayments of $1.0 million were received, no impairment has been booked in 2014 or 2013. The loan is interest free with a term of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

The table below shows the ageing analysis of GPT's loans and receivables.

	31 Dec 14						31 Dec 13					
	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current receivables	-	34,495	325	408	3,572	38,800	-	17,613	169	91	962	18,835
Non current loans and receivables	53,865	-	-	-	-	53,865	52,387	-	-	-	-	52,387
Impairment of non-current receivables	(40,468)	-	-	-	-	(40,468)	(38,990)	-	-	-	-	(38,990)
Total loans and receivables	13,397	34,495	325	408	3,572	52,197	13,397	17,613	169	91	962	32,232

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance for impairment. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

Recoverability of trade receivables
Recoverability of trade receivables is assessed on an ongoing basis. Impairment is recognised in the Consolidated Statement of Comprehensive Income when there is objective evidence that the Consolidated Entity will not be able to collect the debts. Financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered objective evidence of impairment.

The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. Debts that are known to be uncollectable are written off when identified.

5. INTANGIBLES

	31 Dec 14	31 Dec 13
	$'000	$'000
Management rights		
At cost	55,706	55,509
less: accumulated amortisation and impairment	(44,468)	(43,904)
Total management rights	11,238	11,605
IT development and software		
At cost	57,483	58,023
less: accumulated amortisation and impairment	(25,160)	(18,977)
Total IT development and software	32,323	39,046
Total intangible assets	43,561	50,651

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

	Management rights	Computer software	Total
	$'000	$'000	$'000
Year ended 31 December 2013			
Opening carrying value	11,259	38,655	49,914
Additions	700	6,546	7,246
Amortisation	(354)	(6,155)	(6,509)
Closing carrying value	11,605	39,046	50,651
Year ended 31 December 2014			
Opening carrying value	11,605	39,046	50,651
Additions	197	2,746	2,943
Transfers	-	(3,286)	(3,286)
Amortisation	(564)	(6,183)	(6,747)
Closing carrying value	11,238	32,323	43,561

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

Management rights
Management rights include property management and development management rights. Rights are initially measured at cost and rights with a definite life are subsequently amortised over their useful life, which ranges from 3 to 10 years.

For management right of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term for the management agreement. Therefore, GPT tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using value in use calculation based on cash flow projections for a five year period. The discount rate applied to these asset-specific cash flow projections is 5.3% and the growth rate used to extrapolate the cash flows beyond the five year period is 4.2%.

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

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. Where impairment triggers exist, management calculate the recoverable amount. The asset will be impaired if the recoverable amount exceeds the carrying value. Critical judgements are made by GPT in setting appropriate impairment triggers and assumptions used to determine the recoverable amount.

6. INVENTORIES

	31 Dec 14	31 Dec 13
	$'000	$'000
Development properties held for resale	**43,647**	-
Total inventories	**43,647**	-

Development properties held for resale is stated at the lower of cost and net realisable value.

Cost
Cost includes the cost of acquisition, development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred.

Estimates of net realisable value (NRV)
The NRV is the estimated selling price in the ordinary course of business less estimated costs to sell. At each reporting date, management reviews this estimate by taking into consideration:

- the most reliable evidence and
- any events which confirm conditions existing at the year end and cause any fluctuations of selling price and costs to sell.

The amount of any inventories write-down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income.

No impairment expense has been recognised for the year ended 31 December 2014.

7. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 14	31 Dec 13
	$'000	$'000
Computers		
At cost	**11,975**	8,893
less: accumulated depreciation and impairment	**(7,539)**	(6,419)
Total computers	**4,436**	2,474
Office, fixtures and fittings		
At cost	**14,062**	13,390
less: accumulated depreciation and impairment	**(4,064)**	(3,282)
Total office, fixtures and fittings	**9,998**	10,108
Total property, plant and equipment	**14,434**	12,582

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
Year ended 31 December 2013			
Opening carrying value	3,113	7,629	10,742
Additions	2,079	3,249	5,328
Disposals	(869)	-	(869)
Depreciation charge	(1,849)	(770)	(2,619)
Closing carrying value	2,474	10,108	12,582
Year ended 31 December 2014			
Opening carrying value	**2,474**	**10,108**	**12,582**
Additions	**193**	**275**	**468**
Disposals	**-**	**-**	**-**
Transfers	**2,889**	**397**	**3,286**
Depreciation charge	**(1,120)**	**(782)**	**(1,902)**
Closing carrying value	**4,436**	**9,998**	**14,434**

The value of property, plant and equipment is measured as the cost of the asset less depreciation and impairment. The cost of the asset includes acquisition costs and any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis over the useful lives. The estimated useful life is between 3 and 40 years.

Impairment

The Consolidated Entity tests property, plant and equipment for impairment where there is an indicator that the asset may be impaired. 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.

Disposals

Gains and losses on disposals are determined by comparing proceeds from disposals with the carrying amount of the property, plant & equipment and are included in the statement of comprehensive income in the year of disposal.

8. PAYABLES

	31 Dec 14 $'000	31 Dec 13 $'000
Current		
Trade payables	**7,523**	1,409
Accruals	**30,562**	24,409
Other payables	**4,972**	6,101
Total payables	**43,057**	31,919

Trade and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

9. PROVISIONS

	31 Dec 14 $'000	31 Dec 13 $'000
Current Provisions		
Employee benefits	**26,121**	22,270
Other	**3,767**	4,086
Total Current Provisions	**29,888**	26,356
Non Current Provisions		
Employee benefits	**4,810**	4,389
Total Non Current Provisions	**4,810**	4,389

	Employee benefits $'000	Other $'000	Total $'000
Year ended 31 December 2013			
Opening balance	7,852	5,879	13,731
Arising during the year	8,284	810	9,094
Transfer from employee incentive scheme reserve	17,592	-	17,592
Utilised during the year	(7,069)	(2,603)	(9,672)
Closing balance	26,659	4,086	30,745
Year ended 31 December 2014			
Opening balance	**26,659**	**4,086**	**30,745**
Arising during the year	**21,079**	**1,115**	**22,194**
Utilised during the year	**(16,807)**	**(1,434)**	**(18,241)**
Closing balance	**30,931**	**3,767**	**34,698**

Provisions are recognised when:
- The Consolidated Entity has a present obligation (legal or constructive) as a result of a past event,
- it is probable that resources will be expended to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

10. TAXATION

	31 Dec 14	31 Dec 13
	$'000	$'000
(a) Income tax expense		
Current income tax expense	**-**	-
Deferred income tax expense	**(4,582)**	6,887
Income tax expense in the Statement of Comprehensive Income	**(4,582)**	6,887
Income tax expense attributable to:		
(Profit)/loss from continuing operations	**(7,144)**	4,682
Loss from discontinued operations	**2,562**	2,205
Aggregate income tax (benefit) / expense	**(4,582)**	6,887
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	**36,983**	4,462
Loss from discontinued operations before income tax expense	**(5,354)**	(2,544)
Net profit before income tax expense	**31,629**	1,918
Prima facie income tax expense at 30% tax rate (2013: 30%)	**9,489**	575
Tax effect of amounts not deductible/assessable in calculating income tax expense:		
Adjustments in respect of current income tax of previous years	**(3,422)**	18
Net loss on disposal of foreign investments	**544**	-
Amortisation of intangibles	**39**	40
Revaluation of financial arrangements	**(14,141)**	(4,274)
Bad debt deductions (allowed) / denied on related party interest	**(4,193)**	1,981
Depreciation not deductible	**88**	3,087
Deferred Acquisition costs	**954**	-
Other	**737**	18
Impairment of deferred tax asset	**5,323**	5,442
Income tax (benefit) / expense	**(4,582)**	6,887
(c) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Employee benefits	**15,243**	11,853
Other accruals and provisions	**3,197**	3,316
Other	**(1,793)**	221
Tax losses	**15,805**	9,631
Total deferred tax asset	**32,452**	25,021
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**25,021**	31,908
(Charged) / credited to the Statement of Comprehensive Income	**(1,588)**	508
Credited to Reserves	**2,847**	-
Utilised tax losses	**6,172**	(7,395)
Closing balance at the end of the financial year	**32,452**	25,021

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

Deferred income tax liabilities and assets - recognition
Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them. The carrying amount of deferred income tax assets is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

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Deferred income tax liabilities and assets – measurement
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

- Where they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- Where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:
  - Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
  - Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

CAPITAL STRUCTURE

11. CASH AND CASH EQUIVALENTS

	31 Dec 14 $'000	31 Dec 13 $'000
Cash and cash equivalents	50,414	22,118
Total cash and cash equivalents at the end of the year	**50,414**	22,118

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

		31 Dec 14 $'000	31 Dec 13 $'000
Net profit for the year		36,211	(4,969)
Share of after tax profit of equity accounted investments		(515)	(693)
Net foreign currency exchange losses		19	74
Net loss / (gain) on disposal of assets		1,813	(425)
Employee incentive security scheme expenses		13,543	7,322
Depreciation and amortisation expense		8,649	9,129
Intercompany finance costs		22,603	21,593
Lease incentive amortisation		295	319
Revaluation on borrowings		(47,135)	(14,247)
Increase in inventory	(i)	(43,647)	-
(Increase) / decrease in operating assets		(27,470)	14,556
Increase/(decrease) in operating liabilities		27,669	(16,702)
Net cash (outflow)/inflow from operating activities		**(7,965)**	15,957

(i)This represents a payment for the development property for sale as part of GPT's share in Metroplex development at Westgate.

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

12. BORROWINGS

	31 Dec 14		31 Dec 13	
	Carrying amount[1] $'000	Fair value[2] $'000	Carrying amount[1] $'000	Fair value[2] $'000
Current borrowings - secured	6,942	6,942	-	-
Current borrowings	**6,942**	**6,942**	-	-
Non-current borrowings - secured	11,947	12,000	-	-
Related party borrowings from GPT Trust	22,100	22,497	-	-
Non-current borrowings	**34,047**	**34,497**		-
Total borrowings	**40,989**	**41,439**	-	-

(1) Including unamortised establishment costs
(2) Level 2 unless otherwise indicated. Excluding unamortised establishment costs.

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The fair value of fixed rate interest-bearing borrowings is estimated by using quoted prices in an active market or by discounting the future contractual cash flows at the current market interest rate curve when quoted prices are not available.

The following unsecured borrowings are provided by GPT Trust and its subsidiaries and have been revalued to nil (Dec 2013: $nil) based on a forecast cash flow for amounts payable. As a result a revaluation adjustment of $47.1 million for both continuing and discontinued operations has been recognised in the Consolidated Statement of Comprehensive Income (2013: $14.2 million):
- Loan facility to GPT Management Holdings Limited of AUD $550,000,000 was drawn to $373,511,287 (Dec 2013: $344,094,406). This facility expires on 31 December 2015.
- Loan facility to GPT Property Management Ltd of AUD $50,000,000 was drawn to $34,637,259 (Dec 2013: $34,637,259). This facility expires on 31 December 2015.
- Loan facility to GPT International Pty Limited of AUD $120,000,000 was drawn to $102,042,484 (Dec 2013: $102,042,484). This facility expires on 12 June 2017.
- Loan facility to Voyages Hotels & Resorts of AUD $70,000,000 was drawn to $70,000,000 (Dec 2013: $70,000,000). This facility expires on 24 December 2019.

Interest on the above loans of $17,718,376 is not capitalised but is included in the revaluation of the loans.

Recognition and measurement
Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method or at their fair value. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the statement of comprehensive income over the expected life of the borrowings. All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities. Assumed liabilities in a business combination are measured at fair value at the time of the acquisition. The maturity profile of borrowings is provided below:

	Total facility[(1)] $'000	Used facility[(1)] $'000	Unused facility $'000
Due within one year	609,500	415,090	194,410
Due between one and five years	233,000	196,042	36,958
Due after five years	10,100	10,100	-
	852,600	**621,232**	**231,368**
Cash and cash equivalents			**50,414**
Total financing resources available at the end of the year			**281,782**

(1) Excluding unamortised establishment costs. Includes unsecured borrowings provided by GPT Trust and its subsidiaries which have been revalued to nil.

13. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's Board approve the Consolidated Entity's treasury and risk management policy which:
- establishes a framework for the management of risks inherent to the capital structure,
- defines the role of the Consolidated Entity's treasury, and
- sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange and interest rate instruments.

(a) Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Consolidated Entity's primary interest rate risk arises from interest bearing borrowings. The impact on interest expense and interest revenue of a 1% increase or decrease in market interest rates is shown below. A 1% increase or decrease is used for consistency of reporting interest rate risk across the Consolidated Entity and represents management's assessment of the potential change in interest rates.

	2014 (+1%) $'000	**2014 (-1%) $'000**	2013 (+1%) $'000	2013 (-1%) $'000
Impact on statement of comprehensive income				
Impact on interest revenue increase / (decrease)	**504**	**(504)**	60	(60)
Impact on interest expense (increase) / decrease	**(290)**	**290**	-	-
	214	**(214)**	60	(60)

(b) Liquidity risk
Liquidity risk is the risk that the Consolidated Entity, as a result of its operations:
- will not have sufficient funds to settle a transaction on the due date,
- will be forced to sell financial assets at a value which is less than what they are worth, or
- may be unable to settle or recover a financial asset at all.

The Consolidated Entity manages liquidity risk by:
- maintaining sufficient cash,
- maintaining an adequate amount of committed credit facilities, and
- the ability to close out market positions.

The table below shows an analysis of the undiscounted contractual maturities of liabilities and capital expenditure commitments which forms part of the Consolidated Entity's assessment of liquidity risk.

	31 Dec 14					31 Dec 13				
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000	$'000
Liabilities										
Non-derivatives										
Payables	**43,057**	**-**	**-**	**-**	**43,057**	31,919	-	-	-	31,919
Borrowings[1]	**6,942**	**-**	**24,000**	**10,100**	**41,042**	-	-	-	-	-
Projected interest cost on borrowings	**3,221**	**2,872**	**6,016**	**2,519**	**14,628**	-	-	-	-	-
Total liabilities	**53,220**	**2,872**	**30,016**	**12,619**	**98,727**	31,919	-	-	-	31,919
Less cash and cash equivalents	**50,414**				**50,414**	22,118	-	-	-	22,118
Total liquidity exposure	**2,806**	**2,872**	**30,016**	**12,619**	**48,313**	9,801	-	-	-	9,801

[1] Excluding unamortised establishment costs

(c) Refinancing risk
Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in the Consolidated Entity's interest cost. Refinancing risk arises when the Consolidated Entity's is required to obtain debt to fund existing and new debt positions. The Consolidated Entity's manages this risk by spreading sources and maturities of borrowings in order to minimise debt concentration risk, allow averaging of credit margins over time and reducing refinance amounts.

As at 31 December 2014, the Consolidated Entity's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 12.

(d) Foreign exchange risk
Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates. the Consolidated Entity's foreign exchange risk arises primarily from:
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets.

Foreign currency assets and liabilities
The following table shows the Australian dollar equivalents of amounts within the Consolidated Entity's Consolidated Balance Sheet which are denominated in foreign currencies. Management deems the sensitivity to foreign exchange risk is insignificant.

	Euros		**United States Dollars**	
	31 Dec 14	31 Dec 13	**31 Dec 14**	31 Dec 13
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**1,402**	1,537	**141**	163
Interests in equity accounted investments	**-**	-	**-**	238
	1,402	1,537	**141**	401
Liabilities				
Other liabilities	**331**	331	**19**	69
	331	331	**19**	69

(e) Credit risk
Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the Consolidated Entity. The Consolidated Entity has exposure to credit risk on all financial assets included on their Consolidated Balance Sheet.

The Consolidated Entity manages this risk by:
- establishing credit limits for customers and financial institutions to ensure that the Consolidated Entity only trades and invests with approved counterparties to enable it to manage its exposure to individual entities,
- providing loans as an investment into joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity,
- regularly monitoring loans and receivables balances on an ongoing basis,
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis, and
- obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year. A provision for doubtful debts is made where collection is deemed uncertain.

The maximum exposure to credit risk as at 31 December 2014 is the carrying amounts of financial assets recognised on the Consolidated Entity's Consolidated Balance Sheet. For more information refer to note 4.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

14. EQUITY AND RESERVES

(a) Contributed equity

		Note	Number	$'000
Ordinary stapled securities				
1 January 2013	Opening securities on issue		1,766,785,075	321,812
18 February 2013	Securities issued		1,946,654	32
1 January 2013 to 31 December 2013	On market buy back		(73,843,091)	(2,282)
31 December 2013	Closing securities on issue		1,694,888,638	319,562
1 January 2014	Opening securities on issue		**1,694,888,638**	**319,562**
14 February 2014	Securities issued	(i)	**1,980,505**	**40**
1 January 2014 to 31 December 2014	On market buy back	(ii)	**(11,408,188)**	**(287)**
31 December 2014	**Closing securities on issue**		**1,685,460,955**	**319,315**

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

(i) Securities issued
On 14 February 2014, GPT issued 1,980,505 securities to GPT employees under the 2011 Performance Rights Long Term Incentive Plan.

(ii) On-market buy-back
On 10 May 2014, GPT announced the extension of the on-market buy-back for an additional 12 months until May 2015. During the year GPT has acquired 11.4 million GPT stapled securities for a total consideration of $41.0 million of which the Company's share is $0.3 million.

(b) Reserves

	Foreign Currency Translation Reserve	Employee Incentive Scheme Reserve	Total Reserve
Balance at 1 January 2013	31,806	17,953	49,759
Net foreign exchange translation adjustments	391	-	391
Employee incentive schemes expense, net of tax	-	7,248	7,248
Purchase of securities	-	(280)	(280)
Issue of securities	-	(4,129)	(4,129)
Reclass to Liability to employees	-	(17,592)	(17,592)
Balance at 31 December 2013	32,197	3,200	35,397
Balance at 1 January 2014	**32,197**	**3,200**	**35,397**
Net foreign exchange translation adjustments	**1,758**	**-**	**1,758**
Employee incentive schemes expense, net of tax	**-**	**975**	**975**
Tax on incentives valued at reporting date	**-**	**2,847**	**2,847**
Purchase of securities	**-**	**(388)**	**(388)**
Issue of securities	**-**	**(40)**	**(40)**
Balance at 31 December 2014	**33,955**	**6,594**	**40,549**

Nature and purpose of reserves

Foreign currency translation reserve
The reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities. The movement in the reserve is recognised in the net profit when the investment in the foreign controlled entity is disposed.

Employee incentive scheme reserve
The reserve is used to recognise the fair value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 19 for further details of share-based payments.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

(c) Accumulated losses

	Company $'000	Non-controlling interest $'000	Total $'000
Consolidated entity			
Balance at 1 January 2013	(275,190)	(17,212)	(292,402)
Net loss for the year	(4,969)	-	(4,969)
Balance at 31 December 2013	(280,159)	(17,212)	(297,371)
Balance at 1 January 2014	**(280,159)**	**(17,212)**	**(297,371)**
Net profit for the year	**36,211**	**-**	**36,211**
Balance at 31 December 2014	**(243,948)**	**(17,212)**	**(261,160)**

15. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the financial year (2013: nil).

OTHER DISCLOSURE ITEMS

16. COMMITMENTS

(a) Capital expenditure commitments [(1)]
There are no capital expenditure commitments at 31 December 2014 (2013: nil)

(1) Commitments arising from purchase of property, plant and equipment and other investments, which have been approved but not recognised as liabilities in the Consolidated Balance Sheet.

(b) Operating lease commitments [(1)]

	31 Dec 14 $'000	31 Dec 13 $'000
Due within one year	**4,454**	4,340
Due between one and five years	**17,722**	17,442
Over five years	**4,642**	9,336
Total operating lease commitments	**26,818**	31,118

(1) Contracted non-cancellable future minimum lease payments on office premises and equipment expected to be payable but not recognised in the Consolidated Balance Sheet.

17. CONTINGENT LIABILITIES

Contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

As part of the sale agreement of 818 Bourke Street, Melbourne, GPT Funds Management 2 Pty Limited as a trustee of the 818 Bourke Street Trust (the vendor) has provided vendor warranties to Challenger FM Nominees Pty Limited (the purchaser) for a maximum amount of $5 million valid during twelve months after the settlement date, being 31 October 2014. In conjunction with the sale agreement GPT Management Holdings Limited guaranteed to the purchaser compliance with all the vendor's obligations and payment of the guaranteed amount up to $5 million.

As part of the sale agreement of Quad 2 and 3, Sydney Olympic Park between GPT Platform a trustee of GPT Metro Office Fund and GPT RE Limited a trustee of General Property Trust, GPT Management Holdings Ltd (the lessee) has entered into lease agreement with GPT Platform (the lessor). Under the agreement during the period of maximum 2 years commencing on 14 August 2014 in the event of any vacant space at Quad 2 and 3 the lessor will grant $1 million, and the lessee will accept the grant of, a lease of the vacant space.

GPT Management Holdings Ltd has provided guarantees over GPT RE Limited as responsible entity of the General Property Trust's obligations under the note purchase and guarantee agreements in relation to US Private Placement issuances totalling US$425 million.

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

18. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

(a) Discontinued operations

At 31 December 2014, there are three discontinued operations: Hotel/ Tourism portfolio, Funds Management – Europe portfolio and US Seniors Housing portfolio.

Hotel / Tourism

The Consolidated Entity has substantially completed its exit from the Hotel/Tourism portfolio with nil remaining balances in this segment.

Funds Management - Europe

Equity investments in small closed-end funds (a legacy of GPT's ownership of GPT Halverton) managed by Internos Real Investors.

US Seniors Housing

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

(b) 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 Consolidated Entity as at 31 December 2014.

	Discontinued Operations US Senior Housing	
	31 Dec 14	31 Dec 13
	$'000	$'000
Investments in joint venture entities(1)	**220**	238
Total Assets held for sale	**220**	238

(1) Investments in joint venture entities comprise a 95% investment in B-VII Operations Holding LLC held at $0.2 million.

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

The table below sets out the financial performance and cash flow information for the discontinued operations that continue to be owned by the Consolidated Entity at reporting date.

	31 Dec 14	31 Dec 13
	$'000	$'000
Revenue	**8**	1,388
Expenses	**(5,362)**	(3,932)
Loss before income tax	**(5,354)**	(2,544)
Income tax expense	**(2,562)**	(2,205)
Loss after income tax of discontinued operations	**(7,916)**	(4,749)
Net cash (outflow) / inflow from operating activities	**(64)**	429
Net cash inflow from investing activities	**-**	1,375
Net cash outflow from financing activities	**-**	(650)
Net (decrease) / increase in cash from discontinued operations	**(64)**	1,154

(d) Details of all disposals in the Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet

The table below sets out the net profit on sale of discontinued operations and in the general course of business during the year.

	31 Dec 14	31 Dec 13
	$'000	$'000
Details of disposals during the year:		
Consideration (net of transaction costs)	**-**	1,374
Total consideration	**-**	1,374
Carrying amount of net assets sold	**-**	-
Profit on sale before income tax	**-**	1,374
Foreign exchange loss realised on disposal	**(1,813)**	-
Profit on sale after income tax	**(1,813)**	1,374

Discontinued operation
A discontinued operation is a part of the Consolidated Entity's business that:
- it has disposed of or has classified as held for sale and that represents a major line of its business or geographical area of operations, or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately on the face of the Consolidated Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Consolidated Balance Sheet.

Assets held for sale
Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Investment property held for sale will continue to be carried at fair value. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

19. SHARE BASED PAYMENTS

The Consolidated Entity currently has three employee security schemes – the General Employee Security Ownership Plan (GESOP), Deferred Short Term Incentive Plan (DSTI) and Long Term Incentive (LTI) Scheme

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

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

(b) BBESOP
Under the plan individuals who are not eligible to participate in any other employee security scheme may receive $1,000 worth of GPT securities if GPT Group achieves at least target level performance. Securities must be held for the earlier of 3 years or end of employment.

(c) DSTI
At the 2014 AGM, GPT securityholders approved a change to the way in which STIC is delivered to the senior executives, being 50% in cash and 50% in GPT stapled securities (a deferred component). The deferred component is initially awarded in the form of performance rights, with the rights converting to restricted GPT stapled securities to the extent the performance conditions are met. Half of the awarded stapled securities will vest one year after conversion with the remaining half vesting two years after conversion, subject to continued employment to the vesting dates

(d) LTI
At the 2009 AGM, GPT securityholders approved the introduction of a more contemporary LTI plan based on performance rights. Any subsequent amendments to the LTI plan have been approved by GPT securityholders.

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

The Board determines those executives eligible to participate in the plan and, for each participating executive, grants a number of performance rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP) for the final quarter of the year preceding the plan launch.

Fair value of performance security rights issued under DSTI and LTI
The fair value of the security rights is recognised as an employee benefit expense with a corresponding increase in the liability to employees and employee security scheme reserve in equity. Fair value is measured by reference to the fair value of the equity instruments at the reporting date. For the GPT Group Stapled Security Rights Plan, the fair value of the performance share rights is determined using Monte-Carlo simulation. The accounting estimates and assumptions relating to cash settled share-based payments will impact the carrying amounts of liabilities within the period and the share based payment expense.

The accounting policy for share based payments has changed in 2014 from equity settled to cash settled share based payments to more accurately reflect the stapled structure of the Group and composition of stapled securities vested. The change has resulted in $17.6 million being reclassed from reserves to provisions in the December 2013 comparative and $4.4 million expensed through the profit and loss in the current period due to the requirement to revalue the liability to employees each reporting period.

	2014 LTI	DSTI
Security price at valuation date	$4.35	$4.35
Fair value of rights granted under plan	$2.92	$3.92
Total Securityholder Return	34.5%	N/A
Grant dates	26 May 2014	9 May 2014
Expected vesting dates	31 Dec 2016	50% on 31 Dec 2015 50% on 31 Dec 2016
Security Price at the grant date	3.90	3.96
Expected life	3 years (2 years remaining)	Tranche 1 - 1 year Tranche 2 - 2 years
Dividend yield	5.5%	5.5%
Risk free interest rate	2.2%	N/A
Volatilty[(1)]	17.6%	N/A

(1) The volatility is based on the historic volatility of the security.

(e) GPT Group deferred stapled security plan (DSSP)
Implemented in September 2008, the DSSP is the vehicle which holds the equity component of deferred short term incentive compensation.

(f) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI[(2)]	Total
Right outstanding at the beginning of the year	-	11,718,726	11,718,726
Rights granted during the year	1,954,009	4,654,462	6,608,471
Rights forfeited during the year	(81,876)	(2,269,642)	(2,351,518)
Rights exercised during the year	-	(96,726)	(96,726)
Rights converted to GPT stapled securities during the year [(1)]	-	(1,980,505)	(1,980,505)
Rights outstanding at the end of the year	1,872,133	12,026,315	13,898,448

(1) Rights under the 2011 LTI Plan were converted to GPT stapled securities on 14 February 2014 at the weighted average share price of $3.66.
(2) Rights outstanding at the end of the year under the LTI plans include 124,435 sign on rights granted to the employee.

	Number of stapled securities		
	GESOP	DSSP	Total
Securities outstanding at the beginning of the year	117,933	404,888	522,821
Securities granted during the year	80,921	-	80,921
Securities vested during the year	(121,830)	(120,573)	(242,403)
Securities outstanding at the end of the year	77,024	284,315	361,339

20. RELATED PARTY TRANSACTIONS

(a) Ultimate Parent
GPT Management Holdings Limited is the ultimate Australian parent entity.

(b) Controlled entities and joint venture entities
Equity interests in joint venture entities and associates are set out in note 3. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 4.

(c) Key management personnel
Key management personnel (KMP) compensation was as follows.

	31 Dec 14 **$'000**	31 Dec 13 $'000
Short term employee benefits	**7,267**	7,196
Post employment benefits	**170**	161
Long term incentive award accrual	**2,591**	3,181
Other long term benefits	**54**	250
Total key management personnel compensation	**10,082**	10,788

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 9 to 17 of the Directors' Report.

There have been no other transactions with KMP during the year.

(d) Transactions with related parties

	31 Dec 14 $'000	31 Dec 13 $'000
Transactions with General Property Trust (Trust):		
Revenue		
Fund management fees from Trust	**27,757**	29,531
Property management fees from Trust	**16,255**	13,254
Development management fees from Trust	**12,801**	10,708
Development revenue received from Trust	**4,608**	-
Management costs recharged from Trust	**10,919**	10,083
Expenses		
Property rent and outgoings paid to Trust	**(4,627)**	(3,193)
Interest paid to Trust	**(21,617)**	(21,593)
Receivables		
Current receivables from Trust	**8,527**	1,776
Other transactions		
Revaluation of arrangements with Trust - continued and discontinued operations	**47,136**	14,247
Transactions with employees		
Contributions to superannuations funds on behalf of employees	**(5,753)**	(4,831)
Transactions with GPT Wholesale Office Fund (GWOF):		
Revenue		
Responsible Entity fees received from GWOF	**20,269**	17,325
Asset management fees received from GWOF	**2,201**	736
Development management fees received from GWOF	**781**	1,151
Directors fees recharged to GWOF	**138**	155
Management costs recharged to GWOF	**1,542**	477
Payroll costs recharged to GWOF	**4,104**	1,332
Receivables and payables		
Current receivable outstanding from GWOF	**1,327**	6,102
Current payable outstanding to GWOF	**(16)**	-
Transactions with GPT Wholesale Shopping Centre Fund (GWSCF):		
Revenue		
Responsible Entity fees received from GWSCF	**14,617**	13,565
Asset management fees received from GWSCF	**10,326**	11,064
Development management fees received from GWSCF	**3,874**	5,603
Directors fees recharged to GWSCF	**138**	155
Management costs recharged to GWSCF	**1,566**	3,141
Payroll costs recharged to GWSCF	**3,854**	4,152
Receivables		
Current receivable outstanding from GWSCF	**4,231**	6,749
Transactions with GPT Metro Office Fund (GMF):		
Revenue		
Responsible Entity fees received from GMF	**352**	-
Asset Management fees from GMF	**74**	-
Development revenue received from GMF	**5,137**	-
Directors Fees recharged to GMF	**135**	-
Payroll costs recharged to GMF	**67**	-
Expense		
Site access fee paid to GMF	**(590)**	-
Receivables		
Current receivable outstanding from GMF	**5,471**	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

21. AUDITOR'S REMUNERATION

	31 Dec 14 $	31 Dec 13 $
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**235,819**	194,000
Total remuneration for audit services	**235,819**	194,000
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**66,259**	56,000
Total remuneration for other assurance services	**66,259**	56,000
Total remuneration for audit and assurance services	**302,078**	250,000
Non audit related services		
PricewaterhouseCoopers Australia		
Other services	**28,058**	19,000
Total remuneration for non audit related services	**28,058**	19,000
Total auditor's remuneration	**330,136**	269,000

22. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 14 $'000	31 Dec 13 $'000
Assets		
Total Current Assets	**146,784**	115,896
Total Non-Current Assets	**183,043**	134,414
Total Assets	**329,827**	250,310
Liabilities		
Total Current Liabilities	**132,938**	126,225
Total Non-Current Liabilities	**209,803**	150,973
Total Liabilities	**342,741**	277,198
Net Assets	**(12,914)**	(26,888)
Equity		
Contributed equity	**319,315**	319,562
Reserves	**6,592**	3,198
Accumulated losses	**(338,821)**	(349,648)
Total equity attributable to Company members	**(12,914)**	(26,888)
Profit attributable to members of the parent entity	**10,827**	966
Total comprehensive income for the year attributable to members of the parent entity	**10,827**	966
Operating lease commitments		
Due within one year	**4,454**	4,340
Due between one and five years	**17,722**	17,442
Over five years	**4,642**	9,336
Total operating lease commitments	**26,818**	31,118

Capital expenditure commitments
The parent entity has no capital expenditure commitments at 31 December 2014 (2013: nil).

As at 31 December 2014, the parent entity had a deficiency of net assets of $12.9 million (2013: $26.9 million). The parent has access to undrawn financing facilities of $176.5 million.

Parent entity financial information
The financial information for the parent entity of the Consolidated Entity, GPT Management Holdings Limited, has been prepared on the same basis as the consolidated financial statements, excepted as set out below.

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

23. 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, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards.
- 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 are made to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures.
- in Australian dollars with all values rounded in the nearest thousand dollars, unless otherwise stated.

The financial report was approved by the Board of Directors on 19 February 2015.

(b) Basis of consolidation
Controlled entities
The consolidated financial statements of the Consolidated Entity report the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of controlled entities is accounted for using the acquisition method of accounting. All intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Associates
Associates are entities over which the Consolidated Entity has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. Under this method, the Consolidated Entity's investment in associates is carried in the consolidated balance sheet at cost plus post acquisition changes in the Consolidated Entity's share of net assets. The Consolidated Entity's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where the Consolidated Entity's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, the Consolidated Entity does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint arrangements
Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Consolidated Entity has assessed the nature of its joint arrangements and determined it has joint ventures only.

Joint ventures
Investments in joint ventures are accounted for in the consolidated balance sheet using the equity method which is the same method adopted for associates.

(c) Other accounting policies
(i) Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial statements are presented in Australian Dollars, which is the Trust's functional and presentation currency.

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

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

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

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

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

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

(iii) Deferred Acquisition Costs
Deferred acquisition costs associated with the property management business are costs that are directly related to and incremental to earning property management fee income. These costs are recorded as an asset and are amortised in the income statement on the same basis as the recognition of property management fee revenue.

(d) New and amended accounting standards and interpretations adopted from 1 January 2014
All new and amended Australian Accounting Standards and interpretations mandatory as at 1 January 2014 to the Consolidated Entity have been adopted, including:

Reference	Description
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	This amendment removes the requirement to include individual key management personnel disclosures in the notes to the financial statements. Whilst this information has been removed from the financial statements, the Consolidated Entity continues to disclose this information in the remuneration report.
AASB 2012-3 *Offsetting Financial Assets and Financial*	The amendment clarifies that the right of set off must be available today and must be legally enforceable in the normal course of business as well as in the event of default, insolvency or bankruptcy. This is consistent with the Consolidated Entity's existing accounting policy therefore there was no change to the Consolidated Entity's financial statements.

(e) New accounting standards and interpretations issued but not yet applied
The following standards and amendments to standards are relevant to GPT and the potential effects have not yet been fully determined.

Reference	Description	Application of Standard
AASB 15 *Revenue from Contracts with Customers* and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	AASB 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract–based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.	1 January 2017
AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, this could change the classification and measurement of financial assets and financial liabilities. The new hedging rules align hedge accounting more closely with the reporting entity's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss can now be presented in other comprehensive income. The new standard also introduces expanded disclosure requirements and changes in presentation.	1 January 2018

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24. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2015, GPT announced to the market that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325 million fully underwritten institutional placement (placement) and a non-underwritten security purchase plan for a maximum of $50 million. The placement was completed on 22 January 2015 at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015. 76.8 million securities were issued under the placement on 29 January 2015.

Other than above, the Directors are not aware of any matter or circumstance occurring since 31 December 2014 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

DIRECTORS' DECLARATION
Year ended 31 December 2014

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

(a) the financial statements and notes set out on pages 19 to 42 are in accordance with the Corporations Act 2001, including:
- complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the financial year ended on that date; and

(b) the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 23 to the financial statements.

(c) 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.

Rob Ferguson
Chairman

GPT Management Holdings Limited

Michael Cameron
Chief Executive Officer and Managing Director

Sydney
19 February 2015

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

Report on the financial report

We have audited the accompanying financial report of GPT Management Holdings Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for GPT Management Holdings Limited (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 23, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Company is in accordance with the *Corporations Act 2001,* including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 23.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 17 of the directors' report for the year ended 31 December 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of the Company for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
19 February 2015