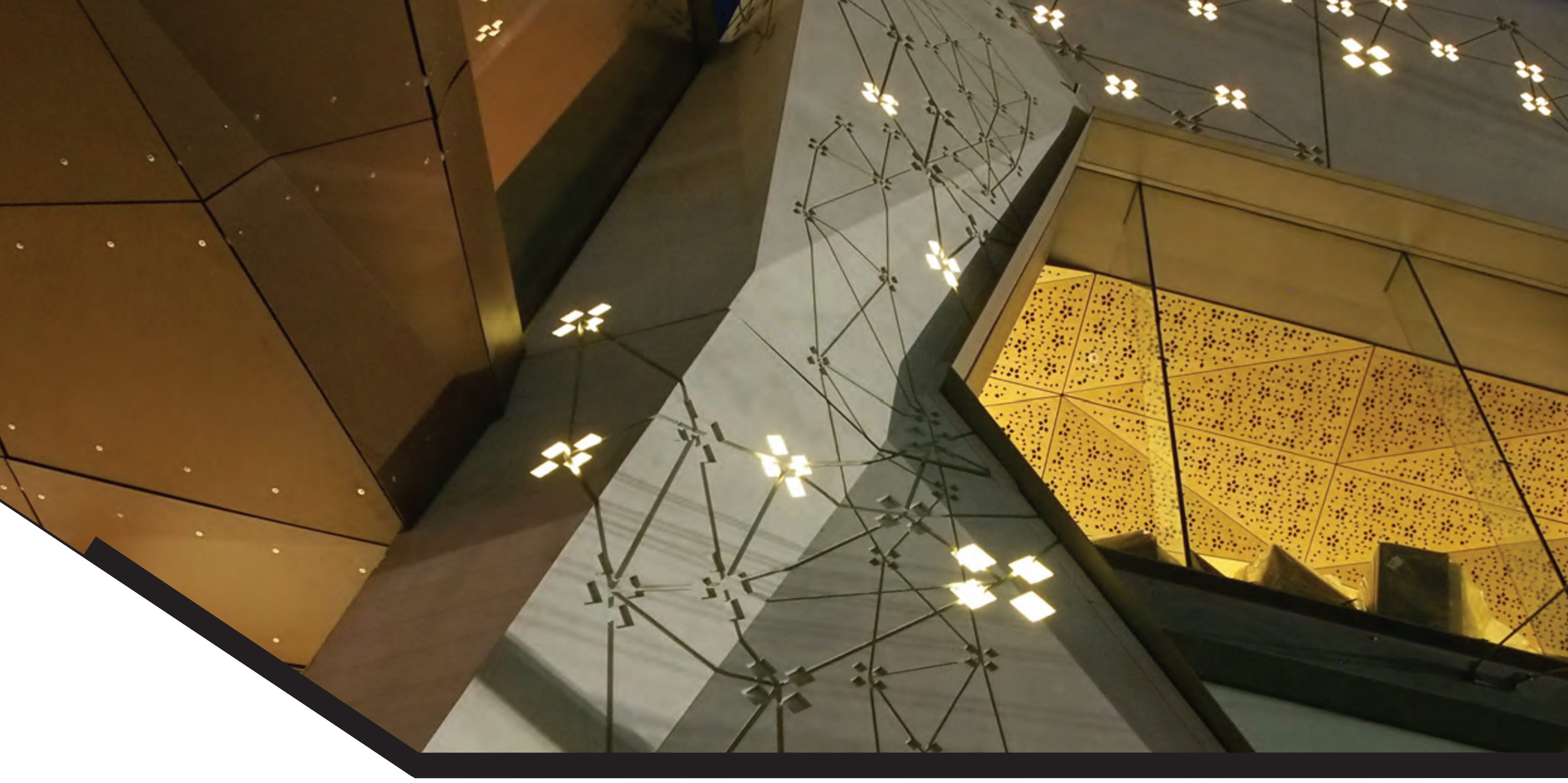


GPT ANNUAL FINANCIAL REPORT 2014

The GPT Group

INTRODUCTION

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

The ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (Principles), provide a framework for good corporate governance. GPT has complied with the 2nd edition of the Principles for the 2014 year. The 3rd edition of the Principles was released on 27 March 2014 and GPT is required to comply with the 3rd edition of the Principles for the 2015 year. We have commenced reviewing and updating our corporate governance framework to comply with the 3rd edition of the Principles and we have included descriptions in this statement where relevant. The table summarising the Group's compliance with the 2nd edition of the Principles is provided at the end of this statement.

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

GPT'S APPROACH TO CORPORATE GOVERNANCE

GPT regards good corporate governance as being of critical importance to all of GPT's stakeholders and a fundamental component of GPT's commitment to Securityholders. GPT's Board strives to ensure that GPT meets high standards of governance across its operations. This is an ongoing commitment, requiring continual review, modification and enhancement from time to time.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 ROLE AND RESPONSIBILITIES OF THE BOARD AND DELEGATION TO MANAGEMENT

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

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

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

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

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

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

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

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

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

Appropriate background checks are undertaken in respect of all new Directors prior to the candidate being put forward for election by Securityholders. This includes background checks in relation to character, experience, education, criminal record and bankruptcy history. Where a Director is standing for election, GPT provides its Securityholders with a Notice of Meeting and Explanatory Memorandum which includes all information in the GPT's possession to enable Securityholders to make an informed decision.

1.2 ROLE OF THE COMPANY SECRETARY

The appointment or removal of the Company Secretary must be approved by the GPT Board. The Company Secretary is accountable to the Board through the Chair on all matters to do with the proper functioning of the GPT Board.

PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

2.1 COMPOSITION OF THE BOARD

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

The Board represents a broad range of skills and experience to assist with decision making and leading GPT. Members of the Board have significant experience in various fields, including funds management, property investment, financial markets, accounting and general management. Details concerning the membership of the Board, the period of office and the experience and expertise of the Directors of the Board are set out in the Directors' Report. GPT has commenced the process of formulating a Board skills matrix disclosing the mix of skills and diversity on the Board and will report on this in the 2015 year.

2.2 DIRECTOR INDEPENDENCE

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

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

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

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

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

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

2.3 NOTIFICATION OF INTERESTS AND CONFLICTS

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

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

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

2.4 ATTENDANCE AT BOARD MEETINGS BY DIRECTORS

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

2.5 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

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

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

2.6 INDUCTION AND TRAINING

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

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

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

2.7 REVIEW OF BOARD PERFORMANCE

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

The Board considers that ongoing reviews of its performance is essential to good governance by providing a mechanism to raise and resolve issues and to provide recommendations to assist the Board to enhance its effectiveness. Performance reviews may be undertaken internally or with the assistance of an external facilitator and they cover the activities of the Board and each of its Committees.

The last evaluation of the Board's performance was undertaken by an external facilitator in late 2012. An internal evaluation of the Board's performance was undertaken in 2014 and was conducted in accordance with the principles set out in this statement.

2.8 REVIEW OF PERFORMANCE OF SENIOR EXECUTIVES

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

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

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

The performance of the Chief Executive Officer and Leadership team during 2014 was reviewed in accordance with these principles.

Further details can be found in the remuneration report on pages 22 to 29 of the Directors' Report.

2.9 COMMITTEES OF THE BOARD

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

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

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

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

2.10 NOMINATION AND REMUNERATION COMMITTEE

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

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

Members of the Nomination and Remuneration Committee during 2014 were:

Gene Tilbrook (Chairman)
Eileen Doyle
Rob Ferguson

The attendance record for the Nomination and Remuneration Committee in 2014 is set out in the Directors' Report.

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

2.11 AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

- Reviewing the quality and reliability of the financial reporting processes.
- Reviewing and reporting on financial statements issued by GPT.
- Reviewing the external auditor's qualifications, performance, audit plans and independence.
- Receiving, analysing and assessing compliance reports under the Compliance Plans for the Trust.
- Reviewing GPT's system for compliance with relevant laws, regulations, accounting standards, industry standards and codes.
- Overseeing the risk management, compliance and internal control frameworks of GPT and consider any risk and compliance matters relating to the affairs of GPT that it determines to be desirable.

Members of the Audit and Risk Management Committee during 2014 were:

Anne McDonald (Chairman)
Eric Goodwin
Brendan Crotty

The Audit and Risk Management Committee meets a minimum of four times per year. The attendance record for the Audit and Risk Management Committee in 2014 is set out in the Directors' Report.

2.12 SUSTAINABILITY COMMITTEE

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

- Reviewing and monitoring GPT's sustainability strategy.
- Overseeing the implementation of policies and systems in support of GPT's sustainability strategy.
- Monitoring compliance with these policies and systems.
- Monitoring progress towards goals and initiatives for continued improvement.
- Reviewing audits of GPT's performance (internal and external) and monitoring actions being taken to address issues raised.
- Receiving reports in relation to GPT's compliance with applicable laws and regulations in relation to sustainability.

Members of the Sustainability Committee during 2014 were:

Eileen Doyle (Chairman)
Brendan Crotty
Eric Goodwin

The Sustainability Committee meets a minimum of four times per year. The attendance record for the Sustainability Committee in 2014 is set out in the Directors' Report.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION–MAKING

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

3.1 CODE OF CONDUCT

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

The Code of Conduct deals with:

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

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

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

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

3.2 DIVERSITY

GPT promotes an inclusive workplace where employee differences like gender, age, ethnicity, culture, disability and lifestyle choice are valued. The unique skills, perspectives and experience that our employees possess promote greater creativity and innovation that better reflects and serves the needs of our diverse customer base, ultimately driving improved business performance. GPT recognises that encouraging workplace diversity is not just the socially responsible course of action but is also a source of competitive advantage for the Group. With this in mind, GPT is committed to a high quality recruitment and selection process for roles at all levels of the organisation which ensures candidates are selected on the basis of individual merit without bias, patronage or favouritism.

On a macro level, GPT acknowledges that females are underrepresented in senior leadership roles and as members of boards across Australia. This is evident at GPT in that – while GPT's general employee population comprises 51% female employees - female representation amongst our Board of Directors was at 33.33% (up from 22.22% at the end of 2013) and at 11.11% in the Leadership team as at the end of 2014 (up from 10% at the end of 2013 but reflective of a smaller cohort rather than an increase in participation level).

GPT is committed to improving gender diversity throughout the business with a particular focus on what can be achieved to improve the number of females in senior leadership roles. During 2014 GPT continued to pursue our Diversity Strategy and remains committed to achieving 40% female representation in senior leadership roles by the end of 2015. As at 31 December 2014 female representation amongst this cohort was at 33.90% (up from 27.58% at the end of 2013), just short of our 2014 target of 35%.

GPT also aims to increase the percentage of Indigenous identifying employees in our business. Prior to 2013 GPT had no employees who identified as Indigenous, but the Group has committed to achieving a level of representation of 2.5% by the end of 2015, which is broadly consistent with the general population in Australia.

GPT has made good progress in implementing our Indigenous Employment Strategy and as at the end of 2014 Indigenous representation stood at 1.8%, exceeding our target of 1%.

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

GPT's most recent 'Gender Equality Indicators' as defined and published under the Workforce Gender Equality Act are available at www.wgea.gov.au.

3.3 TRADING IN SECURITIES AND HEDGING

In addition to its responsibilities under the *Corporations Act 2001*, the Board has established a Personal Dealing Policy for Directors and employees trading in GPT Securities. This policy provides that:

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

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

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

1 We define 'senior leadership roles' as including the Board, Leadership team, and senior employees with significant line management or P&L responsibilities. At the time of publication of this statement 61 senior leadership roles existed.

3.4 POLITICAL DONATIONS

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

3.5 GOVERNANCE FOR EXTERNALLY MANAGED FUNDS

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

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

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

- regular reporting in relation to conflicts;
- training of executives on their responsibilities in providing services to externally managed funds as part of a funds management business;
- clear delineation of the matters that require investor consent in the operation of the funds; and
- fees paid to GPT by the funds are as stipulated in the documentation establishing the fund or otherwise on an "arm's length" basis.

GPT's funds management business currently comprises the GPT Wholesale Office Fund, GPT Wholesale Shopping Centre Fund (Wholesale Funds) and the GPT Metro Office Fund (collectively the "Funds"). The responsible entity of the Wholesale Funds is GPT Funds Management Limited, a subsidiary of GPTMHL and the responsible entity of the GPT Metro Office Fund is GPT Platform Limited, a subsidiary of the GPTMHL (Responsible Entities). The Boards of the Responsible Entities are responsible for all decisions in respect of the Funds respectively and, if there is a conflict between the investors' interests and the interests of GPT, the Boards of the Responsible Entities must give priority to their investors' interests. Under the arrangements entered into between GPT and investors, it has been agreed that the Boards of the Responsible Entities will be comprised of a majority of independent directors and transactions between the Funds and GPT are to be approved by the relevant Board of the Responsible Entity (comprised only of its independent directors).

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

4.2. EXTERNAL AUDITOR

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

- the Auditor's appointment will be reviewed every five years and the lead audit and review partner must be rotated every five years;
- any major non–audit work to be undertaken by the Auditor must be approved by the Audit and Risk Management Committee; and
- the Audit and Risk Management Committee regularly monitors the type of non–audit work undertaken by the Auditor and the fees paid for such work and provides advice to the Board on the independence of the Auditor.

The Audit and Risk Management Committee is responsible for making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of external Auditors. In 2013 GPT sought tenders in respect of its external auditor. PwC was the successful tenderer.

All fees paid to the Auditor are disclosed in GPT's Annual Financial Report. In relation to the audit of the Annual Financial Report of GPT for the year ended 31 December 2014, PwC has provided written confirmation to the Board that, to the best of its knowledge and belief, there have been no contraventions of:

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

A copy of PwC's independence declaration is included at page 30 of the Directors' Report.

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

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 CONTINUOUS DISCLOSURE POLICY

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

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

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

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

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

6.1 COMMUNICATION WITH STAKEHOLDERS

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

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

Major communication forums, such as Annual and Mid-Year results briefings and the Annual General Meeting, are also webcast. Securityholders are also able to elect to receive and send communications to the registry electronically.

GPT maintains an extensive website which includes the following information:

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

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

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

6.2 ANNUAL GENERAL MEETING

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

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

Securityholders who are not able to attend GPT's Annual General Meeting are able to vote by proxy in accordance with the *Corporations Act 2001*.

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 RISK MANAGEMENT FRAMEWORK

The GPT Group has an active enterprise-wide risk management framework. Within this framework the Board has adopted a policy setting out the principles, objectives and approach established to maintain GPT's commitment to integrated risk management. GPT's risk management approach incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing adverse effects. The approach is consistent with AS/NZS ISO 31000:2009: Risk Management.

Key components of GPT's risk management approach include:

- Ensuring the GPT Board, Leadership team, employees and contractors all understand their risk management accountabilities, promote the risk culture and apply the risk processes to achieve GPT's objectives. Refer below for further information regarding scope, roles and responsibilities in respect of risk management.
- 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 GPT's risk appetite, strategy and values. Specifically, the risk management framework includes an annual program of assurance and internal audit activities to provide an independent, objective appraisal of the adequacy and effectiveness of GPT's risk management including internal controls.
- Results are reported to the Audit and Risk Management Committee and, through the Audit and Risk Management Committee, to the Board.

7.2 SCOPE, ROLES AND RESPONSIBILITIES IN RESPECT OF RISK MANAGEMENT

GPT's risk management policy applies to all directors and employees of the Group and, to the maximum extent possible, to the agents and contractors that act for or on behalf of the Group.

The risk management and internal audit functions of the Group report to the Chief Risk Officer. The internal auditors and the Chief Risk Officer have direct access to the Audit and Risk Management Committee.

Additionally, GPT recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk.

Further details of roles and responsibilities in relation to risk management are set out below:

ROLE	RESPONSIBILITY
GPT Board	The GPT Board is ultimately accountable for corporate governance and the appropriate management of risk across GPT. The Board sets the risk appetite and oversees GPT's risk profile to ensure activities are consistent with the strategy and values of the organisation.
Audit and Risk Management Committee	The Audit and Risk Management Committee supports the Board. The Committee is responsible for overseeing and reviewing the effectiveness of GPT's risk management framework. The Committee and, through it the Board, receive reports on GPT's risk management practices and control systems and the effectiveness of GPT's management of its material business risks.
Leadership Team	The Leadership team supports the framework and culture of risk management at GPT 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.
Chief Risk Officer	The Chief Risk Officer is responsible for designing, implementing and reporting on the adequacy of GPT's risk management framework to the Board, Audit and Risk Management Committee and the Leadership team.
All Employees	Employees are responsible for ensuring they comply with all legislative, regulatory and GPT policy requirements including reporting any identified risks to the appropriate management in a timely manner.

7.3 COMPLIANCE FRAMEWORK

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

7.4 INTEGRITY IN FINANCIAL REPORTING, RISK MANAGEMENT AND INTERNAL CONTROL

For the period ended 31 December 2014, the Board has received written assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided by them in accordance with section 295A of the *Corporations Act 2001* is in their opinion founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board and that this system is operating effectively and efficiently in all material respects in relation to financial reporting. Since 31 December 2014 nothing has come to the attention of the Chief Executive Officer and Chief Financial Officer that would indicate any material change to these statements.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 NOMINATION AND REMUNERATION COMMITTEE

GPT's Nomination and Remuneration Committee is responsible for undertaking the following activities on behalf of the Board:

- Develop and oversee the implementation of GPT's remuneration framework.
- Review and approve remuneration levels for the Board, Chief Executive Officer and key management personnel.
- Review and approve key performance indicators for the Chief Executive Officer and assess the Chief Executive Officer's performance against those key performance indicators.
- Review compliance with legal and regulatory requirements associated with the activities of the Committee.
- Oversee the succession planning process for the Board, Chief Executive Officer and the Leadership team.
- Review and recommend Non-Executive Director and Chief Executive Officer appointments.
- Implement procedures for the evaluation of the performance of the Board.
- Approve and oversee the implementation of GPT's diversity strategy.

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

8.2 REMUNERATION POLICY

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

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

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

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

GPT's philosophy and the policies and procedures (including clawback policies in relation to performance rights granted under GPT's incentive plans) that are applied to determine the nature and amount of remuneration paid to Directors and employees of GPT are set out in the Remuneration section of the Directors' Report (pages 22 to 29).

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

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

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

ASX CORPORATE GOVERNANCE RECOMMENDATION RECONCILIATION 31 DECEMBER 2014

REQUIREMENT/RECOMMENDATIONS		REFERENCE	COMPLY
1	**Lay Solid Foundations for Management and oversight**		Yes
1.1	Establish functions reserved to the Board and those delegated to senior executives and disclose those functions	1.1 Board Charter	Yes
1.2	Disclose the process for evaluating the performance of senior executives	2.7, 2.8, 8.2 Directors' Report	Yes
1.3	Provide information indicated in the Guide to reporting on Principle 1	1, 1.1, 2.7, 2.8, 8.2 Board Charter; Directors' Report	Yes
2	**Structure the Board to add value**		Yes
2.1	A majority of the board should be independent directors	2.1, 2.2, 2.3 Board Charter; Nomination and Remuneration Committee Charter; Directors' Report	Yes
2.2	Chair should be an independent director	2.1, 2.2, 2.3 Board Charter; Directors' Report	Yes
2.3	Roles of the chair and chief executive officer should not be exercised by the same individual	2.1, 2.2, 2.3 Board Charter Directors' Report	Yes
2.4	The Board should establish a nomination committee	2.10, 8.1, Nomination and Remuneration; Committee Charter	Yes
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual directors	2.7, Board Charter	Yes
2.6	Provide the information indicated in the Guide to Reporting in Principle 2	2, 2.1, 2.2, 2.3, 2.7 Nomination and Remuneration Committee Charter; Directors' Report	Yes
3.	**Promote ethical and responsible decision-making**		Yes
3.1	Establish a code of conduct and disclose the code or a summary of the code	3.1	Yes
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and the progress in achieving them	3.2	Yes
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	3.2	Yes
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior positions and women on the board	3.2	Yes
3.5	Provide the information indicated in the Guide to Reporting in Principle 3	3, 3.1, 3.2	Yes

REQUIREMENT/RECOMMENDATIONS		REFERENCE	COMPLY
4.	**Safeguard integrity in financial reporting**		Yes
4.1	Board should establish an audit committee	2.9, 2.11, 4.1	Yes
4.2	Audit committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not a chair of the Board • Has at least 3 members	2.11, 4.1 Audit Committee Charter; Directors' Report	Yes
4.3	Audit committee should have a formal charter	2.9, 2.11	Yes
4.4	Provide the information indicated in the Guide to reporting on Principle 4	2.9, 2.11, 4.1, Audit Committee Charter; Directors' Report	Yes
5.	**Make timely and balanced disclosure**		Yes
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Introduction, 3.3, 5.1	Yes
5.2	Provide the information indicated in the Guide to Reporting on Principle 5	Introduction, 3.3, 5.1	Yes
6.	**Respect the rights of securityholders**		Yes
6.1	Design a communications policy for promoting effective communications with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy	Introduction, 6.1, 6.2	Yes
6.2	Provide the information indicated in Guide to Reporting on Principle 6	Introduction, 6, 6.1, 6.2	Yes
7.	**Recognise and manage risk**		Yes
7.1	Establish policies for the oversight and management of material business risks and disclose summary of those policies	7.1	Yes
7.2	Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	7.1, 7.2, 7.3	Yes
7.3	Board should disclose whether it has received assurances from the chief executive officer and the chief financial officer that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks	7.4	Yes
7.4	Provide the information indicated in Guide to Reporting on Principle 7	7, 7.1, 7.2, 7.3, 7.4	Yes
8.	**Remunerate fairly and responsibly**		Yes
8.1	Board should establish a remuneration committee	2.9, 2.10	Yes
8.2	The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent chair • Has at least three members	2.10 Nomination and Remuneration Committee Charter	Yes
8.3	Clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives	8.2, Directors' Report	Yes
8.3	Provide the information indicated in Guide to Reporting on Principle 8	2.9, 2.10, 8.2 Nomination and Remuneration Committee Charter; Directors' Report	Yes

CONTENTS

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

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

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

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (consolidated entity) for the financial year ended 31 December 2014. The consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT).

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

1. OPERATING AND FINANCIAL REVIEW

ABOUT GPT

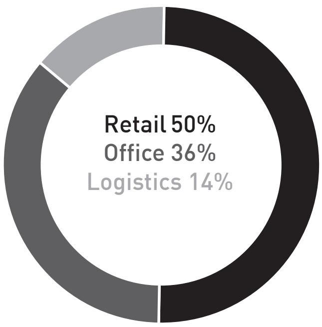
GPT is an active owner and manager of a $9.4 billion diversified portfolio of high quality Australian retail, office and logistics property assets and has a funds management platform with $9.6 billion of property assets under management.

GPT 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.

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.

GPT Portfolio Diversity



Retail Portfolio	Office Portfolio	Logistics Portfolio
16 shopping centres	24 assets	32 assets
1,050,000 sqm GLA	1,190,000 sqm NLA	760,000 sqm GLA
3,700+ tenants	380+ tenants	90+ tenants
$4.8b portfolio	$3.4b portfolio	$1.3b portfolio
$8.5b AUM	$8.0b AUM	$1.6b AUM

STRATEGIC PLAN

GPT Group's strategy is focused 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 quality 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.

$1.5bn	34.6%	11.8%
Asset acquisitions	Growth in Funds under management	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 38 basis points, making it one of the most efficient A-REITs in the sector.

GPT focuses 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%	26.3%	5.8 years
Weighted average cost of debt	Net gearing	Weighted average term to maturity

REVIEW OF OPERATIONS

GPT has adopted Funds from Operations (FFO) to replace GPT's measure of Realised operating income (ROI) with effect from 1 January 2014 as its measure of underlying earnings.

FFO represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined in accordance with the guidelines established by the Property Council of Australia.

The reconciliation of FFO to net profit after tax is set out below:

	31 Dec 14 $M	31 Dec 13 $M	Change %
Retail net operating income	**248.7**	264.3	(5.9%)
Office net operating income	**141.8**	144.1	(1.6%)
Logistics net operating income	**85.9**	76.2	12.7%
Income from funds	**87.1**	74.9	16.3%
Investment management expenses	**(7.6)**	(7.1)	7.0%
Investment management	**555.9**	552.4	0.6%
Asset management	**5.6**	5.8	(3.4%)
Development - retail & major projects	**1.9**	2.8	(32.1%)
Development - logistics	**6.5**	(1.8)	461.1%
Funds management	**32.5**	21.7	49.8%
Net finance costs	**(103.5)**	(95.5)	8.4%
Corporate management expenses	**(30.1)**	(21.2)	42.0%
Tax expenses	**(2.8)**	(2.7)	3.7%
Non-core	**11.1**	11.2	(0.9%)
Less: distribution to exchangeable securities	**(25.0)**	(25.0)	-
Funds from Operations (FFO)	**452.1**	447.7	1.0%
Change in fair value of assets (non-cash):			
Valuation increase - core operations	**249.5**	92.2	170.6%
Financial Instruments mark to market value and net foreign exchange movements	**(89.1)**	20.3	(538.9%)
Other items*	**7.8**	(13.7)	(156.9%)
Exclude distributions on exchangeable securities in FFO	**25.0**	25.0	-
Net profit after tax	**645.3**	571.5	12.9%
FFO per ordinary stapled security (cents)	**26.81**	25.76	4.1%
Distribution per ordinary stapled security (cents)	**21.2**	20.4	3.9%

*Other items include amortisation of intangibles, impairment expenses, net profit on disposal of assets and related tax impact.

Operating result

GPT delivered FFO of $452.1 million for the 2014 financial year, an increase of 1.0% on the prior year. This translated into FFO per security of 26.81 cents, up 4.1%. The result was driven by solid contributions from the investment portfolio of high quality Australian retail, office and logistics properties, significant growth in the funds management and logistics development businesses and a lower average cost of debt.

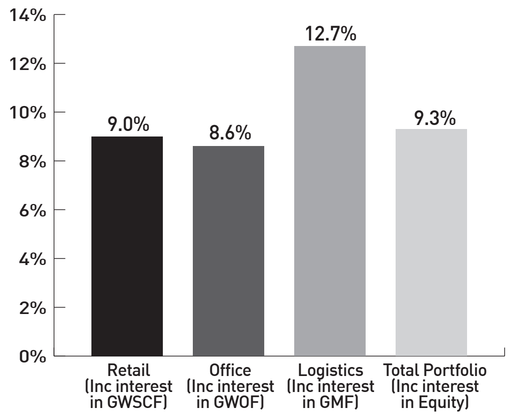
GPT's statutory net profit after tax was $645.3 million, an increase of 12.9% on the prior year, driven by property valuation uplift partly offset by a negative mark to market and net foreign exchange movement of financial instruments.

Investment management

Total Return at the portfolio level was 9.3%.

Across the three portfolios, GPT maintained stability in key portfolio metrics:

- 96.4% occupancy by area (2013: 95.9%)
- 5.0 years weighted average lease expiry (WALE) by income (2013: 4.8 years)
- Structured rental reviews: 79% of the portfolio is subject to structured rental reviews with an average increase across the portfolio of 4.1% (2013: 80.0% subject to average increases of 4.2%)
- 0.9% comparable income growth (2013: 1.7%)



(i) Retail portfolio

- $4.77 billion portfolio (2013: $4.49 billion), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF)
- 2.9% comparable income growth (2013: 2.5%)
- 3.9 years weighted average lease expiry (WALE) by base rent (2013: 4.1 years)
- 99.5% occupancy by area (2013: 99.6%)
- 5.87% weighted average capitalisation rate (2013: 5.99%)

The value of the retail portfolio increased by $0.28 billion over the year as a result of a combination of positive revaluations and the acquisition of partial interests in Northland Shopping Centre (50% interest) and Highpoint Shopping Centre (8.33% interest) by the GWSCF. The underlying portfolio quality continues to improve with further capitalisation rate compression of 12 basis points during 2014. A net revaluation uplift of $115.0 million (including GPT's equity interest in GWSCF) was achieved across the portfolio primarily through favourable revaluations at Highpoint Shopping Centre, Melbourne Central and Rouse Hill Town Centre.

Positive income growth was driven by a high proportion of structured rental increases in addition to increased focus on expense management across the portfolio. Retail sales have improved over 2014 with weighted total centre annual sales up 2.5% and specialty annual sales up 4.2%. The retail portfolio continues to be well leased with occupancy remaining high at 99.5%. There are currently 36 vacant tenancies.

The operating income has decreased to $248.7 million (2013: $264.3 million) caused by divestment of GPT's 50 per cent interest in Erina Fair and the remaining Homemaker Centre portfolio during 2013.

(ii) Office portfolio

- $3.35 billion portfolio (2013: $2.90 billion), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF)
- -1.1% comparable income growth (2013: 0.7%)
- 6.3 years weighted average lease expiry (WALE) by income (2013: 5.8 years)
- 93.9% occupancy by area (2013: 90.6%)
- 6.41% weighted average capitalisation rate (2013: 6.72%)

The office portfolio achieved a net revaluation uplift of $58.3 million (including GPT's equity interest in GWOF) in 2014, primarily as a result of a reduction in future expiries and firming capitalisation and discount rates. This was reflected in positive revaluation movements in Citigroup Centre, One One One Eagle Street, Melbourne Central Tower and 818 Bourke Street as well as a number of assets in the GWOF portfolio.

Occupancy increased primarily as a result of strong leasing success, particularly at the MLC Centre.

(iii) Logistics portfolio

- $1.31 billion portfolio (2013: $1.17 billion), including GPT's equity interest in the GPT Metro Office Fund (GMF)
- -0.5% comparable income growth (2013: 1.0%)
- 6.2 years weighted average lease expiry (WALE) by income (2013: 5.1 years)
- 95.3% occupancy by area (2013: 96.2%)
- 7.72% weighted average capitalisation rate (2013: 8.33%)

The value of the logistics portfolio increased by $134.5 million as a result of valuation uplift across the portfolio, development capex and the residual profit release in development assets completed (TNT Express, Erskine Park), or nearing completion (RRM and Rand, Erskine Park). This has been offset by the transfer of four assets (5 Murray Rose, Quad 2, Quad 3 and 3 Murray Rose) totalling $170.3 million into GMF. GPT holds a 12.46% equity interest in GMF which adds $30.4 million to the logistics portfolio value. A further $13.5 million reduction in the portfolio size resulted from the sale of 134 -140 Fairbairn Road, Sunshine West, to an external party during the year.

Comparable income growth is down due to vacancies across the portfolio with significant impacts coming from the ex Mars facility at Austrak Business Park and various vacant tenancies at Citiport Business Park, Port Melbourne. The ex Mars vacancy, which represents circa 3% of the portfolio area also led to lower occupancy. At the portfolio level, only 4 out of 32 assets have current vacancies.

The WALE increased to 6.2 years, primarily as a result of developments, with long WALEs (approximate 15 years), reaching completion and coming into the portfolio. These assets include Toll NQX, Karawatha and TNT Express, Erskine Park.

(iv) Income from funds and funds management

GPT has ownership interests in two wholesale funds, the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF), and an ASX-listed fund, GPT Metro Office Fund (GMF).

As at 31 Dec 2014	GWOF	GWSCF	GMF
Assets under management	$5.4bn	$3.8bn	$0.4bn
Number of assets	19	10	6
GPT interest	20.36%	20.11%	12.46%
GPT investment	$890.3m	$622.9m	$30.4m
One year Equity IRR (post-fees)	13.1%	6.5%	N/A
Fund distributions	$51.5m	$32.5m	-
Funds management fee income	$20.3m	$14.6m	$0.3m

The performance of the wholesale funds continues to be strong, with GWOF achieving a total return of 13.1% and GWSCF a total return of 6.5% for the year. GWOF is ranked first among the sector peer groups for their total returns over one year, three years and five years. GWSCF's total return has been adversely impacted by the writing off of transaction costs on major acquisitions.

GWOF

GWOF raised new equity of $450 million in the September 2014 quarter. It currently has a high level of DRP participation by its investors, raising $166.5 million of equity during the year. GPT participated in GWOF's capital raising contributing $92.2 million and the DRP contributing $35.9 million during the year to ensure it remains above the 20% minimum holding requirement. GPT has therefore received higher distributions during 2014.

GWOF's 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.

GWSCF

During the year, GWSCF completed a capital raising program, raising a total of $422.0 million against an original target of $400.0 million. The DRP raised an additional $82.1 million of equity over the year. GPT contributed $80.2 million to the equity raise during the year and $15.8 million in the DRP remaining above the 20% minimum holding requirement. GPT's fund distributions from GWSCF increased accordingly, in addition to underlying growth in GWSCF distributions in 2014.

GWSCF's 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

GPT successfully listed GMF on the Australian Securities Exchange on 24 October 2014. GPT retained a holding of 12.46% in the fund from allotment date on 29 October 2014.

(iv) Income from funds and funds management

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.

The operating profit of asset management has decreased to $5.6 million (2013: $5.8 million) as higher property management fees were offset by higher employee costs due to team structure changes caused by the divestment of Carlingford Court by GWSCF and the inclusion of additional corporate costs.

Development – retail & major projects

The Development – retail & major projects 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.

The operating profit of Development – retail & major projects is $1.9 million (2013: $2.8 million).

Development – 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 $78.0 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.

In 2014 the business unit generated a total development margin of $53.2 million across all projects, comprising an operating profit of $6.5 million (2013: loss of $1.8 million) and an NTA uplift of $46.7 million on assets retained for investment. Of the $450.0 million of assets retained for investment an average yield on costs of 8.4 percent and an average WALE of 15.6 years was achieved.

Management expenses

	31 Dec 14 $M	31 Dec 13 $M
Investment management	**7.6**	7.1
Asset management	**11.7**	9.6
Development management - retail and major projects	**2.6**	4.0
Development management - logistics	**0.9**	2.5
Funds management	**13.0**	10.0
Corporate	**30.1**	21.2
Total management expenses	**65.9**	54.4

The management expenses increased to $65.9 million (2013: $54.4 million) predominantly caused by new roles generated from the growth of the business, team restructure, increase in salaries and wages and consulting costs spending on projects.

GPT's MER of 38 basis points remains one of the lowest in the A-REIT sector.

Non - core operations

Hotel/Tourism portfolio

On 23 May 2011, GPT completed the sale of Ayers Rock Resort to the Indigenous Land Corporation. Total consideration for the sale was $300.0 million, to be received in three instalments with $81.0 million paid on settlement, $81.0 million paid 12 months after settlement and $138.0 million to be received five years after settlement. Proceeds from the first and second instalments were used to reduce borrowings.

GPT has been provided with a guarantee on the payments of the deferred considerations and the interest income at a rate of 6.5% per annum. GPT shares in 46% of any increase in capital value of Ayers Rock Resort over $300.0 million plus capital expenditure committed over the period with a minimum guaranteed payment to GPT of $17.0 million at the end of the five year period. GPT accrue increments of the $17.0 million guaranteed payment over the five year period resulting in an additional 2% return per annum bringing the total return to 8.5% per annum. GPT contributed $22.2 million towards capital expenditure in 2012 in accordance with the sale agreement.

FINANCIAL POSITION

	Net Assets 31 Dec 14 $M	Net Assets 31 Dec 13 $M	Change %
Core			
Retail	**4,161.5**	3,974.9	4.7%
Office	**2,458.4**	2,170.5	13.3%
Logistics	**1,319.9**	1,285.3	2.7%
Funds management	**1,543.6**	1,238.7	24.6%
	9,483.4	8,669.4	9.4%
Non-core	**154.7**	158.3	(2.3%)
Financing and corporate assets	**521.0**	604.5	(13.8%)
Total assets	**10,159.1**	9,432.2	7.7%
Borrowings	**2,718.5**	2,310.4	17.7%
Other liabilities	**508.9**	407.0	25.0%
Total liabilities	**3,227.4**	2,717.4	18.8%
Net assets	**6,931.7**	6,714.8	3.2%
Total number of potential stapled securities (million)	**1,685.5**	1,694.9	(0.6%)
NTA ($)	**3.94**	3.79	4.0%

Balance sheet

- Total Return of 9.6% (2013: 8.5%) being the growth of NTA per security of 15 cents to $3.94 plus the distribution paid / payable per security of 21.2 cents, divided by the opening NTA per security.
- Total core assets increased by 9.4% primarily due to acquisition, development capital expenditures, positive property revaluations and further investments in the wholesale funds.
- Total borrowings increased by $408.1 million due to additional funding required for acquisitions occurred during the year, equity investment in funds, development capital expenditures and the securities buyback offset by divestments.

Capital management

- Cost of debt: 4.8% (2013: 5.1%).
- Gearing (net debt basis): 26.3% (2013: 22.3%).
- Weighted average debt maturity: 5.8 years (2013: 5.5 years).
- S&P/Moody's credit rating: A-(Positive)/A3 (stable) (2013: A-/A3 (stable)).

GPT continues to maintain a strong focus on capital management, key highlights for the year include:

- Reduced weighted average cost of debt by 30 basis points due to renegotiation of bank facilities at lower margins and fees and lower fixed and floating interest rates for the period.
- Net gearing increased to 26.3% (2013: 22.3%), which is within GPT's target gearing range of 25% to 35%. This was a result of net asset acquisitions and developments during the period (including acquisition of Corner of Bourke and William, equity investment in funds, security buybacks, net of asset disposals into GMF and the sale of 818 Bourke Street).
- Net look through gearing increased to 28.2% (2013: 23.2%) due to the increase in gearing in GPT and the Funds.
- Investment capacity at 30% net gearing is $530.0 million (2013: $960.0 million).
- Further diversified funding sources and extended tenor as a result of repeat issuance into offshore and domestic debt capital markets including:
  - USD $175 million (AUD $188.4 million) 15 year US Private Placement; and
  - AUD $150 million 6 year medium term notes.
- Maintained S&P/Moody's credit rating of A-/A3 with S&P moving GPT's rating outlook from 'stable' to 'positive' in June 2014 on the basis GPT will improve its competitive position and profitability by growing its domestic asset base consistent with its financial policies over the next two years. Moody's rating remains on a stable outlook.
- Increased weighted average term of interest rate hedging from 5.9 years to 6.6 years, reducing future earnings at risk in the event of higher interest rates.
- Net profit and other comprehensive income were impacted by a mark to market loss on derivatives and foreign bonds and net foreign exchange rate movements of $94.7 million for the period. This was largely a result of a significant decrease in market interest rates during the period.

CASH FLOWS

The cash balance as at December 2014 decreased to $72.4 million (2013: $278.7 million). Prior year balance included $245.0 million in term deposit maturing and subsequently used to repay debts.

Operating activities:

The following table shows the reconciliation from FFO to the cash flow from the operating activities:

	31 Dec 14 $M	31 Dec 13 $M	Change %
FFO	**452.1**	447.7	1.0%
Distribution to exchangeable securities included in FFO	**25.0**	25.0	-
Add back: non-cash expenses items included in FFO	**10.0**	15.5	(35.5%)
Less: non-cash revenue items included in FFO	**(23.6)**	(20.0)	18.0%
Less: interest capitalised but paid in cash	**(9.5)**	(3.0)	216.7%
Less: payments for inventory	**(43.6)**	-	100%
Timing differences - increase in receivables	**(11.6)**	(14.1)	(17.7%)
Timing differences - increase / (decrease) in payables	**5.9**	(25.6)	(123.0%)
Cash flow from operating activities	**404.7**	425.5	(4.9%)

The Non-IFRS Information included above has not been specifically audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 13 of the accompanying financial statements.

Investing activities:

Significant investing cash flows during the year included the proceeds from the divestments of 818 Bourke Street and interest in GPT Metro Office Fund. Major cash outflows included equity investment in the wholesale funds, acquisitions of Corner of Bourke and William (CBW) in Melbourne, operating capital expenditures, lease incentives and development capital expenditures.

Financing activities:

Significant financing cash flows during the year included the net proceeds from Medium Term Notes and USPP notes, funding of the security buyback and distributions paid.

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. On 24 April 2014, GPT announced the extension of the on market buy back for an additional 12 months until May 2015.

DISTRIBUTION

GPT changed the frequency of distribution payments from quarterly to half yearly effective from 1 July 2013.

With the application of FFO from 1 January 2014, GPT's distribution policy has changed to a payout ratio of approximately 100% of Adjusted Funds from Operations (AFFO) which is defined as FFO less maintenance capex and lease incentives.

For the financial year ended 31 December 2014, distributions paid and payable to stapled securityholders totalled $357.3 million (2013: $351.7 million), representing an annual distribution of 21.2 cents, up 3.9% on 2013 (2013: 20.4 cents). This includes 10.7 cents ($180.3 million) in respect of the second half of 2014, which was declared on 22 December 2014 and is expected to be paid on 27 March 2015.

PROSPECTS

(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, utilizing 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) Investment management

Retail: Retail trade growth is expected to stabilise in 2015 after the solid recovery in 2014. The acceleration in retail trade growth was evident in the improvement in GPT's shopping centre sales growth (4.2% for specialty). The outlook for shopping centre sales should be positively impacted by the recent fall in the oil price and the moderation of growth in online retail sales. GPT expects that larger regional centres which dominate strong and growing trade areas will outperform other retail asset classes in the longer term.

Office: The key lead indicators for the office markets such as hiring intentions, business confidence and equity markets are gradually improving and this has been reflected in improved lease enquiry levels. In the medium term Australian economic growth is expected to be at or below trend, leading to a modest outlook for white collar employment. The finance, insurance and business services driven markets of Sydney and Melbourne are expected to continue to perform better than the resource dependent markets of Brisbane and Perth. GPT's office portfolio is the highest quality of the listed REIT sector, heavily weighted to Sydney and Melbourne markets, and is well positioned to deliver a solid performance.

Logistics: A strong investment market for institutional grade product remains in the industrial sector despite patchy fundamentals with weak tenant demand and increasing supply. The medium term outlook is for a stabilisation of rents and improved land values. GPT will continue to opportunistically acquire logistics assets as it looks to increase exposure to the sector. GPT will also continue to develop out its land banks and seek new development investment opportunities as part of its development capability.

(iii) 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.

(iv) 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

GPT 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 GPT's commitment to integrated risk management. GPT recognises the requirement for effective risk management as a core capability and consequently all employees are expected to be managers of risk. GPT's risk management approach incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing adverse effects. This approach is consistent with AS/NZS ISO 31000:2009: Risk Management.

The key components of this approach include:

- The GPT 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 GPT's risk appetite, strategy and values.

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

- The GPT Board is ultimately accountable for corporate governance and the appropriate management of risk across GPT. The Board sets the risk appetite and oversees GPT's risk profile to ensure activities are consistent with the strategy and values of the organisation.
- The Audit and Risk Management Committee (Committee) supports the Board. The Committee is responsible for overseeing and reviewing the effectiveness of GPT's risk management framework. The Committee, and through it the Board, receive reports on GPT's risk management practises, control systems and the effectiveness of GPT's management of its material business risks.
- The Leadership team supports the framework and culture of risk management at GPT 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 policy requirements including reporting any identified risks to the appropriate management in a timely manner.

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

Level	Risk description	Strategic impact	Mitigation
Operational performance	Investments do not perform in line with forecast	• Investments deliver lower Total Return than target • Credit downgrade	• 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
	Inability to lease assets in line with forecast	• Investments deliver lower Total Return than target	• Large and diversified tenant base • High quality property portfolio • Experienced leasing team • Development program to enhance asset returns
Market risk	Volatility and speed of changes in market conditions	• Investments deliver lower Total Return than target	• Holistic capital management • Large multi asset portfolio • Monitoring of asset concentration
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	• Strategy communicates multiple pathways to successful growth in Funds under management
Capital management	Re-financing and liquidity risk	• Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • May impact distributions • Failure to continue as a going concern	• Diversity of funding sources and spreading of debt maturities with a long weighted average debt term • Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve month period
	Interest rate risk – higher interest rate cost than forecast	• Detrimental impact to asset and portfolio performance • Adversely affect GPT's operating results	• Interest rate exposures are actively hedged
Health and safety	Risk of incidents, causing injury to tenants, visitors to the properties, 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 $50.0 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 GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

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 for 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.

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 Management Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
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 20 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 30 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 million 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.

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 & 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)	**STIC (variable)**	**LTI (variable)**	**Other employee ownership plans (variable)**
• 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.	• 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 one and two years.	• 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 A-REIT sector. • Assessed over a three 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.	**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 three 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

3 FFO is lower than ROI due to $25 million distribution to exchangeable securities that was previously not measured in ROI.

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	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 and 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 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.

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).	1/3 rd	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).	1/3 rd	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).	1/3 rd	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% Total Return, 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% Total Return, up to 100% at 9.75% Total Return (pro-rata vesting in between).	50%		

6 This is the three year compound Total Return result.

5. 2012-2014 LTI outcomes by Executive KMP

Senior executive	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	**2014**	**26 May 14**	**$2.09**	**630,252**	**31 Dec 16**	**$1,016,782**
Chief Executive Officer and Managing Director	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**

REPORTED REMUNERATION – EXECUTIVE KMP – IFRS ACCOUNTING[10]

		Fixed pay		Variable or "at risk"				
Senior executive		Base pay	Superannuation guarantee	Other[11]	STIC (cash plus accrual)[12]	LTI award accrual[13]	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
	2014	**$3,802,834**	**$73,116**	**$177,204**	**$2,074,038**	**$2,591,388**	**$53,687**	**$8,772,267**
Total	2013	$3,827,663	$68,488	$35,668	$2,160,000	$3,180,881	$249,968	$9,522,668

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.

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.

SECURITY OWNERSHIP AND PERFORMANCE RIGHTS ENTITLEMENTS OF GPT'S EXECUTIVE KMP

	Current GPT security ownership at 31 Dec 14						Performance rights	
	Previously vested GPT security holding	GPT securities allocated or 2014[15]	Private holdings				Performance rights that lapsed in 2014[17]	Performance rights still on foot at 31 Dec 14[18]
Senior executive	(# of securities)	(# of securities)	Balance (31 Dec13)	Purchase/ (Sale)	Balance (31 Dec 14)	MSHR[16] (Y/N)	(# of rights)	(# 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

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

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.

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.

REPORTED REMUNERATION - NON-EXECUTIVE DIRECTORS – IFRS ACCOUNTING[22]

		Fixed pay			
Director		Salary & fees	Superannuation	Other[23]	Total
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
	2014	**$1,210,450**	**$97,130**	**$2,065**	**$1,309,645**
Total	2013	$1,170,449	$92,306	$2,329	$1,265,084

No termination benefits were paid during the financial year.

NON-EXECUTIVE DIRECTOR - GPT SECURITY HOLDINGS

	Private holdings (# of securities)			MSHR[24]
Director	Balance 31 Dec 13	Purchase / (Sale)	Balance 31 Dec 14	(Y/N)
Rob Ferguson Chairman	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

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.

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

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

Auditor's Independence Declaration

As lead auditor for the audit of General Property Trust 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 General Property Trust and the entities it controlled during the period.

Partner
PricewaterhouseCoopers

Sydney
19 February 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

	Note	31 Dec 14 $M	31 Dec 13 $M
Revenue			
Rent from investment properties		**573.5**	566.2
Property and fund management fees		**52.5**	47.0
Development revenue		**17.1**	-
Development management fees		**5.1**	6.8
		648.2	620.0
Other income			
Fair value gain to investment properties		**208.9**	73.8
Fair value gain of unlisted equity investments		**1.2**	0.6
Share of after tax profit of equity accounted investments		**202.4**	168.3
Interest revenue		**5.8**	9.9
Net impact of foreign currency borrowings and associated hedging (loss) / gain		**(3.6)**	7.0
Net foreign exchange gain / (loss)		**0.2**	(0.4)
Net profit / (loss) on disposal of assets		**3.7**	(4.0)
		418.6	255.2
Total revenue and other income		**1,066.8**	875.2
Expenses			
Property expenses and outgoings		**158.5**	155.1
Management and other administration costs		**64.0**	52.5
Development costs		**13.3**	-
Depreciation expense		**1.9**	2.6
Amortisation expense		**6.7**	6.5
Finance costs		**109.3**	105.4
Net loss / (gain) on fair value movements of derivatives		**84.8**	(14.5)
Total expenses		**438.5**	307.6
Profit before income tax expense		**628.3**	567.6
Income tax (credit) / expense	9(a)	**(4.3)**	7.7
Profit after income tax expense		**632.6**	559.9
Profit from discontinued operations		**12.7**	11.6
Net profit for the year		**645.3**	571.5
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net foreign exchange translation adjustments	10(b)	**(7.9)**	2.5
Changes in the fair value of cash flow hedges	10(b)	**(5.6)**	(5.9)
Total other comprehensive income		**(13.5)**	(3.4)
Total comprehensive income for the year		**631.8**	568.1
Net profit attributable to:			
- Securityholders of the Trust		**656.2**	590.7
- Securityholders of other entities stapled to the Trust		**(10.9)**	(19.2)
Total comprehensive income attributable to:			
- Securityholders of the Trust		**640.9**	587.0
- Securityholders of other entities stapled to the Trust		**(9.1)**	(18.9)
Basic and diluted earnings per security attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) - profit from continuing operations	11(a)	**36.4**	31.6
Basic and diluted earnings per security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per security (cents per security) - profit from continuing operations	11(b)	**36.0**	30.8

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

CONSOLIDATED BALANCE SHEET

As at 31 December 2014 – THE GPT GROUP

	Note	31 Dec 14 $M	31 Dec 13 $M
ASSETS			
Current assets			
Cash and cash equivalents		**72.4**	278.7
Loans and receivables	13	**104.4**	99.0
Derivative assets	4	**3.5**	-
Prepayments	15(a)	**6.2**	4.6
		186.5	382.3
Non-Current assets held for sale		**4.3**	11.1
Total Current assets		**190.8**	393.4
Non-Current assets			
Investment properties	2	**7,093.5**	6,678.2
Equity accounted investments	3	**2,334.8**	1,976.6
Loans and receivables	4	**156.3**	157.2
Intangible assets	5	**43.7**	50.7
Inventories	6	**43.6**	-
Property, plant & equipment		**14.4**	12.5
Derivative assets	15(a)	**237.8**	132.7
Deferred tax assets	9	**32.4**	25.0
Other assets		**11.8**	5.9
Total Non-Current assets		**9,968.3**	9,038.8
Total assets		**10,159.1**	9,432.2
LIABILITIES			
Current liabilities			
Payables	7	**338.8**	318.2
Borrowings	14	**7.0**	205.0
Derivative liabilities	15(a)	**4.4**	-
Provisions	8	**23.8**	24.3
Total Current liabilities		**374.0**	547.5
Non-Current liabilities			
Borrowings	14	**2,711.5**	2,105.4
Derivative liabilities	15(a)	**139.9**	62.7
Provisions	8	**2.0**	1.8
Total Non-Current liabilities		**2,853.4**	2,169.9
Total liabilities		**3,227.4**	2,717.4
Net assets		**6,931.7**	6,714.8
EQUITY			
Equity attributable to securityholders of the Trust (parent entity)			
Contributed equity	10(a)	**7,585.1**	7,620.2
Reserves	10(b)	**(34.2)**	(18.9)
Retained earnings / accumulated losses	10(c)	**29.7**	(244.2)
Total equity of GPT Trust securityholders		**7,580.6**	7,357.1
Equity attributable to securityholders of other entities stapled to the Trust			
Contributed equity	10(a)	**319.3**	319.5
Reserves	10(b)	**57.5**	53.0
Accumulated losses	10(c)	**(1,025.7)**	(1,014.8)
Total equity of other stapled securityholders		**(648.9)**	(642.3)
Total equity		**6,931.7**	6,714.8

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

	Note	Attributable to the Securityholders of the General Property Trust				Attributable to the Securityholders of other entities stapled to the General Property Trust				
		Contributed equity $M	Reserves $M	Retained earnings / accumulated losses $M	Total $M	Contributed equity $M	Reserves $M	Accumulated losses $M	Total $M	Total equity $M
Balance at 1 January 2013		7,883.5	(15.2)	(368.1)	7,500.2	321.8	49.8	(995.6)	(624.0)	6,876.2
Foreign currency translation reserve	10 (b)	-	2.2	-	2.2	-	0.3	-	0.3	2.5
Cash flow hedge reserve	10 (b)	-	(5.9)	-	(5.9)	-	-	-	-	(5.9)
Other comprehensive income / (loss) for the year		-	(3.7)	-	(3.7)	-	0.3	-	0.3	(3.4)
Profit / (loss) for the year		-	-	590.7	590.7	-	-	(19.2)	(19.2)	571.5
Total comprehensive income / (loss) for the year		-	(3.7)	590.7	587.0	-	0.3	(19.2)	(18.9)	568.1
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	10 (a)	(267.4)	-	-	(267.4)	(2.3)	-	-	(2.3)	(269.7)
New issues of securities	10 (a)	4.1	-	-	4.1	-	-	-	-	4.1
Movement in employee incentive security scheme reserve net of tax	10 (b)	-	-	-	-	-	2.9	-	2.9	2.9
Distribution paid and payable	12	-	-	(466.8)	(466.8)	-	-	-	-	(466.8)
Balance at 31 December 2013		7,620.2	(18.9)	(244.2)	7,357.1	319.5	53.0	(1,014.8)	(642.3)	6,714.8
Balance at 1 January 2014		**7,620.2**	**(18.9)**	**(244.2)**	**7,357.1**	**319.5**	**53.0**	**(1,014.8)**	**(642.3)**	**6,714.8**
Foreign currency translation reserve	10 (b)	**-**	**(9.7)**	**-**	**(9.7)**	**-**	**1.8**	**-**	**1.8**	**(7.9)**
Cash flow hedge reserve	10 (b)	**-**	**(5.6)**	**-**	**(5.6)**	**-**	**-**	**-**	**-**	**(5.6)**
Other comprehensive income / (loss) for the year		**-**	**(15.3)**	**-**	**(15.3)**	**-**	**1.8**	**-**	**1.8**	**(13.5)**
Profit / (loss) for the year		**-**	**-**	**656.2**	**656.2**	**-**	**-**	**(10.9)**	**(10.9)**	**645.3**
Total comprehensive income / (loss) for the year		**-**	**(15.3)**	**656.2**	**640.9**	**-**	**1.8**	**(10.9)**	**(9.1)**	**631.8**
Transactions with Securityholders in their capacity as Securityholders:										
On-market securities buy-back	10 (a)	**(40.8)**	**-**	**-**	**(40.8)**	**(0.2)**	**-**	**-**	**(0.2)**	**(41.0)**
New issue of securities	10 (a)	**5.7**	**-**	**-**	**5.7**	**-**	**-**	**-**	**-**	**5.7**
Movement in employee incentive security scheme reserve net of tax	10 (b)	**-**	**-**	**-**	**-**	**-**	**2.7**	**-**	**2.7**	**2.7**
Distribution paid and payable	12	**-**	**-**	**(382.3)**	**(382.3)**	**-**	**-**	**-**	**-**	**(382.3)**
Balance at 31 December 2014		**7,585.1**	**(34.2)**	**29.7**	**7,580.6**	**319.3**	**57.5**	**(1,025.7)**	**(648.9)**	**6,931.7**

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

	Note	31 Dec 14 $M	31 Dec 13 $M
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**633.9**	665.7
Cash payments in the course of operations (inclusive of GST)		**(219.6)**	(263.6)
Cash receipts from development activities		**0.4**	-
Payments for development activities		**(5.4)**	-
Payment for inventory	13(i)	**(43.6)**	-
Distributions received from equity accounted investments		**137.6**	116.9
Interest received		**17.6**	17.1
Income taxes paid		**(0.8)**	-
		520.1	536.1
Finance costs		**(115.4)**	(110.6)
Net cash inflows from operating activities	13	**404.7**	425.5
Cash flows from investing activities			
Payments for investment properties		**(523.3)**	(329.5)
Proceeds from disposal of investment properties		**165.3**	454.6
Payments for properties under development		**(190.7)**	(46.7)
Payments for property, plant and equipment		**(0.2)**	(5.5)
Payments for intangibles		**(2.3)**	(6.5)
Investment in unlisted equities		**(0.3)**	-
Investment in equity accounted investments		**(289.7)**	(54.4)
Proceeds from disposal of subsidiaries		**355.5**	-
Proceeds from disposal of equity accounted investments		**-**	130.9
Proceeds from disposal of assets in US Seniors Housing Portfolio (net of tax)		**-**	1.6
Loan to joint ventures and associates		**-**	(3.3)
Loan repayments from joint ventures and associates		**6.4**	1.4
Net cash (outflows) / inflows from investing activities		**(479.3)**	142.6
Cash flows from financing activities			
Proceeds from bank borrowings		**419.6**	625.6
Proceeds from MTN and USPP borrowings		**336.7**	419.6
Repayment of bank borrowings		**(390.0)**	(677.0)
Repayment of MTN borrowings		**(80.0)**	(211.0)
Purchase of securities for the employee incentive scheme		**(0.4)**	(0.3)
Payments on termination and restructure of derivatives		**-**	(44.3)
Payments for the on-market buy-back of securities		**(41.0)**	(269.7)
Distributions paid to securityholders		**(376.6)**	(292.2)
Net cash outflows from financing activities		**(131.7)**	(449.3)
Net (decrease) / increase in cash and cash equivalents		**(206.3)**	118.8
Cash and cash equivalents at the beginning of the year		**278.7**	159.9
Cash and cash equivalents at the end of the year	13	**72.4**	278.7

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

These are the consolidated financial statements of the consolidated entity, GPT Group (GPT), which consists of General Property Trust (the Trust), GPT Management Holdings Limited (the Company) 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 was moved to the rear of the document and cross-referenced where necessary. GPT has also reviewed the notes for materiality and relevance, providing additional information where it is helpful to understand GPT's performance, and by removing immaterial information.

The notes are organised into the following sections:

Note 1 - Results for the year: focuses on results and performance of GPT.

Note 2 to 9 - Operating assets and liabilities: provides information on the assets and liabilities used to generate GPT's trading performance.

Note 10 to 15 - Capital structure: outlines how GPT 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 GPT 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	Impairment trigger and 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	9
Security based payments	Fair value	18
Derivatives	Fair value	22
Investment properties	Fair value	22

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

GPT's operating segments are described in the table below. The chief operating decision maker monitors the performance of the business on the basis of Funds from Operations (FFO) for each segment. FFO represents GPT's underlying and recurring earnings from its operations, and is determined by adjusting the statutory net profit after tax for items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia.

Segment	Types of products and services which generate the segment result
Retail	Ownership and management of predominantly regional and sub-regional shopping centres, including property management and development activities.
Office	Ownership and management of prime CBD office properties with some associated retail space, including property management and development activities.
Logistics	Ownership and management of established logistics and business park assets, including property management and development activities.
Funds Management	Management of three Australian property funds (2013: two Australian property funds) covering the retail, office and metropolitan office and business parks sectors, as well as equity investments by GPT in GPT Wholesale Shopping Centre Fund, GPT Wholesale Office Fund and GPT Metro Office Fund.
Corporate	Cash, borrowings and intangible assets plus resulting net interest costs and corporate operating costs.

(a) Segment financial information

31 December 2014

The segment financial information provided to the chief operating decision maker for the year ended 31 December 2014 is set out below.

Financial performance by segment

		Core operations							
		Retail	Office	Logistics	Funds Management	Corporate	Total Core	Total Non-Core[1]	Total
	Note	$M	$M	$M	$M	$M	$M	$M	$M
Investment Management									
Rent from investment properties	(b)(ii)	355.5	188.2	101.9	-	-	645.6	(62.2)	583.4
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(b)(iii)	-	-	-	87.1	-	87.1	49.4	136.5
Other income		2.2	1.7	1.1	-	1.0	6.0	(6.0)	-
Property expenses and outgoings		(106.8)	(46.4)	(16.0)	-	-	(169.2)	12.8	(156.4)
Property net income		250.9	143.5	87.0	87.1	1.0	569.5	(6.0)	563.5
Management & administrative expenses	(b)(iv)	(7.9)	(2.4)	(1.4)	-	(1.9)	(13.6)	6.0	(7.6)
Net contribution - Investment Management		243.0	141.1	85.6	87.1	(0.9)	555.9	-	555.9
Asset Management									
Property management fees		16.8	1.5	2.0	13.2	3.2	36.7	(19.4)	17.3
Management & administrative expenses	(b)(iv)	(8.1)	(1.5)	(2.4)	(15.4)	(3.7)	(31.1)	19.4	(11.7)
Net contribution - Asset Management		8.7	-	(0.4)	(2.2)	(0.5)	5.6	-	5.6
Development - Retail and Major projects									
Development fees		4.7	2.3	-	3.8	-	10.8	(6.3)	4.5
Management & administrative expenses	(b)(iv)	(4.1)	(1.2)	-	(3.6)	-	(8.9)	6.3	(2.6)
Net contribution - Development Retail and Major projects		0.6	1.1	-	0.2	-	1.9	-	1.9
Development - Logistics									
Development fees		-	-	5.9	-	-	5.9	(5.3)	0.6
Development revenue		-	-	17.1	-	-	17.1	-	17.1
Development costs		-	-	(13.3)	-	-	(13.3)	-	(13.3)
Share of after tax profits of investments in joint ventures	(b)(iii)	-	-	3.0	-	-	3.0	-	3.0
Management & administrative expenses	(b)(iv)	-	-	(6.2)	-	-	(6.2)	5.3	(0.9)
Net contribution - Development Logistics		-	-	6.5	-	-	6.5	-	6.5
Funds Management									
Rent from investment properties	(b)(ii)	-	-	12.4	-	-	12.4	-	12.4
Property expenses and outgoings		-	-	(2.1)	-	-	(2.1)	-	(2.1)
Property net income		-	-	10.3	-	-	10.3	-	10.3
Funds management fees		-	-	-	35.2	-	35.2	-	35.2
Management & administrative expenses	(b)(iv)	-	-	-	(13.0)	-	(13.0)	-	(13.0)
Net contribution - Funds Management		-	-	10.3	22.2	-	32.5	-	32.5
Corporate									
Management & administrative expenses	(b)(iv)	-	-	-	-	(30.1)	(30.1)	(0.1)	(30.2)
Interest income		-	-	-	-	31.0	31.0	(12.1)	18.9
Finance costs		-	-	-	-	(134.5)	(134.5)	25.2	(109.3)
Segment result before tax		252.3	142.2	102.0	107.3	(135.0)	468.8	13.0	481.8
Income tax expense	(b)(v)	-	-	-	-	(2.8)	(2.8)	(1.9)	(4.7)
Distributions on exchangeable securities		-	-	-	-	(25.0)	(25.0)	-	(25.0)
Funds from Operations (FFO)	(b)(i)	252.3	142.2	102.0	107.3	(162.8)	441.0	11.1	452.1

(1) Include non-core operations, consolidation and eliminations.

31 December 2014

Reconciliation of segment assets and liabilities to the Statement of Financial Position

	Core operations							
	Retail	Office	Logistics	Funds Management	Corporate	Total Core	Total Non-Core[1]	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Current assets								
Current assets	-	-	-	-	186.5	186.5	4.3	190.8
Total Current assets	-	-	-	-	186.5	186.5	4.3	190.8
Non-Current assets								
Investment properties	4,128.6	1,688.6	1,276.3	-	-	7,093.5	-	7,093.5
Equity accounted investments	22.2	769.0	-	1,543.6	-	2,334.8	-	2,334.8
Inventories	-	-	43.6	-	-	43.6	-	43.6
Other Non-Current assets	10.7	0.8	-	-	334.5	346.0	150.4	496.4
Total Non-Current assets	4,161.5	2,458.4	1,319.9	1,543.6	334.5	9,817.9	150.4	9,968.3
Total assets	4,161.5	2,458.4	1,319.9	1,543.6	521.0	10,004.4	154.7	10,159.1
Current and non-current liabilities	-	-	-	-	3,227.4	3,227.4	-	3,227.4
Total liabilities	-	-	-	-	3,227.4	3,227.4	-	3,227.4
Net assets	4,161.5	2,458.4	1,319.9	1,543.6	(2,706.4)	6,777.0	154.7	6,931.7

(1) Include non-core operations, consolidation and eliminations.

31 December 2013

The segment financial information provided to the chief operating decision maker for the year ended 31 December 2013 is set out below.

Financial performance by segment

		Core operations							
		Retail	Office	Logistics	Funds Management	Corporate	**Total Core**	**Total Non-Core[1]**	**Total**
	Note	$M	$M	$M	$M	$M	**$M**	**$M**	**$M**
Investment Management									
Rent from investment properties	(b)(ii)	372.9	188.3	91.8	-	-	653.0	(66.2)	586.8
Share of after tax profits of investments in associates and joint ventures (excluding fair value adjustments)	(b)(iii)	-	-	-	74.9	-	74.9	52.8	127.7
Other Income		2.0	1.3	0.5	-	-	3.8	(3.8)	-
Property expenses and outgoings		(108.6)	(44.2)	(15.6)	-	-	(168.4)	13.4	(155.0)
Property net income		266.3	145.4	76.7	74.9	-	563.3	(3.8)	559.5
Management & administrative expenses	(b)(iv)	(5.9)	(2.4)	(1.5)	(1.1)	-	(10.9)	3.8	(7.1)
Net contribution - Investment Management		260.4	143.0	75.2	73.8	-	552.4	-	552.4
Asset Management									
Property management fees		17.0	1.3	1.8	12.3	-	32.4	(17.0)	15.4
Management & administrative expenses	(b)(iv)	(7.5)	(2.8)	(2.2)	(14.1)	-	(26.6)	17.0	(9.6)
Net contribution - Asset Management		9.5	(1.5)	(0.4)	(1.8)	-	5.8	-	5.8
Development - Retail and Major Projects									
Development fees		3.3	2.4	-	6.2	-	11.9	(5.1)	6.8
Management & administrative expenses	(b)(iv)	(1.7)	(0.8)	-	(6.6)	-	(9.1)	5.1	(4.0)
Net contribution - Development Retail and Major Projects		1.6	1.6	-	(0.4)	-	2.8	-	2.8
Development - Logistics									
Development fees		-	-	0.6	-	-	0.6	(0.6)	-
Share of after tax profits of investments in joint ventures	(b)(iii)	-	-	0.7	-	-	0.7	-	0.7
Management & administrative expenses	(b)(iv)	-	-	(3.1)	-	-	(3.1)	0.6	(2.5)
Net contribution - Development Logistics		-	-	(1.8)	-	-	(1.8)	-	(1.8)
Funds Management									
Rent from investment properties	(b)(ii)	-	-	0.9	-	-	0.9	-	0.9
Property expenses and outgoings		-	-	(0.1)	-	-	(0.1)	-	(0.1)
Property net income		-	-	0.8	-	-	0.8	-	0.8
Funds management fees		-	-	-	30.9	-	30.9	-	30.9
Management & administrative expenses	(b)(iv)	-	-	-	(10.0)	-	(10.0)	-	(10.0)
Net contribution - Funds Management		-	-	0.8	20.9	-	21.7	-	21.7
Corporate									
Management & administrative expenses	(b)(iv)	-	-	-	-	(21.2)	(21.2)	(0.4)	(21.6)
Interest income		-	-	-	-	33.3	33.3	(9.8)	23.5
Finance costs		-	-	-	-	(128.8)	(128.8)	23.4	(105.4)
Segment result before tax		271.5	143.1	73.8	92.5	(116.7)	464.2	13.2	477.4
Income tax expense	(b)(v)	-	-	-	-	(2.7)	(2.7)	(2.0)	(4.7)
Distributions on exchangeable securities		-	-	-	-	(25.0)	(25.0)	-	(25.0)
Funds from Operations (FFO)	(b)(i)	271.5	143.1	73.8	92.5	(144.4)	436.5	11.2	447.7

(1) Include non-core operations, consolidation and eliminations.

31 December 2013

Reconciliation of segment assets and liabilities to the Statement of Financial Position

	Core operations							
	Retail	Office	Logistics	Funds Management	Corporate	**Total Core**	**Total Non-Core[1]**	**Total**
	$M	$M	$M	$M	$M	**$M**	**$M**	**$M**
Current assets								
Current assets	-	-	-	-	382.3	382.3	11.1	393.4
Total Current assets	-	-	-	-	382.3	382.3	11.1	393.4
Non-Current assets								
Investment properties	3,943.2	1,452.8	1,282.2	-	-	6,678.2	-	6,678.2
Equity accounted investments	21.0	716.8	-	1,238.7	0.1	1,976.6	-	1,976.6
Other Non-Current assets	10.7	0.9	3.1	-	222.1	236.8	147.2	384.0
Total Non-Current assets	3,974.9	2,170.5	1,285.3	1,238.7	222.2	8,891.6	147.2	9,038.8
Total assets	3,974.9	2,170.5	1,285.3	1,238.7	604.5	9,273.9	158.3	9,432.2
Current and Non-Current liabilities	-	-	-	-	2,717.4	2,717.4	-	2,717.4
Total liabilities	-	-	-	-	2,717.4	2,717.4	-	2,717.4
Net assets	3,974.9	2,170.5	1,285.3	1,238.7	(2,112.9)	6,556.5	158.3	6,714.8

(1) Include non-core operations, consolidation and eliminations.

(b) Reconciliation of segment result to the statement of comprehensive income

	31 Dec 14 $M	31 Dec 13 $M
(i) FFO to Net profit for the year		
Segment result		
FFO	**452.1**	447.7
Adjustments		
Fair value gain to investment properties	**208.9**	73.8
Fair value gain and other adjustments to equity accounted investments	**62.9**	39.9
Net (loss) / gain on fair value movements of derivatives	**(84.8)**	14.5
Net impact of foreign currency borrowings and associated hedging gain / (loss)	**(3.6)**	7.0
Net foreign exchange loss	**(0.7)**	(1.2)
Amortisation of lease incentives and rent free assets	**(29.8)**	(27.0)
Straightlining of rental income	**7.5**	5.5
Other items	**7.8**	(13.7)
Exclude distributions on exchangeable securities included in FFO	**25.0**	25.0
Consolidated Statement of Comprehensive Income		
Net profit for the year	**645.3**	571.5
(ii) Rent from investment properties		
Segment result		
Rent from investment properties (Investment Management)	**583.4**	586.8
Rent from investment properties (Funds Management)	**12.4**	0.9
Adjustments		
Amortisation of lease incentives and rent free assets	**(29.8)**	(27.0)
Straightlining of rental income	**7.5**	5.5
Consolidated Statement of Comprehensive Income		
Rent from investment properties	**573.5**	566.2
(iii) Share of after tax profits of equity accounted investments		
Segment result		
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Investment Management)	**136.5**	127.7
Share of after tax profits of investments in associates and joint ventures, excluding fair value adjustments (Development - Logistics)	**3.0**	0.7
Adjustment		
Fair value and other adjustments to equity accounted investments	**62.9**	39.9
Consolidated Statement of Comprehensive Income		
Share of after tax profits of equity accounted investments	**202.4**	168.3
(iv) Management and administration expenses		
Segment result		
Investment Management	**7.6**	7.1
Asset Management	**11.7**	9.6
Development - Retail & Major Projects	**2.6**	4.0
Development - Logistics	**0.9**	2.5
Funds Management	**13.0**	10.0
Corporate - core operations	**30.1**	21.2
Add back: management fee income	**-**	0.7
Less: depreciation expense	**(1.9)**	(2.6)
Consolidated statement of comprehensive income		
Management and administration expenses	**64.0**	52.5
(v) Income tax expense		
Segment result		
Income tax expense - core operations	**2.8**	2.7
Adjustment		
Tax impact on reconciling items from segment result to net profit / (loss) for the year - core operations	**(7.1)**	5.0
Consolidated statement of comprehensive income		
Income tax (credit) / expense	**(4.3)**	7.7

(c) Net profit / (loss) on disposal of assets

	Core operations						
	Retail	Office	Logistics[1]	Total Core	Total Non-Core	31 Dec 14	31 Dec 13
	$M	$M	$M	$M	$M	$M	$M
Details of disposals during the year:							
Cash consideration	-	152.5	367.5	520.0	-	520.0	591.9
Reversal of transaction costs over accured / (transaction costs)	0.3	(1.0)	(0.2)	(0.9)	-	(0.9)	(4.4)
Net consideration	0.3	151.5	367.3	519.1	-	519.1	587.5
Carrying amount of net assets sold	-	(150.1)	(365.3)	(515.4)	-	(515.4)	(590.1)
Foreign exchange gain realised on disposal	-	-	-	-	7.2	7.2	-
Profit / (loss) on sale before income tax	0.3	1.4	2.0	3.7	7.2	10.9	(2.6)
The carrying amounts of assets and liabilities as at the date of disposal were:							
Investment properties	-	150.1	356.8	506.9	-	506.9	458.0
Equity accounted investments	-	-	-	-	-	-	131.1
Other assets	-	-	15.0	15.0	-	15.0	1.0
Other liabilities	-	-	(6.5)	(6.5)	-	(6.5)	-
Net assets	-	150.1	365.3	515.4	-	515.4	590.1

(1) Include disposal of 87.54% interest in GPT Metro Office Fund for a consideration of $354.0 million resulting in a gain of disposal of $2.2 million.

Revenue

Rental revenue from investment properties is recognised on a straight line basis over the lease term. An asset is also recognised as a component of investment properties relating to fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, any cost is recognised on a straight line basis over the lease term. Contingent rental income is recognised as revenue in the period in which it is earned.

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 which 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. INVESTMENT PROPERTIES

	Note	31 Dec 14 $M	31 Dec 13 $M
Retail	(a)	**4,128.6**	3,943.2
Office	(b)	**1,688.6**	1,452.8
Logistics	(c)	**1,047.2**	1,088.7
Properties under development	(d)	**229.1**	193.5
Total investment properties	(e)	**7,093.5**	6,678.2

(a) Retail

	Ownership Interest[1] %	Acquisition Date	Fair Value 31 Dec 14 $M	Fair Value 31 Dec 13 $M	Latest Independent Valuation Date	Valuer
Casuarina Square, NT	50.0	Oct 1973	**271.7**	247.0	Dec 2014	Jones Lang LaSalle
Charlestown Square, NSW	100.0	Dec 1977	**835.3**	823.9	Jun 2014	Savills Australia
Pacific Highway, Charlestown, NSW	100.0	Oct 2002 / Jul 2003	**5.7**	6.0	Jun 2014	Savills Australia
Dandenong Plaza, VIC	100.0	Dec 1993 / Dec 1999	**188.0**	158.8	Dec 2014	Savills Australia
Highpoint Shopping Centre, VIC	16.7	Aug 2009	**320.3**	299.0	Sep 2014	CB Richard Ellis Pty Ltd
Homemaker City, Maribyrnong, VIC	16.7	Aug 2009	**8.8**	8.2	Sep 2014	CB Richard Ellis Pty Ltd
Westfield Penrith, NSW	50.0	Jun 1971	**566.1**	553.9	Jun 2014	Jones Lang LaSalle
Sunshine Plaza, QLD	** 50.0	Dec 1992 / Sep 2004	**378.2**	367.7	Jun 2014	CB Richard Ellis Pty Ltd
Plaza Parade, QLD	50.0	Jun 1999	**10.3**	10.5	Jun 2014	CB Richard Ellis Pty Ltd
Rouse Hill Town Centre, NSW	100.0	Dec 2005	**495.0**	470.0	Dec 2014	Jones Lang LaSalle
Melbourne Central, VIC - retail portion[2]	100.0	May 1999 / May 2001	**1,049.2**	998.2	Dec 2014	Savills Australia
Total Retail			**4,128.6**	3,943.2		

(b) Office

Australia Square, Sydney, NSW	50.0	Sep 1981	**327.0**	311.1	Jun 2014	Knight Frank Valuations
MLC Centre, Sydney, NSW	50.0	Apr 1987	**383.2**	384.4	Jun 2014	CB Richard Ellis Pty Ltd
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	**246.7**	224.9	Dec 2014	Jones Lang LaSalle
Melbourne Central, VIC - office portion[2]	100.0	May 1999 / May 2001	**427.0**	394.0	Dec 2014	Knight Frank Valuations
818 Bourke St, Victoria Harbour, VIC[3]	-	Jun 2006	**-**	138.4	Jun 2014	CB Richard Ellis Pty Ltd
Corner of Bourke and William, VIC[4]	50.0	Oct 2014	**304.7**	-	Dec 2014	M3 Property
Total Office			**1,688.6**	1,452.8		

(c) Logistics

	Ownership Interest[1] %	Acquisition Date	Fair Value 31 Dec 14 $M	Fair Value 31 Dec 13 $M	Latest Independent Valuation Date	Valuer
2-4 Harvey Road, Kings Park, NSW	100.0	May 1999	**46.5**	44.1	Jun 2014	Savills Australia
Citi-West Industrial Estate, Altona North, VIC	100.0	Aug 1994	**67.5**	66.6	Dec 2014	Savills Australia
Quad 1, Sydney Olympic Park, NSW	* 100.0	Jun 2001	**21.4**	20.3	Jun 2014	Jones Lang LaSalle
Quad 2, Sydney Olympic Park, NSW[5]	-	Dec 2001	**-**	24.4	Sep 2014	Jones Lang LaSalle
Quad 3, Sydney Olympic Park, NSW[5]	-	Mar 2003	**-**	24.0	Sep 2014	Jones Lang LaSalle
Quad 4, Sydney Olympic Park, NSW	* 100.0	Jun 2004	**31.2**	33.9	Jun 2014	Jones Lang LaSalle
6 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Jun 2010	**13.0**	12.5	Dec 2014	CB Richard Ellis Pty Ltd
8 Herb Elliott, Sydney Olympic Park, NSW	* 100.0	Aug 2004	**10.6**	10.2	Dec 2014	CB Richard Ellis Pty Ltd
3 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Apr 2013	**21.0**	19.4	Dec 2014	CB Richard Ellis Pty Ltd
5 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2005	**23.8**	21.0	Jun 2014	CB Richard Ellis Pty Ltd
7 Figtree Drive, Sydney Olympic Park, NSW	* 100.0	Jul 2004	**13.8**	13.5	Dec 2014	CB Richard Ellis Pty Ltd
5 Murray Rose, Sydney Olympic Park, NSW[5]	-	May 2002	**-**	70.4	Sep 2014	Jones Lang LaSalle
Rosehill Business Park, Camellia, NSW	100.0	May 1998	**75.0**	68.5	Dec 2014	Urbis
15 Berry Street, Granville, NSW	100.0	Nov 2000	**13.0**	13.3	Dec 2014	Savills Australia
19 Berry Street, Granville, NSW	100.0	Dec 2000	**28.1**	26.6	Dec 2014	Savills Australia
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**41.0**	38.8	Dec 2014	Colliers International
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	**20.5**	20.0	Dec 2014	Colliers International
Austrak Business Park, Somerton, VIC[6]	50.0	Oct 2003	**144.4**	140.1	Dec 2014	Jones Lang LaSalle
134-140 Fairbairn Road, Sunshine West, VIC[7]	-	Mar 2006	**-**	13.2	Dec 2011	CB Richard Ellis Pty Ltd
116 Holt Street, Pinkenba, QLD	100.0	Mar 2006	**14.1**	13.5	Jun 2014	M3 Property
4 Holker Street, Silverwater, NSW	100.0	Mar 2006	**24.2**	26.0	Jun 2014	Colliers International
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	**21.0**	18.4	Dec 2014	Jones Lang LaSalle
18 - 24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	**9.1**	14.5	Dec 2014	Urbis
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	**60.0**	60.0	Dec 2014	Urbis
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	**28.4**	25.2	Dec 2014	M3 Property
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	**30.0**	28.9	Dec 2014	Jones Lang LaSalle
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**25.0**	23.3	Dec 2014	M3 Property
Corner Pine Road and Loftus Road, Yennora, NSW	100.0	Nov 2013	**45.8**	43.6	Dec 2014	Jones Lang LaSalle
16-28 Quarry Road, Yatala, QLD	100.0	Nov 2013	**47.3**	44.5	Dec 2014	Knight Frank Valuations
15 Green Square Close, Fortitude Valley, QLD[5]	-	Nov 2013	**-**	110.0	Sep 2014	Colliers International
109-133 Burwood Road, Hawthorn, VIC[5]	-	Apr 2014	**-**	-	Sep 2014	Colliers International
Toll NQX, Karawatha, QLD[8]	100.0	Dec 2012	**94.5**	-	Dec 2014	Jones Lang LaSalle
29-55 Lockwood Road, Erskine Park, NSW[9]	100.0	Jun 2008	**77.0**	-	Dec 2014	CB Richard Ellis Pty Ltd
Total Logistics			**1,047.2**	1,088.7		

(d) Properties under development

17 Berry St, Granville, NSW	100.0	Sep 2009	**3.0**	2.9	Jun 2012	Savills Australia
7 Parkview Drive, Sydney Olympic Park, NSW[5]	* 100.0	May 2002	**20.7**	24.4	Dec 2014	CB Richard Ellis Pty Ltd
Erskine Park, NSW[9]	100.0	Jun 2008	**176.7**	75.1	Dec 2014	CB Richard Ellis Pty Ltd
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	**4.7**	4.7	Jun 2013	Knight Frank Valuations
Austrak Business Park, Somerton, VIC[6]	50.0	Oct 2003	**24.0**	24.3	Jun 2014	Jones Lang LaSalle
Toll NQX, Karawatha, QLD[8]	100.0	Dec 2012	**-**	62.1	Dec 2014	Jones Lang LaSalle
Total Properties under development			**229.1**	193.5		

(1) Freehold, unless otherwise marked with a * which denotes leasehold and ** denotes a combination of freehold and leasehold respectively.

(2) Melbourne Central: 71.1% Retail and 28.9% Office (Dec 13: 71.7% Retail and 28.3% Office). Melbourne Central – Retail Includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street which was acquired on 3 June 2014 for $4.8 million.

(3) On 31 October 2014, GPT sold its 100% interest in 818 Bourke Street, Victoria Harbour for a total consideration of $152.5 million.

(4) On 1 October 2014 GPT acquired 50% interest in Corner of Bourke and William for a total consideration of $321.2 million.

(5) On 29 October 2014 GPT diluted its controlling interest in GPT Metro Office Fund to 12.46% which resulted in the divestment of GPT Metro Office Fund investment properties for a total consideration of $343.3 million.

(6) Following practical completion in December 2014 of the IMCD development at Austrak Business Park, Somerton, $3.9 million was transferred from properties under development to investment property in the Logistics portfolio.

(7) On 7 November 2014 GPT sold its 100% interest in 134-140 Fairbairn Road, Sunshine for a total consideration of $13.5 million.

(8) Following practical completion in March 2014, Toll NQX, Karawatha has been reclassified from properties under development to investment property in the Logistics portfolio.

(9) Following practical completion in December 2014, 29-55 Lockwood Road, Erskine Park has been reclassified from properties under development to investment property in the Logistics portfolio. The prior year comparison in properties under development includes 29-55 Lockwood Road, Erskine Park.

(e) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	31 Dec 14 $M	31 Dec 13 $M
Carrying amount at the beginning of the financial year	3,943.2	1,452.8	1,088.7	193.5	**6,678.2**	6,500.6
Additions - operating capital expenditure	13.8	21.0	3.8	0.1	**38.7**	33.5
Additions - interest capitalised[1]	0.7	-	-	8.4	**9.1**	3.0
Additions - development capital expenditure	47.0	24.0	-	193.6	**264.6**	80.4
Asset acquisitions	4.8	321.2	66.7	-	**392.7**	230.9
Transfers to / from properties under development	-	-	166.0	(166.0)	**-**	-
Lease incentives	8.2	19.8	1.7	-	**29.7**	42.7
Amortisation of lease incentives	(11.0)	(15.6)	(3.2)	-	**(29.8)**	(27.0)
Disposals	-	(150.1)	(309.7)	(47.1)	**(506.9)**	(262.4)
Fair value adjustments	123.3	11.2	27.7	46.7	**208.9**	73.8
Leasing costs (net of amortisation)	0.2	0.5	0.1	-	**0.8**	(2.8)
Straightlining of rental income	(1.6)	3.8	5.4	(0.1)	**7.5**	5.5
Carrying amount at the end of the financial year	4,128.6	1,688.6	1,047.2	229.1	**7,093.5**	6,678.2

(1) A capitalisation interest rate of 5.3% (2013: 5.1%) has been applied when capitalising interest on qualifying assets.

Land and buildings held for the long-term for rental yields and which are not occupied by GPT, are classified as investment properties.

Investment properties are initially recognised at cost and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any change in fair value is recognised in the consolidated statement of comprehensive income in the period.

Properties under development are stated at fair value at each balance date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile. Finance costs incurred on properties undergoing development are included in the cost of the development.

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions, using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed in note 22.

Lease incentives

Lease incentives provided by GPT to lessees are included in the measurement of fair value of investment property and are amortised over the lease term using a straight-line basis.

(f) Operating lease receivables

Non-cancellable operating leases receivables not recognised in the financial statements at balance date:

	31 Dec 14 $M	31 Dec 13 $M
Due within one year	**454.6**	489.8
Due between one and five years	**1,215.5**	1,311.2
Due after five years	**864.6**	729.3
Total operating lease receivables	**2,534.7**	2,530.3

3. EQUITY ACCOUNTED INVESTMENTS

	Note	31 Dec 14 $M	31 Dec 13 $M
Investments in joint ventures	(a)(i)	**791.2**	737.9
Investments in associates	(a)(ii)	**1,543.6**	1,238.7
Total equity accounted investments		**2,334.8**	1,976.6

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest 31 Dec 14 %	Ownership Interest 31 Dec 13 %	31 Dec 14 $M	31 Dec 13 $M
(i) Joint ventures					
2 Park Street Trust[1]	Investment property	50.00	50.00	**431.8**	384.5
1 Farrer Place Trust[1]	Investment property	50.00	50.00	**337.1**	332.3
Horton Trust	Investment property	50.00	50.00	**22.2**	21.0
Lend Lease GPT (Rouse Hill) Pty Limited[1] [2]	Property development	50.00	50.00	**-**	-
Chullora Trust 1	Investment property	50.00	50.00	**-**	-
DPT Operator Pty Limited[1]	Managing property	50.00	50.00	**0.1**	0.1
Total investment in joint ventures				**791.2**	737.9
(ii) Associates					
GPT Wholesale Office Fund[1]	Property investment	20.36	20.28	**890.3**	714.9
GPT Wholesale Shopping Centre Fund[1]	Property investment	20.11	20.31	**622.9**	523.8
GPT Metro Office Fund[1] [3]	Property investment	12.46	-	**30.4**	-
Total investments in associates				**1,543.6**	1,238.7

(1) The entity has a 30 June balance date.

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

(3) The fair value of GPT Metro Office Fund based on the quoted market price is $31.3m. There are no quoted market prices for GPT's other associates and joint ventures.

(b) Summarised financial information for associates and joint ventures

The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not GPT's share of those amounts. They have been amended to reflect adjustments made by GPT when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(i) Joint ventures

	2 Prk Street Trust		1 Farrer Place Trust		Others		Total	
	31 Dec 14 $M	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M
Current assets								
Cash and cash equivalents	**7.9**	8.4	**4.6**	7.5	**15.0**	23.7	**27.5**	39.6
Other current assets	**10.1**	6.4	**3.2**	0.4	**2.5**	2.4	**15.8**	9.2
Total Current assets	**18.0**	14.8	**7.8**	7.9	**17.5**	26.1	**43.3**	48.8
Total Non-Current assets	**865.0**	790.0	**680.8**	671.1	**80.5**	85.7	**1,626.3**	1,546.8
Current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**19.5**	35.6	**14.5**	14.5	**9.3**	17.8	**43.3**	67.9
Other current liabilities	**-**	0.2	**-**	-	**3.2**	1.6	**3.2**	1.8
Total Current liabilities	**19.5**	35.8	**14.5**	14.5	**12.5**	19.4	**46.5**	69.7
Non-Current liabilities								
Financial liabilities (excluding trade payables, other payables and provisions)	**-**	-	**-**	-	**57.1**	69.1	**57.1**	69.1
Total Non-Current liabilities	**-**	-	**-**	-	**57.1**	69.1	**57.1**	69.1
Negative net assets not recognised[1]	**-**	-	**-**	-	**16.2**	18.9	**16.2**	18.9
Net assets	**863.5**	769.0	**674.1**	664.5	**44.6**	42.2	**1,582.2**	1,475.7
Reconciliation to carrying amounts:								
Opening net assets 1 January	**769.0**	763.4	**664.5**	649.2	**42.2**	303.3	**1,475.7**	1,715.9
Profit for the year	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4
Disposal of joint venture	**-**	-	**-**	-	**-**	(262.2)	**-**	(262.2)
Issue of equity	**61.3**	-	**6.0**	8.4	**-**	1.0	**67.3**	9.4
Distributions paid / payable	**(47.1)**	(48.6)	**(41.3)**	(41.5)	**(8.4)**	(11.7)	**(96.8)**	(101.8)
Closing net assets	**863.5**	769.0	**674.1**	664.5	**44.6**	42.2	**1,582.2**	1,475.7
Group's share	**431.8**	384.5	**337.1**	332.3	**22.3**	21.1	**791.2**	737.9
Summarised statement of comprehensive income								
Revenue	**60.4**	60.4	**52.6**	52.8	**6.2**	12.8	**119.2**	126.0
Interest expense	**-**	-	**-**	-	**-**	(0.4)	**-**	(0.4)
Profit for the year	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4
Total comprehensive income	**80.3**	54.2	**44.9**	48.4	**10.8**	11.8	**136.0**	114.4

(1) This represents the negative net assets of Lend Lease GPT (Rouse Hill) Pty Limited.

(ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		GPT Metro Office Fund		Total	
	31 Dec 14 $M	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M
Total Current assets	**41.1**	34.4	**24.2**	24.8	**10.9**	-	**76.2**	59.2
Total Non-Current assets	**5,334.8**	4,101.9	**3,818.4**	2,961.3	**352.5**	-	**9,505.7**	7,063.2
Total Current liabilities	**125.2**	126.0	**111.4**	87.9	**14.7**	-	**251.3**	213.9
Total Non-Current liabilities	**878.3**	485.9	**633.8**	320.0	**104.6**	-	**1,616.7**	805.9
Net assets	**4,372.4**	3,524.4	**3,097.4**	2,578.2	**244.1**	-	**7,713.9**	6,102.6
Reconciliation to carrying amounts:								
Opening net assets 1 January	**3,524.4**	3,296.7	**2,578.2**	2,065.5	**-**	-	**6,102.6**	5,362.2
Profit / (loss) for the year	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Issue of equity	**616.5**	123.5	**504.2**	445.2	**246.6**	-	**1,367.3**	568.7
Distributions paid / payable	**(251.9)**	(221.4)	**(161.4)**	(138.8)	**-**	-	**(413.3)**	(360.2)
Closing net assets	**4,372.4**	3,524.4	**3,097.4**	2,578.2	**244.1**	-	**7,713.9**	6,102.6
Group's share	**890.3**	714.9	**622.9**	523.8	**30.4**	-	**1,543.6**	1,238.7
Summarised statement of comprehensive income								
Revenue	**427.1**	317.6	**277.9**	259.1	**5.6**	-	**710.6**	576.7
Profit for the year	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Total comprehensive income	**483.4**	325.6	**176.4**	206.3	**(2.5)**	-	**657.3**	531.9
Distributions received from associates	**35.0**	45.6	**-**	-	**-**	-	**35.0**	45.6

4. LOANS AND RECEIVABLES

	31 Dec 14 $M	31 Dec 13 $M
Current assets		
Trade receivables	**15.3**	19.8
Less: impairment of trade receivables	**(0.4)**	(0.7)
	14.9	19.1
Distributions receivable from joint ventures	**8.1**	17.3
Distributions receivable from associates	**24.1**	20.1
Related party receivables[1]	**27.0**	15.4
Other receivables	**30.3**	27.1
Total current loans and receivables	**104.4**	99.0
Non-Current assets		
Deferred consideration receivables	**150.4**	147.2
Loan advanced to Chullora Trust 1	**-**	3.1
Loan advanced to Lend Lease GPT (Rouse Hill) Pty Limited	**5.9**	6.9
Total Non-Current loans and receivables	**156.3**	157.2

(1) The related party receivables are on commercial terms and conditions.

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

	31 December 2014						31 December 2013					
	Not Due	**0-30 days**	**31-60 days**	**61-90 days**	**90+ days**	**Total**	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	$M	**$M**	**$M**	**$M**	**$M**	**$M**	$M	$M	$M	$M	$M	$M
Current receivables	**-**	**100.3**	**1.1**	**0.7**	**2.7**	**104.8**	-	93.9	1.1	0.2	4.5	99.7
Impairment of Current receivables	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**	-	-	-	-	(0.7)	(0.7)
Non-Current loans and receivables[2]	**179.0**	**-**	**-**	**-**	**-**	**179.0**	179.9	-	-	-	-	179.9
Impairment of Non-Current receivables	**(22.7)**	**-**	**-**	**-**	**-**	**(22.7)**	(22.7)	-	-	-	-	(22.7)
Total loans and receivables	**156.3**	**100.3**	**1.1**	**0.7**	**2.3**	**260.7**	157.2	93.9	1.1	0.2	3.8	256.2

(2) Includes $150.4 million (Dec 13: $147.2 million) of deferred consideration from the Indigenous Land Corporation with respect to the sale of Ayers Rock Resort. GPT has been provided with security guaranteeing the deferred payment and therefore the receivable is considered as recoverable.

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 GPT 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. See note 15(e) for more information on management of credit risk relating to trade receivables.

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

	Management rights $M	IT development & software $M	Total $M
Costs			
Balance as at 31 December 2012	77.3	51.4	128.7
Additions	0.7	6.6	7.3
Balance as at 31 December 2013	78.0	58.0	136.0
Additions	0.2	2.3	2.5
Transfer to other assets	-	(2.8)	(2.8)
Balance as at 31 December 2014	**78.2**	**57.5**	**135.7**
Accumulated amortisation and impairment			
Balance as at 31 December 2012	(66.0)	(12.8)	(78.8)
Amortisation charge 2013	(0.4)	(6.1)	(6.5)
Balance as at 31 December 2013	(66.4)	(18.9)	(85.3)
Amortisation charge for 2014	(0.6)	(6.1)	(6.7)
Balance as at 31 December 2014	**(67.0)**	**(25.0)**	**(92.0)**
Carrying amounts			
Balance as at 31 December 2013	11.6	39.1	50.7
Balance as at 31 December 2014	**11.2**	**32.5**	**43.7**

Management rights

Management rights include property management and development management rights. Rights are initially measured at cost and 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 $M	31 Dec 13 $M
Development properties held for resale	**43.6**	-
Total inventories	**43.6**	-

Development properties held for resale are 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.

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 these estimates 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 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. PAYABLES

	31 Dec 14 $M	31 Dec 13 $M
Trade payables and accruals	**128.8**	122.7
Distribution payable to stapled securityholders	**180.3**	174.6
Interest payable	**16.7**	14.1
Related party payables	**5.6**	-
Other payables	**7.4**	6.8
Total payables	**338.8**	318.2

Trade and other payables represent liabilities for goods and services provided to GPT 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.

8. PROVISIONS

	31 Dec 14 $M	31 Dec 13 $M
Current provisions		
Employee benefits	**6.9**	7.3
Provision for levies	**11.6**	10.4
Other	**5.3**	6.6
Total Current provisions	**23.8**	24.3
Non-Current provisions		
Employee benefits	**2.0**	1.8
Total Non-Current provisions	**2.0**	1.8

Provisions are recognised when:

- GPT 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.

Provision for 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.

Employee benefits expenses in the Consolidated Statement of Comprehensive Income

Employee benefits expenses	**105.2**	87.3

9. TAXATION

	31 Dec 14 $M	31 Dec 13 $M
(a) Income tax expense		
Deferred income tax (credit) / expense	**(1.7)**	9.9
Income tax (credit) / expense in the Statement of Comprehensive Income	**(1.7)**	9.9
Income tax (credit) / expense attributable to:		
(Loss) / profit from continuing operations	**(4.3)**	7.7
Profit from discontinued operations	**2.6**	2.2
Aggregate income tax (credit) / expense	**(1.7)**	9.9
Reconciliation of Income tax (credit) / expense to prima facie tax payable:		
Net profit before income tax expense	**643.5**	581.4
Less: profit attributed to entities not subject to tax	**(659.1)**	(584.2)
Net loss before income tax expense	**(15.6)**	(2.8)
Prima facie income tax credit at 30% tax rate (2013: 30%)	**(4.7)**	(0.8)
Adjustments for income tax for prior years	**(7.6)**	-
Non-deductible items	**5.3**	5.3
Deferred tax asset not recognised	**5.3**	5.4
Income tax (credit) / expense	**(1.7)**	9.9
(b) Deferred tax assets		
Employee benefits	**15.2**	11.9
Provisions and accruals	**3.2**	3.3
Tax losses recognised	**15.8**	9.6
Other	**(1.8)**	0.2
Net deferred tax asset	**32.4**	25.0
Movement in temporary differences during the financial year		
Opening balance at beginning of the financial year	**25.0**	34.8
Charged to the income statement	**(4.5)**	(2.4)
Charged to the reserves	**5.7**	-
Tax losses recognised / (utilised)	**6.2**	(7.4)
Closing balance at end of the financial year	**32.4**	25.0

Trusts

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

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.

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.

Tax relating to equity items

Income taxes relating to items recognised directly in equity are recognised in equity and not in statement of comprehensive income.

CAPITAL STRUCTURE

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard GPT's ability to continue as a going concern while optimising its debt and equity structure. GPT aims to maintain a capital structure which includes gearing levels within a range of 25% to 35% (based on net debt to total tangible assets less cash) that is consistent with a stable investment grade credit rating in the "A category".

At 31 December 2014, GPT is credit rated A- Positive /A3 stable by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund its development pipeline and future acquisition investment opportunities. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

GPT is able to vary equity in the capital mix by:

- issuing new stapled securities,
- buying back stapled securities,
- activating the distribution reinvestment plan,
- adjusting the amount of distributions paid to stapled security holders, or
- selling assets to reduce borrowings.

10. EQUITY AND RESERVES

(a) Contributed equity

		Note	Number	Trust $M	Other entities Stapled to GPT $M	Total $M
(i)	**Ordinary stapled securities**					
1 Jan 2013	Opening securities on issue		1,766,785,075	7,642.9	321.8	7,964.7
18 Feb 2013	Securities issued		1,946,654	4.1	-	4.1
Jun-Sep 2013	On-market buy-back		(73,843,091)	(267.4)	(2.3)	(269.7)
31 Dec 2013	Closing securities on issue		1,694,888,638	7,379.6	319.5	7,699.1
1 Jan 2014	Opening securities on issue		**1,694,888,638**	**7,379.6**	**319.5**	**7,699.1**
14 Feb 2014	Securities issued	(1)	**1,980,505**	**5.7**	**-**	**5.7**
Jan-Jun 2014	On-market buy-back	(2)	**(11,408,188)**	**(40.8)**	**(0.2)**	**(41.0)**
31 Dec 2014	Closing securities on issue		**1,685,460,955**	**7,344.5**	**319.3**	**7,663.8**
(ii)	**Exchangeable securities**					
1 Jan 2013	Opening securities on issue		2,500	240.6	-	240.6
31 Dec 2013	Closing securities on issue		2,500	240.6	-	240.6
1 Jan 2014	Opening securities on issue		**2,500**	**240.6**	**-**	**240.6**
31 Dec 2014	Closing securities on issue	(3)	**2,500**	**240.6**	**-**	**240.6**
Total Contributed Equity - 31 December 2013			-	7,620.2	319.5	7,939.7
Total Contributed Equity - 31 December 2014			**-**	**7,585.1**	**319.3**	**7,904.4**

Ordinary units and 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.

(1) Securities issued

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

(2) 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 stapled securities for a total consideration of $41.0 million.

(3) Exchangeable Securities

On 27 November 2008, 2,500 Exchangeable Securities (ES) were issued to an affiliate of GIC Real Estate Pty Limited (GIC RE) at $100,000 per exchangeable security. The ES are exchangeable into stapled securities at GIC RE's option subject to obtaining necessary approvals at an initial exchange price of $3.883 per stapled security in accordance with the terms of the agreement. The ES offer discretionary distributions of 10% per annum and carry voting rights in GPT. On 28 January 2015, GPT redeemed the ES GIC for $325 million, plus accrued distribution. Please refer note 24 for detail.

(b) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Employee incentive scheme reserve		Total reserve	
	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M	Trust $M	Other entities stapled to GPT $M
Balance at 1 January 2013	(17.5)	31.9	-	-	2.3	17.9	(15.2)	49.8
Net foreign exchange translation adjustments	2.2	0.3	-	-	-	-	2.2	0.3
Changes in the fair value of cash flow hedges	-	-	(5.9)	-	-	-	(5.9)	-
Security based payment transactions	-	-	-	-	-	2.9	-	2.9
Balance at 31 December 2013	(15.3)	32.2	(5.9)	-	2.3	20.8	(18.9)	53.0
Balance at 1 January 2014	**(15.3)**	**32.2**	**(5.9)**	**-**	**2.3**	**20.8**	**(18.9)**	**53.0**
Net foreign exchange translation adjustments	**(9.7)**	**1.8**	**-**	**-**	**-**	**-**	**(9.7)**	**1.8**
Changes in the fair value of cash flow hedges	**-**	**-**	**(5.6)**	**-**	**-**	**-**	**(5.6)**	**-**
Security based payment transactions	**-**	**-**	**-**	**-**	**-**	**2.7**	**-**	**2.7**
Balance at 31 December 2014	**(25.0)**	**34.0**	**(11.5)**	**-**	**2.3**	**23.5**	**(34.2)**	**57.5**

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 forgein controlled entity is disposed.

Cash flow hedge reserve

The reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

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 18 for further details of the security based payments.

(c) Retained earnings / Accumulated losses

	Note	Trust $M	Other entities stapled to GPT $M	Total $M
		(368.1)	(995.6)	(1,363.7)
Balance at 1 January 2013		590.7	(19.2)	571.5
Net profit / (loss) for the financial year	12(a)	(441.8)	-	(441.8)
Less: Distributions paid/payable to ordinary stapled securityholders	12(b)	(25.0)	-	(25.0)
Less: Distributions paid/payable to exchangeable securities securityholders		(244.2)	(1,014.8)	(1,259.0)
Balance at 31 December 2013				
Balance at 1 January 2014		**(244.2)**	**(1,014.8)**	**(1,259.0)**
Net profit / (loss) for the financial year		**656.2**	**(10.9)**	**645.3**
Less: Distributions paid/payable to ordinary stapled securityholders	12(a)	**(357.3)**	**-**	**(357.3)**
Less: Distributions paid/payable to exchangeable securities securityholders	12(b)	**(25.0)**	**-**	**(25.0)**
Balance at 31 December 2014		**29.7**	**(1,025.7)**	**(996.0)**

11. EARNINGS PER STAPLED SECURITY

	31 Dec 14 Cents	31 Dec 13 Cents
(a) Attributable to ordinary securityholders of the Trust		
Basic and diluted earnings per security - profit from continuing operations	**36.4**	31.6
Basic and diluted earnings per security - profit from discontinued operations	**1.0**	0.9
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	**37.4**	32.5
(b) Attributable to ordinary stapled securityholders of GPT		
Basic and diluted earnings per security - profit from continuing operations	**36.0**	30.8
Basic and diluted earnings per security - profit from discontinued operations	**0.8**	0.7
Total basic and diluted earnings per security attributable to ordinary stapled securityholders of The GPT Group	**36.8**	31.5

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

(c) Reconciliation of earnings used in calculating earnings per ordinary stapled security	**$M**	$M
Net profit from continuing operations attributable to the securityholders of the Trust	**639.0**	574.4
Net profit from discontinued operations attributable to the securityholders of the Trust	**17.2**	16.3
	656.2	590.7
Less: distribution to the holders of Exchangeable Securities[1]	**(25.0)**	(25.0)
Basic and diluted earnings of the Trust	**631.2**	565.7
Add: Net (loss) from continuing operations attributable to the securityholders of other stapled entities	**(6.4)**	(14.5)
Add: Net (loss) from discontinued operations attributable to the securityholders of other stapled entities	**(4.5)**	(4.7)
Basic and diluted earnings of the Company	**(10.9)**	(19.2)
Basic and diluted earnings of The GPT Group	**620.3**	546.5

(d) WANOS	**Million**	Million
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	**1,686.3**	1,738.0
Performance security rights at weighted average basis[2]	**2.8**	1.4
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security	**1,689.1**	1,739.4

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

(2) 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 stapled security is calculated as net profit attributable to ordinary securityholders of GPT, divided by the weighted average number of ordinary securities outstanding during the financial year which is adjusted for bonus elements in ordinary securities issued during the financial year.

Diluted earnings per security is calculated as net profit attributable to ordinary securityholders of GPT divided by the weighted average number of ordinary securities and dilutive potential ordinary securities. Where there is no difference between basic earnings per stapled security and diluted earnings per stapled security, the term basic and diluted earnings per ordinary security is used.

12. DISTRIBUTIONS PAID AND PAYABLE

Distributions are paid to GPT securityholders and exchangeable securities securityholders half yearly.

		31 Dec 14 $M	31 Dec 213 $M
(a) Stapled Securityholders			
Distibutions paid and payable			
6 months period ended 30 June 2014	10.5 cents per stapled security paid on 12 September 2014 (30 June 2013[2]: 10.2 cents per stapled security)	**117.0**	180.3
6 months period ended 31 December 2014[1]	10.7 cents per stapled security (31 December 2013[3]: 15.3 cents per stapled security)	**180.3**	261.5
		357.3	441.8
(b) Exchangeable Securities Securityholders			
(i) Distibutions paid			
Period from 28 November 2013 to 27 November 2014	10% per exchangeable security	**25.0**	25.0
(ii) Distibutions payable			
Period from 28 November 2014 to 31 December 2014	10% per exchangeable security	**2.4**	2.4

(1) December 2014 half yearly distribution of 10.7 cents per stapled security has been declared on 22 December 2014 and is expected to be paid on 27 March 2015 based on the record date of 31 December 2014.

(2) The 10.2 cents include December 2012 quarter distribution of 5.1 cents per stapled security paid on 14 March 2013 and March 2013 distribution of 5.1 cents per stapled security paid on 17 May 2013.

(3) The 15.3 cents includes June 2013 quarter distribution of 5.0 cents per stapled security paid on 13 September 2013 and December 2013 half yearly distribution of 10.3 cents per stapled security paid on 21 March 2014.

13. CASH AND CASH EQUIVALENTS

		31 Dec 14 $M	31 Dec 13 $M
Cash and cash equivalents		**72.4**	278.7
Total cash and cash equivalents at the end of the year		**72.4**	278.7

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

		31 Dec 14 $M	31 Dec 13 $M
Net profit for the year		**645.3**	571.5
Fair value adjustments to investment properties		**(208.9)**	(73.8)
Fair value adjustments to derivatives		**84.8**	(14.5)
Net impact of foreign currency borrowings and associated hedging loss / (gain)		**3.6**	(7.0)
Share of after tax profit of equity accounted investments (net of distributions)		**(70.0)**	(42.5)
Net (gain) / loss on disposal of assets		**(10.9)**	2.6
Depreciation and amortisation		**8.6**	9.1
Non-cash employee benefits - security based payments		**3.1**	7.3
Non-cash revenue adjustments		**9.6**	8.1
Interest capitalised		**(9.5)**	(3.0)
Increase in operating assets		**(16.5)**	(7.5)
Increase in inventory	(i)	**(43.6)**	-
Increase / (decrease) in operating liabilities		**5.9**	(25.4)
Others		**3.2**	0.6
Net cash inflows from operating activities		**404.7**	425.5

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

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

14. BORROWINGS

	31 Dec 14 $M	31 Dec 13 $M
Current borrowings - unsecured	-	205.0
Current borrowings - secured	7.0	-
Current borrowings	7.0	205.0
Non-Current borrowings - unsecured	2,617.9	2,029.1
Non-Current borrowings - secured	93.6	76.3
Non-Current borrowings	**2,711.5**	2,105.4
Total borrowings[1] - carrying amount	**2,718.5**	2,310.4
Total borrowings[2] - fair value	**2,781.9**	2,329.1

(1) Including unamortised establishment costs and fair value adjustments
(2) Valued using market observable inputs (level 2). Excluding unamortised establishment costs.

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 unless there is an effective fair value hedge of the borrowings, in which case the borrowings are carried at fair value and any changes in the fair value are recognised in the statement of comprehensive income. All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

The maturity profile of borrowings is provided below.

	Total facility[1] $M	Used facility[1] $M	Unused facility $M
Due within one year	9.5	7.0	2.5
Due between one and five years	2,214.7	1,770.8	443.9
Due after five years	815.4	815.4	-
	3,039.6	**2,593.2**	**446.4**
Cash and cash equivalents			**72.4**
Total financing resources available at the end of the year			**518.8**

(1) Excluding unamortised establishment costs and fair value adjustments.

Debt covenants

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

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

A breach of these covenants for individual facilities may trigger consequences ranging from rectifying and / or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 31 December 2014 and no breaches were identified.

15. FINANCIAL RISK MANAGEMENT

The GPT Board approves GPT's treasury and risk management policy which:

- establishes a framework for the management of risks inherent to the capital structure,
- defines the role of GPT's treasury, and
- sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange, interest rate and other derivative 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. GPT's primary interest rate risk arises from borrowings. The table below provides a summary of GPT's gross interest rate risk exposure as at 31 December 2014 on interest bearing borrowings together with the net effect of interest rate risk management transactions. This excludes unamortised establishment costs and fair value adjustments.

	Gross exposure		Net exposure	
	2014 $M	2013 $M	**2014 $M**	2013 $M
Fixed rate interest-bearing borrowings	**1,390.4**	1,051.9	**2,175.0**	1,650.0
Floating rate interest-bearing borrowings	**1,202.8**	1,251.5	**418.2**	653.4
	2,593.2	2,303.4	**2,593.2**	2,303.4
Average fixed rate			**3.4%**	3.9%

Interest rate risk – sensitivity analysis

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

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

	2014 (+1%) $M	**2014 (-1%) $M**	2013 (+1%) $M	2013 (-1%) $M
Impact on Statement of Comprehensive Income				
Impact on interest revenue increase / (decrease)	**0.7**	**(0.7)**	0.3	(0.3)
Impact on interest expense (increase) / decrease	**(4.2)**	**4.2**	(6.5)	6.5

Hedging interest rate risk

Interest rate risk inherent in borrowings issued at floating rates is managed by entering into interest rate swaps that are used to convert floating interest rate borrowings to fixed interest rates, which reduces GPT's exposure to interest rate volatility.

The derivative financial instruments used to hedge interest rate risk which are presented in the statement of financial position comprise the following:

	31 Dec 14 $M	31 Dec 13 $M
Current derivative assets	**3.5**	-
Non-Current derivative assets	**237.8**	132.7
Total derivative assets	**241.3**	132.7
Subject to master netting but not set off	**125.5**	38.8
Net derivative assets post set off	**115.8**	93.9
Current derivative liabilities	**4.4**	-
Non-Current derivative liabilities	**139.9**	62.7
Total derivative liabilities	**144.3**	62.7
Subject to master netting but not set off	**125.5**	38.8
Net derivative liabilities post set off	**18.8**	23.9

All of the Group's derivatives were valued using market observable inputs (level 2) with the exception of a year on year inflation swap. For additional fair value disclosures refer to note 22.

Derivative financial assets and liabilities are not offset in the balance sheet. Agreements with derivative counterparties are based on the ISDA (International Swap Derivatives Association) Master Agreement, which in certain circumstances (such as default) confers a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the balance sheet, but have been presented separately.

Derivatives are carried in the statement of financial position at fair value and classified according to their contractual maturities. If they do not qualify for hedge accounting, changes in fair value are recognised in the statement of comprehensive income including gains or losses on maturity or close-out. Where derivatives qualify for hedge accounting and are designated in hedge relationships, the recognition of any gain or loss depends on the nature of the item being hedged.

GPT applies hedge accounting to borrowings denominated in foreign currencies only. GPT designates and documents the relationship between hedging instruments and hedged items and the proposed effectiveness of the risk management objective the hedge relationship addresses. On an ongoing basis, GPT documents its assessment of retrospective and prospective hedge effectiveness.

Hedge accounting is discontinued when the hedging instrument expires, is terminated, or is no longer in an effective hedge relationship.

(b) Liquidity risk

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

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

GPT manages liquidity risk by:

- maintaining sufficient cash,
- maintaining an adequate amount of committed credit facilities,
- maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period,
- minimising debt maturity concentration risk by spreading maturity dates of committed credit facilities and maintaining a minimum weighted average debt maturity of 4 years, and
- the ability to close out market positions.

The table below shows an analysis of the undiscounted contractual maturities of liabilities which forms part of GPT's assessment of liquidity risk.

	31 December 2014					31 December 2013				
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	$M	**$M**	**$M**	**$M**	**$M**	$M	$M	$M	$M	$M
Liabilities										
Non-derivatives										
Payables	**338.8**	**-**	**-**	**-**	**338.8**	318.2	-	-	-	318.2
Borrowings	**7.0**	**681.8**	**1,089.0**	**815.4**	**2,593.2**	205.0	500.0	871.5	726.9	2,303.4
Projected interest cost on borrowings[1]	**120.9**	**100.6**	**223.4**	**350.9**	**795.8**	101.8	90.2	227.2	333.5	752.7
Derivatives										
Projected interest cost on derivative liabilities[1][2]	**18.3**	**18.0**	**50.7**	**20.1**	**107.1**	18.6	11.3	7.5	-	37.4
Total liabilities	**485.0**	**800.4**	**1,363.1**	**1,186.4**	**3,834.9**	643.6	601.5	1,106.2	1,060.4	3,411.7
Less cash and cash equivalents	**72.4**	**-**	**-**	**-**	**72.4**	278.7	-	-	-	278.7
Total liquidity exposure	**412.6**	**800.4**	**1,363.1**	**1,186.4**	**3,762.5**	364.9	601.5	1,106.2	1,060.4	3,133.0

(1) Projection is based on the likely outcome of contracts given the interest rates, margins, forecast exchange rates and interest rate forward curves as at 31 December 2014 and 31 December 2013 up until the contractual maturity of the contract. The projection is based on future non-discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values shown (a) above. Projected interest on foreign currency borrowings is shown after the impact of associated hedging.

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

Projected interest income on derivative assets	**15.5**	**12.5**	**24.3**	**60.4**	**112.7**	13.8	12.1	40.7	75.7	142.3
Net liquidity exposure	**397.1**	**787.9**	**1,338.8**	**1,126.0**	**3,649.8**	351.1	589.4	1,065.5	984.7	2,990.7

(c) Refinancing risk

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

As at 31 December 2014, GPT'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 14.

(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. GPT's foreign exchange risk arises primarily from:

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

The foreign exchange risk arising from borrowings denominated in foreign currency is managed with cross currency interest rate swaps which convert foreign currency exposures into Australian dollar exposures. Sensitivity to foreign exchange is deemed insignificant.

Foreign currency assets and liabilities

The following table shows the Australian dollar equivalents of amounts within the GPT's statement of financial position which are denominated in foreign currencies.

	Euros		United States Dollars		Hong Kong Dollars	
	31 Dec 14 $M	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M	**31 Dec 14 $M**	31 Dec 13 $M
Assets						
Cash and cash equivalents	**1.4**	1.5	**0.2**	0.2	**-**	-
Interests in equity accounted investments	**-**	-	**0.2**	0.2	**-**	-
Interests in unlisted investments	**-**	-	**6.0**	4.4	**-**	-
Derivative financial instruments	**-**	-	**101.8**	8.2	**20.5**	2.3
Loans and receivables	**4.5**	11.4	**-**	-	**-**	-
	5.9	12.9	**108.2**	13.0	**20.5**	2.3
Liabilities						
Other liabilities	**0.3**	0.3	**-**	0.1	**-**	-
Borrowings at fair value[1]	**-**	-	**543.7**	254.6	**117.1**	96.8
	0.3	0.3	**543.7**	254.7	**117.1**	96.8

(1) Excluding unamortised establishment costs

(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 GPT. GPT has exposure to credit risk on all financial assets included on the statement of financial position.

GPT manages this risk by:

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

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

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

OTHER DISCLOSURE ITEMS

16. COMMITMENTS

(a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties contracted for at balance date are not recognised on the balance sheet.

	31 Dec 14 $M	31 Dec 13 $M
Retail	**3.4**	25.8
Office	**61.4**	47.5
Logistics	**5.8**	0.1
Properties under development	**21.9**	216.2
Total capital expenditure commitments	**92.5**	289.6

(b) Operating lease commitments

Contracted non-cancellable future minimum lease payments expected to be payable are not recognised on the balance sheet.

Due within one year	**2.3**	2.6
Due between one and five years	**8.0**	9.8
Over five years	**1.5**	5.8
Total operating lease commitments	**11.8**	18.2

(c) Commitments relating to equity accounted investments

GPT's share of equity accounted investments' commitments at balance date are set out below:

Capital expenditure	**38.2**	39.5
Total joint ventures and associates' commitments	**38.2**	39.5

17. CONTINGENT LIABILITIES

A 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.

Highpoint Shopping Centre

Highpoint Property Group has the right to sell, via a put option that expires in 2016, between 8.33% and all of its interest in Highpoint Shopping Centre and the adjacent Maribyrnong Homemaker City Centre to the GPT Wholesale Shopping Centre Fund (GWSCF). The GPT Group would be required to acquire the interest if GWSCF does not acquire it and another party is not nominated to do so. The price would be determined by an independent market valuation process.

In 2014, the Highpoint Property Group exercised its option to put 8.33% of their interest to GWSCF and the Board of GWSCF agreed to acquire this interest. The settlement occurred in September 2014. After this transaction, Highpoint Property Group has a remaining interest of 25%.

18. SECURITY BASED PAYMENTS

GPT currently has four employee security schemes – the General Employee Security Ownership Plan (GESOP), Broad Based Employee Security Ownership Plan (BBESOP), 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 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 employee security scheme reserve in equity. Fair value is measured at grant date, recognised over the period during which the employees become unconditionally entitled to the rights and is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to become vested. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value at grant date has been independently determined using the Monte Carlo pricing models that take into account the following inputs:

	2104 LTI	**DSTI**
Security price at valuation date	$4.35	$4.35
Fair value of rights	$2.09	$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)	50% - 1 year 50% - 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
Rights outstanding at the begining 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 excercised 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 security 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 begining 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**

19. RELATED PARTY TRANSACTIONS

General Property Trust is the ultimate parent entity.

Equity interests in joint ventures 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.

Key management personnel

Key management personnel compensation was as follows.

	31 Dec 14 $'000	31 Dec 13 $'000
Short term employee benefits	**7,266.6**	7,196.1
Post employment benefits	**170.2**	160.8
Long term incentive award accural	**2,591.4**	3,180.9
Other long term benefits	**53.7**	250.0
Total key management personnel compenstation	**10,081.9**	10,787.8

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 22 to 29 of the Directors' Report.

There have been no other transactions with key management personnel during the year.

Transactions with related parties

	31 Dec 14 $M	31 Dec 13 $M
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	**(5.8)**	(4.8)
Transactions with associates and joint ventures		
Revenue and expenses		
Responsible entity fees from associates	**35.2**	30.9
Property Management fees	**12.6**	11.8
Development management fees from associates	**9.8**	6.8
Site access fee paid	**(0.6)**	-
Management fees from associates	**3.5**	3.9
Distributions received/receivable from joint ventures	**48.4**	52.6
Distributions received/receivable from associates	**84.0**	74.9
Payroll costs recharged to associates	**8.0**	5.5
Other transactions		
Loans advanced to joint ventures	**(0.2)**	(3.1)
Loan repayments from joint ventures	**4.1**	1.0
Disposal of units in joint ventures	**-**	131.1
Increase in units in joint ventures	**(33.6)**	(4.7)
Increase in units in associates	**(254.5)**	(49.7)
Capital expenditures paid on behalf of associates	**2.7**	2.6

20. AUDITOR'S REMUNERATION

	31 Dec 14 $'000	31 Dec 13 $'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**1,084.5**	994.0
Total remuneration for audit services	**1,084.5**	994.0
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**235.2**	207.9
Total remuneration for other assurance services	**235.2**	207.9
Total remuneration for audit and assurance services	**1,319.7**	1,201.9
Non audit related services		
PricewaterhouseCoopers Australia		
Other services	**43.1**	161.0
Taxation services	**18.1**	-
Total remuneration for non audit related services	**61.2**	161.0
Total auditor's remuneration	**1,380.9**	1,362.9

21. PARENT ENTITY FINANCIAL INFORMATION

	31 Dec 14 $M	31 Dec 13 $M
Assets		
Current assets	**98.8**	455.9
Non-current assets	**9,843.6**	8,841.7
Total assets	**9,942.4**	9,297.6
Liabilities		
Current liabilities	**330.3**	513.2
Non-current liabilities	**2,835.0**	2,160.2
Total liabilities	**3,165.3**	2,673.4
Net assets	**6,777.1**	6,624.2
Equity		
Contributed equity	**7,587.6**	7,620.2
Reserves	**(11.6)**	(5.9)
Accumulated losses	**(798.9)**	(990.0)
Total equity	**6,777.1**	6,624.2
Profit attributable to members of the parent entity	**573.6**	591.9
Total comprehensive income for the year, net of tax, attributable to members of the parent entity	**573.6**	591.9
Capital expenditure commitments		
Retail	**1.1**	23.1
Office	**57.5**	39.1
Logistics	**5.8**	-
Properties under development	**21.2**	189.7
Total capital expenditure commitments	**85.6**	251.9

As at 31 December 2014, the Parent entity had a deficiency of current net assets of $231.5 million (2013: $57.3 million) arising as a result of the inclusion of the provision for distribution payable to stapled securityholders. The Parent has access to undrawn financing facilities of $443.0 million.

Parent entity financial information

The financial information for the parent entity of GPT, General Property Trust, has been prepared on the same basis as the consolidated financial statements, excepted as set out below.

Investments in subsidiaries, associates and joint ventures

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

22. FAIR VALUE DISCLOSURES

The most significant categories of assets for which fair values are used are investment properties and financial instruments. Information about how those values are calculated, and other information required by the accounting standards, is provided below.

The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below.

(i) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Range of unobservable inputs 31 Dec 14	Range of unobservable inputs 31 Dec 13
Retail	Level 3	DCF and income capitalisation method	10 year average specialty market rental growth	**3.0% - 4.6%**	3.3% - 4.2%
			Adopted capitalisation rate	**5.3% - 8.0%[2]**	5.5% - 9.0%
			Adopted terminal yield	**5.4% - 8.8%**	5.8% - 9.5%
			Adopted discount rate	**8.3% - 9.8%**	8.5% - 10.25%
Office	Level 3	DCF and income capitalisation method	Net passing rent (per sqm p.a.)	**$270 - $1,300**	$436 - $1,095
			Net market rent (per sqm p.a.)	**$380 - $1,345**	$415 - $1,185
			10 year average market rental growth	**3.0% - 4.1%**	3.3% - 4.0%
			Adopted capitalisation rate	**6.0% - 6.8%**	6.5% - 7.3%
			Adopted terminal yield	**6.1% - 6.9%**	6.3% - 7.5%
			Adopted discount rate	**8.0% - 8.5%**	8.5% - 9.0%
			Lease incentives	**27.5% - 34.5%**	27.0% - 30.0%
Logistics	Level 3	DCF and income capitalisation method	Net passing rent (per sqm p.a.)	**$60 - $603**	$57 - $580
			Net market rent (per sqm p.a.)	**$51 - $575**	$52 - $580
			10 year average market rental growth	**3.0% - 3.5%**	3.0% - 3.5%
			Adopted capitalisation rate	**6.0% - 9.0%**	7.5% - 10.0%
			Adopted terminal yield	**6.3% - 9.8%**	7.8% - 10.5%
			Adopted discount rate	**8.0% - 10.5%**	9.0% - 10.5%
			Lease incentives	**8.0% - 43.0%**	2.0% - 20.0%
Properties under development	Level 3	Development feasibility	Net market rent (per sqm p.a.)	**$80 - $430**	$80 - $430
			10 year average market rental growth	**2.0% - 3.3%**	2.0% - 3.3%
			Adopted capitalisation rate	**6.0% - 8.3%**	7.0% - 8.3%
Derivative financial instruments	Level 1 - 2	DCF (adjusted for counterparty credit worthiness)	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable - all inputs are market observable inputs	
	Level 3		CPI Volatility	Average CPI volatility over the past 7 years	
Other financial assets	Level 3	Recent arm's length transactions in non-active markets	Secuity price	Not applicable	

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

(2) Excludes Homemaker City, Maribyrnong.

Discounted cash flow method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure reversions.
Development feasibility	Development feasibility is used to evaluate the residual land value of a property based on total development costs, revenue and an acceptable profit margin in line with risk of the development.
Net passing rent	Net passing rent is the contracted amount for which a property or space within a property is leased. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
10 year average specialty market rental growth	An average of a 10 year period of forecast annual percentage growth rates in Retail specialty tenancy rents. Specialty tenants are those tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in alignment with expected market movements.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence and the prior external valuation.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence and the prior external valuation.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination, or, one of the following; a rent free period, a fit-out contribution, a cash contribution or rental abatement.
Counterparty credit worthiness	Credit value adjustments: these are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments: these are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

(ii) Valuation process – investment properties

GPT's investment management team manages the semi-annual valuation process to ensure that investment properties are held at fair value in GPT's accounts and that GPT is compliant with applicable regulations (for example the *Corporations Act 2001* and ASIC regulations), the GPT RE Constitution and Compliance Plan.

External valuations

GPT's external valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued.

The GPT RE Limited Compliance Plan requires an independent valuation at least once every calendar year for properties with a most recent book value of greater than $50 million. Properties under $50 million are independently valued on a three year rolling cycle.

In addition, independent valuations are also carried out in the event of the following:

- A variation between book value and internal tolerance check valuation of greater than or equal to 5% (higher or lower).
- A major development project.
- An opportunity to undertake a valuation in line with a joint owners' valuation.

Internal tolerance checks

Every six months, with the exception of properties already independently valued during the period, the investment management team prepares an internal tolerance check of the previous independent valuation. For the retail, office and logistics properties, a capitalisation and discounted cash flow valuation are produced using a capitalisation rate, terminal yield and discount rates based on comparable market evidence and recent external valuations. The adopted value is generally a mid-point of these two approaches.

The valuation of the properties under development is determined by a development feasibility analysis for each parcel of land within each asset. The development feasibility is prepared on an "as if complete" basis and is a combination of the income capitalisation method and (where appropriate), the discounted cash flow method. The cost to complete the development includes development costs, finance costs and an appropriate profit and risk margin. These costs are deducted from the "as if complete" valuation to determine the "as is" basis or current fair value.

The internal tolerance check valuations are presented to the GPT Audit and Risk Management Committee, who recommend the adopted valuation to the Board in accordance with GPT's internal valuation protocol, which is:

- If the internal tolerance check is within 5.0% of the current book value, then the current book value is retained as the fair value.
- If the internal tolerance check varies by more than 5.0% to the current book value (higher or lower), then an independent valuation will be obtained in the period and will be adopted as the fair value.

Highest and best use

Fair value for investment properties is calculated for the highest and best use whether or not current use reflects highest and best use. For all GPT investment properties current use equates to the highest and best use, with the exception of the following:

- 7 Figtree Drive, Sydney Olympic Park
- 6 Herb Elliott Avenue, Sydney Olympic Park
- 8 Herb Elliott Avenue, Sydney Olympic Park
- 18-24 Abbott Road, Seven Hills, NSW

The underlying zoning of 7 Figtree Drive and 6 and 8 Herb Elliott Avenue all located at Sydney Olympic Park, allow for mixed use development which would provide significantly higher floor space ratio than what is currently being achieved. These properties are currently being leased and any potential redevelopment is subject to the expiry of these leases. 18-24 Abbott Road, Seven Hills is currently operating as a foundry and manufacturing facility but has the potential to be developed as a bulky goods retail asset. The existing tenant vacates in 2015 and the facility will be demolished, with the resulting site area to be prepared for re-development.

(iii) Sensitivity information – investment properties

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Net passing rent Net market rent 10 year average specialty market rental growth 10 year average market rental growth	Increase	Decrease
Adopted capitalisation rate Adopted terminal yield Adopted discount rate Lease incentives	Decrease	Increase

Generally, if the assumption made for the adopted capitalisation rate changes, the adopted terminal yield will change in the same direction. The adopted capitalisation rate forms part of the income capitalisation approach and the adopted terminal yield forms part of the discounted cash flow approach. The mid-point of the two valuations is then adopted.

Income capitalisation approach

When calculating income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. If the net market rent increases but the capitalisation rate goes down (or vice versa), this may magnify the impact on fair value.

Discounted cash flow approach

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship because the discount rate will determine the rate at which the terminal value is discounted to the present value.

In theory, an increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact on fair value, and vice versa. If both the discount rate and terminal yield moved in the same direction, the impact on fair value would be magnified.

(iv) Financial instruments

The following table presents the changes in level 3 instruments for recurring fair value measurements. GPT's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Unlisted equity securities $M	Derivative assets $M	Derivative liabilities $M	Total $M
Opening balance 1 January 2013	3.9	-	(87.2)	(83.3)
Fair value movements in comprehensive income				-
- Still held	0.6	-	11.8	12.4
- No longer held	-	-	(2.0)	(2.0)
Terminations	-	-	47.2	47.2
Transfers out of level 3 to level 2	-	-	9.6	9.6
Closing balance 31 December 2013	4.5	-	(20.6)	(16.1)
Opening balance 1 January 2014	**4.5**	**-**	**(20.6)**	**(16.1)**
Fair value movements in comprehensive income				
- Still held	**1.5**	**-**	**(2.0)**	**(0.5)**
- No longer held	**-**	**-**	**-**	**-**
Terminations	**-**	**-**	**-**	**-**
Transfers out of level 3	**-**	**-**	**-**	**-**
Closing balance 31 December 2014	**6.0**	**-**	**(22.6)**	**(16.6)**

Sensitivities

The table below summarises the impact of an increase/decrease in unlisted equity prices and interest rates on GPT's profit and on equity for the period. For level 3 unlisted equity securities, the analysis is based on the assumption that equity prices increase/decrease by 10%. For level 3 derivatives, the analysis is based on the assumption that interest rates increase/decrease by 1% with all other variables held constant, as interest rates are the only significant input.

		31 Dec 14 $M	31 Dec 13 $M
Fair value of level 3 unlisted equity securities		**6.0**	4.5
	10% increase in price per security gain	**0.6**	0.5
	10% decrease in price per security (loss)	**(0.6)**	(0.5)
Fair value of level 3 derivatives		**(22.6)**	(20.6)
	1% increase in interest rates gain	**6.9**	8.4
	1% decrease in interest rates (loss)	**(7.2)**	(8.8)

23. ACCOUNTING POLICIES

(a) Basis of preparation

The financial report has been prepared:

- In accordance with the requirements of the Trust's Constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards.
- On a going concern basis in the belief that GPT 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. The net deficiency of current assets over current liabilities at 31 December 2014 of $183.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders, GPT has access to undrawn financing facilities of $518.8 million as set out in note 14.
- Under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties 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 million dollars, unless otherwise stated.

In accordance with AAS, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest and, in the consolidated entity column, represents the contributed equity of the Company. GPT has relied on class order 13/1050 and therefore continues to present consolidated financial statement of all the entities in a stapled group in one financial report.

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

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 GPT report the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which GPT has control. GPT controls an entity when it 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 GPT has significant influence but not control, generally accompanying a shareholding of between 10% and 50% of the voting rights. The management considered if GPT controls its associates (GPT Wholesale Shopping Centre Fund, GPT Wholesale Office Fund and GPT Metro Office Fund) and concluded that it does not. The primary basis for conclusion was that other investors have substantive right to remove GPT as a responsible entity of the associates and therefore GPT has power over the associates' as an agent rather than a principal.

Investments in associates are accounted for using the equity method. Under this method, GPT's investment in associates is carried in the consolidated balance sheet at cost plus post acquisition changes in GPT's share of net assets. GPT's share of the associates' result is reflected in the consolidated statement of comprehensive income. Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

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. GPT has assessed the nature of its joint arrangements and determined to have both joint operations and joint ventures.

Joint operations

GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT recognises its direct share of jointly held assets, liabilities, revenues and expenses in the consolidated financial statements under the appropriate headings. The investment properties that are directly owned as tenants in common are disclosed in note 2.

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.

Significant accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

(c) Other accounting policies

(i) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional 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 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 on the 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.

(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 GPT have been adopted, including:

<table>
<tr><th>Reference</th><th>Description</th></tr>
<tr><td>Interpretation 21 Accounting for Levies</td><td>The interpretation confirms what the obligating event is and when a liability is recognised for land tax and car park levy. As a result of this change of accounting policy, the prior year comparatives have been restated. The following table summarises the impact of the change on GPT's balance sheet:
<table>
<tr><th></th><th>As previously reported $M</th><th>Change $M</th><th>As restated $M</th></tr>
<tr><td>Current asset – Loans and receivables</td><td>88.6</td><td>10.4</td><td>99.0</td></tr>
<tr><td>Total current assets</td><td>383.0</td><td>10.4</td><td>393.4</td></tr>
<tr><td>Total assets</td><td>9,421.8</td><td>10.4</td><td>9,432.2</td></tr>
<tr><td>Current liabilities – Provisions</td><td>13.9</td><td>10.4</td><td>24.3</td></tr>
<tr><td>Total current liabilities</td><td>537.1</td><td>10.4</td><td>547.5</td></tr>
<tr><td>Total liabilities</td><td>2,707.0</td><td>10.4</td><td>2,717.4</td></tr>
<tr><td>Net assets</td><td>6,714.8</td><td>-</td><td>6,714.8</td></tr>
</table></td></tr>
<tr><td>AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</td><td>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, GPT continues to disclose this information in the Remuneration Report.</td></tr>
<tr><td>AASB 2012-3 Offsetting Financial Assets and Financial Liabilities</td><td>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 GPT's existing accounting policy therefore there was no change to GPT's financial statements.</td></tr>
<tr><td>AASB 2013-4 Novation of derivatives and hedge accounting</td><td>The amendment allows the continuation of hedge accounting provided specific conditions are met.
This is consistent with GPT's existing accounting policy therefore there was no change to GPT's financial statements.</td></tr>
</table>

(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

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 maxinium of $50.0 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 GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

In the directors of the Responsible Entity's opinion:

(a) the financial statements and notes set out on pages 31 to 70 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 GPT's financial position as at 31 December 2014 and of its performance for the financial year ended on that date;

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

(c) there are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 31 December 2014 of $183.2 million arises as a result of the inclusion of the provision for distribution payable to stapled securityholders , GPT has access to undrawn financing facilities of $518.8 million as set out in note 14.

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

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

Rob Ferguson
Chairman

Michael Cameron
Chief Executive Officer and Managing Director

GPT RE Limited

Sydney
19 February 2015

Independent auditor's report to the members of General Property Trust

Report on the financial report

We have audited the accompanying financial report of General Property Trust (the Trust), 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 the Trust and its controlled entities (the consolidated entity). The consolidated entity comprises both the Trust and the entities it controlled at year's end or from time to time during the financial year, including GPT Management Holdings Limited and its controlled entities.

Directors of GPT RE Limited's (the responsible entity) responsibility for the financial report

The directors of the responsible entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of responsible entity 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.*

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of the Trust 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 22 to 29 of the directors' report for the year ended 31 December 2014. The directors of the responsible entity are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of the Trust 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

CONTENTS

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**.

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 focused 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 key business lines include 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 quality 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.

$1.5bn Asset acquisitions	34.6% Growth in Funds under management	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 38 basis points, making it one of the most efficient A-REITs in the sector.

GPT focuses 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%	26.3%	5.8 years
Weighted average cost of debt	Net gearing	Weighted average term to maturity

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.

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.

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 Funds under management
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.

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.

AAs 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 for 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.

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 Management Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
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 92 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.

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 & 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)	**STIC (variable)**	**LTI (variable)**	**Other employee ownership plans (variable)**
• 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.	• 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 one and two years.	• 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 A-REIT sector. • Assessed over a three 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.	**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 three years or end of employment.

Attract, retain, motivate and reward high calibre executives to deliver superior performance by:	**Align executive rewards to GPT's performance and security holder interests by:**
• Providing competitive rewards. • Opportunity to achieve incentives beyond base pay based on high performance.	• 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 executive	**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

3 FFO is lower than ROI due to $25 million distribution to exchangeable securities that was previously not measured in ROI.

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	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 and 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 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.

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).	1/3 rd	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).	1/3 rd	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).	1/3 rd	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% Total Return, 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% Total Return, up to 100% at 9.75% Total Return (pro-rata vesting in between).	50%		

6 This is the three year compound Total Return result.

5. 2012-2014 LTI outcomes by Executive KMP

Senior executive	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	**2014**	**26 May 14**	**$2.09**	**630,252**	**31 Dec 16**	**$1,016,782**
Chief Executive Officer and Managing Director	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]

Senior executive		Fixed pay: Base pay	Fixed pay: Superannuation guarantee	Variable or "at risk"[8]: Other[9]	Variable or "at risk"[8]: STIC	Variable or "at risk"[8]: 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**

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 Managing Director	**2014**	**$1,580,276**	**$18,279**	**$9,514**	**$855,274**	**$1,308,764**	**-**	**$3,772,107**
	2013	$1,598,666	$17,122	$9,979	$1,000,000	$1,706,791	-	$4,332,558
Mark Fookes Chief Financial Officer	**2014**	**$771,813**	**$18,279**	**$7,583**	**$420,510**	**$456,709**	**-**	**$1,674,894**
	2013	$770,007	$17,122	$20,312	$430,000	$620,599	-	$1,858,040
Nicholas Harris Head of Funds Management	**2014**	**$704,657**	**$18,279**	**$153,901**	**$399,127**	**$427,244**	**-**	**$1,703,208**
	2013	$743,850	$17,122	$3,658	$250,000	$547,244	-	$1,561,874
Carmel Hourigan Chief Investment Officer	**2014**	**$746,088**	**$18,279**	**$6,206**	**$399,127**	**$398,671**	**$53,687**	**$1,622,058**
	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

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.

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.

SECURITY OWNERSHIP AND PERFORMANCE RIGHTS ENTITLEMENTS OF GPT'S EXECUTIVE KMP

	Current GPT security ownership at 31 Dec 14						Performance rights	
	Previously vested GPT security holding	GPT securities allocated or vesting in 2014[15]	Private holdings				Performance rights that lapsed in 2014[17]	Performance rights still on foot at 31 Dec 14[18]
Senior executive	(# of securities)	(# of securities)	Balance (31 Dec 13)	Purchase/ (Sale)	Balance (31 Dec 14)	MSHR[16] (Y/N)	(# of rights)	(# 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

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

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.

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.

REPORTED REMUNERATION - NON-EXECUTIVE DIRECTORS – IFRS ACCOUNTING[22]

		Fixed pay			
Director		**Salary & fees**	**Superannuation**	**Other[23]**	**Total**
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
	2014	**$1,210,450**	**$97,130**	**$2,065**	**$1,309,645**
Total	2013	$1,170,449	$92,306	$2,329	$1,265,084

No termination benefits were paid during the financial year.

NON-EXECUTIVE DIRECTOR - GPT SECURITY HOLDINGS

	Private holdings (# of securities)			MSHR[24]
Director	**Balance 31 Dec 13**	**Purchase / (Sale)**	**Balance 31 Dec 14**	**(Y/N)**
Rob Ferguson Chairman	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

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.

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

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

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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Year ended 31 December 2014 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	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.

CONSOLIDATED BALANCE SHEET

As at 31 December 2014 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	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.

		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 loss recognised directly in equity		-	391	-	391	-	-	-	-	391
Loss for the year	14(c)	-	-	(4,969)	(4,969)	-	-	-	-	(4,969)
Total comprehensive loss 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)
Securities 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.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2014 – GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

	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.

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 3 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 earnings per share - loss from discontinued operations	**(0.47)**	(0.27)
Total basic and diluted earnings / (loss) per share	**2.14**	(0.28)

	Number of shares '000s	Number of shares '000s
(b) Weighted average number of ordinary stapled securities		
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	**1,686,320**	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

	31 Dec 14 $'000	31 Dec 13 $'000
(c) The profit used in the calculation of the basic and diluted earnings per share are as follows:		
Profit reconciliation - basic and diluted		
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**			
		31 Dec 14 %	31 Dec 13 %	**31 Dec 14 $M**	31 Dec 13 $M
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**	-	**2**	-
Total investment in joint venture entities				**89**	86

(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 $'000	31 Dec 13 $'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 $'000	31 Dec 13 $'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 $'000	31 Dec 13 $'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 $'000	31 Dec 13 $'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.

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

	31 December 2014						31 December 2013					
	Not Due $'000	**0-30 days $'000**	**31-60 days $'000**	**61-90 days $'000**	**90+ days $'000**	**Total $'000**	Not Due $'000	0-30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'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 $'000	31 Dec 13 $'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 $'000	Computer software $'000	Total $'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**

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

Development properties held for resale are 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 $'000	31 Dec 13 $'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

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.

10. TAXATION

	31 Dec 14 $'000	31 Dec 13 $'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/credit 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.

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.

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 December 2014					31 December 2013				
	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 2014 $'000	31 Dec 2013 $'000	**31 Dec 2014 $'000**	31 Dec 2013 $'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.

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 $'000	Employee Incentive Scheme Reserve $'000	Total Reserve $'000
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.

(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 $'000	31 Dec 13 $'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 $'000	31 Dec 13 $'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 $'000	31 Dec 13 $'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 four 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.

	2104 LTI	DSTI
Security price at valuation date	$4.35	$4.35
Fair value of rights	$2.09	$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
Rights outstanding at the begining 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 excercised 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 security 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 begining 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 ventures 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 accural	**2,591**	3,181
Other long term benefits	**54**	250
Total key management personnel compenstation	**10,082**	10,788

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 83 to 91 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**	-

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 $	31 Dec 13 $
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	**319,562**	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

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.

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

(a) the financial statements and notes set out on pages 93 to 119 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

Michael Cameron
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

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.*

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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 83 to 91 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

Matthew Lunn
Partner

Sydney
19 February 2015

Payments to GPT Securityholders

Details of all payments made after 19 September 1985 are available from GPT's website (www.gpt.com.au) or from the GPT Securityholder Service Centre on 1800 025 095 (freecall within Australia).

GPT's year end for tax purposes is 31 December, at which time the net income of the Trust for the year is determined. The final components of all distributions for the year will be advised to securityholders in the Annual Taxation Statement which is mailed to all investors in July, and will also be published on the GPT website.

Net Asset Backing of entities in the GPT Group

	NTA Backing per security	General Property Trust (unit)	GPT Management Holdings Limited (share)
30 June 2014	$3.82	$3.78	$0.04
31 December 2014	$3.94	$3.89	$0.05

GPT Issue of Securities

The following table lists all issues of GPT securities since 1996. A complete list of all securities issued since GPT's inception in 1971 can be obtained from the Group's website (www.gpt.com.au) or by calling the GPT Securityholder Service Centre on 1800 025 095 (freecall within Australia).

Securities

Date	Description	Number of Securities	Price ($)	Amount ($)
19.01.96	Exercise of Options (1996)	2,614,035	1.89	4,930,800
19.04.96	Exercise of Options (1996)	627,294	1.93	1,209,400
27.06.96	Exercise of Options (1996-1998)	83,693,011	1.84	166,022,274
12.07.96	Exercise of Options (1996)	678,834	1.77	1,203,900
15.08.96	GEM Acquisition	312,978,299	2.25	704,201,173
03.09.96	GEM Acquisition	30,636,989	2.24	68,626,855
Various 1996	Manager's Fee Units	3,993,662	Various	9,271,399
01.07.97	Exercise of Options (1996-1998)	76,521,770	2.01	166,053,931
27.11.97	Private Placement	60,000,000	2.50	148,875,000
03.12.97	Ayers Rock Purchase	2,850,196	2.55	7,268,000
Various 1997	Manager's Fee Units	3,151,747	Various	7,847,684
Various 1998	Distribution Reinvestment Plan	38,874,312	Various	107,426,512
Various 1998	Manager's Fee Units	1,763,679	Various	4,913,184
06.07.98	Exercise of Options (1996-1998)	63,808,671	2.41	166,231,132
Various 1999	Distribution Reinvestment Plan	52,208,394	Various	138,119,897
28.04.99	Manager's Fee Units	373,816	2.78	1,039,208
21.05.99	Private Placement	88,709,678	2.48	218,762,401
Various 2000	Distribution Reinvestment Plan	61,230,010	Various	154,088,103
15.06.00	Darling Park Purchase	80,071,710	2.51	200,979,992
30.08.00	Private Placement	76,045,627	2.63	197,500,000
Various 2001	Distribution Reinvestment Plan	66,871,458	Various	175,265,269
02.01.01	Darling Park Purchase	27,600,000	2.38	65,688,000
27.03.01	Darling Park Purchase	17,660,000	2.72	47,998,114
01.01.02	Darling Park Purchase	6,100,000	2.38	14,518,000
Various 2002	Distribution Reinvestment Plan	76,561,979	Various	206,757,361
02.04.04	Private Placement	67,000,000	3.03	203,010,000
08.06.06	Security Purchase Plan	24,813,896	4.03	100,000,000
Various 2007	Distribution Reinvestment Plan	35,864,327	Various	165,527,515
23.11.07	Issue of Securities	22,219,109	4.60	102,167,909
Various 2008	Distribution Reinvestment Plan	118,119,256	Various	333,305,018
11.11.08	Issue of Securities	1,697,973,421	0.60	1,018,784,052
28.11.08	Issue of Securities	551,657,181	0.60	330,994,308
27.05.09	Issue of Securities	4,091,926,477	0.35	1,432,172,267
16.06.09	Issue of Securities	718,294,466	0.35	251,403,063
18.02.13	Issue of Securities	1,946,654	3.79	7,375,483
18.02.14	Issue of Securities	1,980,505	3.67	7,268,453

Exchangeable Securities

Date	Description	Number of Securities	Price ($)	Amount ($)
01.01.08	Opening securities on issue	-	-	-
27.11.08	Issue of exchangeable securities	2,500	240,600,000	240,600,000

Spread of Securityholders as at 31 December 2014

Holding	Number of Securityholders	Percentage of Total Issued Securities
1 to 1,000	**15,328**	**0.45%**
1,001 to 5,000	**16,072**	**2.35%**
5,001 to 10,000	**4,160**	**1.75%**
10,001 to 100,000	**2,580**	**3.20%**
100,001 and Over	**117**	**92.25%**
Total Number of Securityholders	**38,257**	**100.00%**

The number of Securityholders holding less than a marketable parcel of 115 securities ($4.35 on 31 December 2014) is 941 and they hold 30,094 securities.

Substantial Holders in GPT as at 31 December 2014

Securityholder	Number of Securities
UniSuper	198,083,929
BlackRock Group (BlackRock Inc. and subsidiaries)	118,329,615

Twenty Largest GPT Securityholders as at 31 December 2014

Securityholder	Number of Securities	Percentage of Total Issued Securities
HSBC Custody Nominees (Australia) Limited	469,574,332	27.86%
National Nominees Limited	417,855,948	24.79%
J P Morgan Nominees Australia Limited	318,297,189	18.88%
Citicorp Nominees Pty Limited	139,271,958	8.26%
BNP Paribas Noms Pty Ltd <DRP>	43,829,927	2.60%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	37,045,621	2.20%
AMP Life Limited	11,621,030	0.69%
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	10,889,181	0.65%
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	7,025,393	0.42%
BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	6,426,000	0.38%
Bainpro Nominees Pty Limited	6,185,699	0.37%
Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	4,752,146	0.28%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	4,520,175	0.27%
Bond Street Custodians Limited <ENH Property Securities A/C>	4,454,230	0.26%
Neasham Holdings Pty Ltd <The Neasham A/C>	4,000,399	0.24%
UBS Nominees Pty Ltd	3,966,511	0.24%
HSBC Custody Nominees (Australia) Limited - GSCO ECA	3,963,276	0.24%
Avanteos Investments Limited <Encircle IMA A/C>	3,918,983	0.23%
Pacific Custodians Pty Limited <GPT Group Plans Ctrl>	3,764,531	0.22%
Argo Investments Limited	3,477,121	0.21%
Total	1,504,839,650	89.28%
Total Securities on Issue	**1,685,460,955**	**100.00%**

Voting

Securityholders in the GPT Group are entitled to one vote for each dollar of the value of the total securities they hold in the Group.

The GPT Group
comprising

GPT Management Holdings Limited
ACN 113 510 188 and
GPT RE Limited
ACN 107 426 504
AFSL 286511
As Responsible Entity for
General Property Trust
ARSN 090 110 357

Registered Office
Level 51
MLC Centre
19 Martin Place
Sydney NSW 2000
P: +61 2 8239 3555

Directors
(as at 31 December 2014)
Rob Ferguson
Michael Cameron
Brendan Crotty
Eileen Doyle
Eric Goodwin
Anne McDonald
Gene Tilbrook

Secretary
James Coyne

Audit and Risk Management Committee
(as at 31 December 2014)
Anne McDonald
Eric Goodwin
Brendan Crotty

Nomination and Remuneration Committee
(as at 31 December 2014)
Gene Tilbrook
Eileen Doyle
Rob Ferguson

Sustainability Committee
(as at 31 December 2014)
Eileen Doyle
Brendan Crotty
Eric Goodwin

Auditors
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Lawyers
Allens Linklaters
Level 28, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000

Principal Registry
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Level 12
680 George Street
Sydney NSW 2000

Mail to:
GPT Security Registrar
Locked Bag A14
Sydney South NSW 1235

Stock Exchange Quotation
GPT is listed on Australian Securities Exchange under
ASX Listing Code GPT

For further information, contact GPT's Securityholder Service Centre or visit GPT's website at: www.gpt.com.au

- To arrange changes of address, or changes in registration of securities, please call GPT's Securityholder Service Centre on 1800 025 095.
- Please quote your Securityholder Reference Number (SRN)/Holder Identification Number (HIN) in all correspondence. The SRN/HIN is found at the top right hand corner of your holding statement.
- All Securityholders must sign any written enquiries or amendments to holdings.
- Written notification is required for changes of name or address, email is not accepted.

Designed by:
The GPT Group - Design & Digital Team

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