GPT Management Holdings Limited

ABN: 67 113 510 188

Annual Financial Report
31 December 2015

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

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

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

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DIRECTORS' REPORT
For the year ended 31 December 2015

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 2015. The Consolidated Entity is stapled to the General Property Trust and the GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

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

1. OPERATING AND FINANCIAL REVIEW

About GPT
GPT is an owner and manager of a $10.1 billion diversified portfolio of high quality Australian retail, office and logistics property assets and together with GPT's funds management platform the Group has $18.1 billion of property assets under management.

GPT owns and manages some of Australia's most significant 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 $8.6 billion. GPT is one of the top 50 listed stocks on the ASX by market capitalisation as at 31 December 2015.

GPT's strategy is focussed on leveraging its extensive real estate experience to deliver strong returns through disciplined investment, asset management and development. The development capability has a focus on creating value for securityholders through the enhancement of the core investment portfolio and in the creation of new investment assets.

A key performance measure for GPT is Total Return. 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. In 2015 GPT achieved a Total Return of 11.5%.

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 2015 GPT achieved an MER of 40 basis points.

GPT focusses on maintaining a strong balance sheet. GPT has moderate gearing and significant investment capacity giving it the flexibility to execute on investment opportunities as they arise. In 2015 the Weighted Average Cost of Debt was 4.6% with net gearing at 26.3%

Review of operations

The Consolidated Entity's financial performance for the year ended 31 December 2015 is summarised below.

The net profit after tax for the year ended 31 December 2015 is $32.4 million (2014: $36.2 million).

	31 Dec 15 $'000	31 Dec 14 $'000	Change %
Fund management fees	85,580	61,246	40%
Property management fees	41,467	36,833	13%
Development management fees and revenue	31,623	40,460	(22%)
Management costs recharged	35,543	32,541	9%
Other income	28,794	51,082	(44%)
Expenses	(190,717)	(185,179)	3%
Profit from continuing operations before income tax expense	32,290	36,983	(13%)
Income tax credit	318	7,144	(96%)
Profit after income tax expense for continuing operations	32,608	44,127	(26%)
Loss from discontinued operations	(183)	(7,916)	(98%)
Net profit for the year	32,425	36,211	(10%)

Consolidated Entity result
The decrease in profit after tax compared with 2014 is largely attributable to the revaluation of financial arrangements reflected in other income. This is offset by increased fund management fees due to a performance fee in 2015.

Funds Management

GWOF
GWOF's assets under management have grown to $5.8 billion, up $0.5 billion in 2015. The management fees earned from GWOF increased by $18.2 million in 2015 due to a $13.9 million performance fee, the acquisition of four assets in Melbourne in 2014 and strong upward revaluations across the portfolio.

GWSCF
GWSCF's assets under management remained flat at $3.8 billion. The management fee earned from GWSCF increased by $2.8 million in 2015 due to a higher asset base as a result of the Northland Shopping Centre acquisition and upward revaluations in 2014.

GMF
GPT listed GMF on the Australian Securities Exchange in October 2014. GPT's holding in the Fund increased to 12.98% in 2015 (2014: 12.46%) through the participation in the distribution reinvestment plan for the June 2015 distribution. GMF's assets under management have grown to $0.4 billion, up $52.4 million in 2015. The management fee earned from GMF increased by $2.1 million in 2015 due to completion of the 3 Murray Rose Avenue development, strong upward revaluations and a full year of trading since listing.

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Asset management
The asset management team is responsible for property management activities for 17 assets across the retail, office and logistics sectors as well as managing initiatives such as Space & Co. The operating profit of asset management increased to $7.8 million (2014: $5.6 million) due to leasing fees achieved for the office portfolio combined with expense savings.

Development retail & major projects
In 2015 the development – retail & major projects team focused on the master planning of development opportunities within its $3.5 billion retail and office development pipeline. This includes the repositioning of the MLC Centre, expansions of Rouse Hill and the Casuarina Square.

Development logistics
In 2015 the development logistics business unit delivered the successful completion of the RAND and Coles RRM facilities at Erskine Park which have been retained as investment assets by GPT and 3 Murray Rose at Sydney Olympic Park which was acquired by GMF. The combined end value of these assets was $300.2 million.

Management costs recharged
Management costs recharged have increased to $35.5 million in 2015 (2014: $32.5 million) due to higher expenses, and therefore higher recharges, associated with the expansion of property management across the assets internalised at the end of 2014. GPT's MER of 0.40 basis points remains one of the lowest in the AREIT sector.

Other income
Other income is $28.8 million in 2015 attributable to revaluation of financial arrangements in 2014.

Expenses
The Consolidated Entity continues to focus on operational efficiency. Expenses increased by 3.0% to $190.7 million (2014: $185.2 million). The balance is primarily made up of remuneration costs which can be seen on the Statement of Comprehensive Income. The primary drivers for the increase are expenses associated with the expansion of property management across the assets internalised at the end of 2014.

Financial position

	31 Dec 15 $'000	31 Dec 14 $'000	Change %
Total Current Assets	107,598	90,613	19%
Total Non-Current Assets	233,379	156,126	49%
Total Assets	340,977	246,739	38%
Current Liabilities	88,505	79,887	11%
Non-Current Liabilities	87,272	46,088	89%
Total Liabilities	175,777	125,975	40%
Net Assets	165,200	120,764	37%

Total assets increased by 38.2% to $341.0 million (2014: $246.7 million) primarily due to an increase in inventory which relates to land parcels at Berrinba and Rouse Hill.

Total liabilities increased by 39.5% to $175.8 million (2014: $126.0 million) due to increased borrowings to fund the land parcels at Berrinba and Rouse Hill.

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 based on a forecast cash flow for amounts payable.

<u>Equity raising</u>
On 21 January 2015, GPT announced that it would redeem the Exchangeable Securities owned by an affiliate of GIC for $325.0 million, plus accrued distribution. The redemption was funded by an equity raising comprising a $325.0 million institutional placement and a $50.0 million security purchase plan. The institutional placement and the security purchase plan were completed on 22 January and 3 March respectively, at a fixed price of $4.23 per security which represented a 3.0% discount to the GPT closing price on 21 January 2015, being the last trading day prior to the announcement of the equity raising. As a result, a total of 88.7 million stapled securities were issued.

<u>On market buy back</u>
On 22 April 2015, GPT announced the extension of the on market buy back for an additional 12 months until May 2016.

Cash flows
The cash balance as at 31 December 2015 decreased to $40.4 million (2014: $50.4 million).

Operating activities:
Cash outflows from operating activities have increased in 2015 due to payments for inventory and expenses.

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

	31 Dec 15 $'000	31 Dec 14 $'000	Change %
Net profit for the year	32,425	36,211	(10%)
Add back: non-cash expenses included in net profit	38,178	46,923	(19%)
Less: non-cash revenue items	(27,310)	(47,262)	(42%)
Timing difference	(87,663)	(43,837)	100%
Cash flow from operating activities	(44,370)	(7,965)	457%

Investing activities
There have been higher cash outflows from investing activities in 2015 due to higher payments for property, plant and equipment and intangibles.

Financing activities
There have been higher cash inflows from financing activities in 2015 due to higher proceeds from the issue of securities.

Dividends
The Directors have not declared any dividends for the year ended 31 December 2015 (2014: nil).

Prospects
(i) Group
Market conditions remain challenging as the Australian economy continues to adjust to lower commodity prices and lower global growth expectations. GPT remains well positioned with high quality assets, strong occupancy levels, a conservative approach to capital management and a healthy development pipeline. In December 2015 GPT announced a move from an operational structural model to a sector based approach. The change was made to better position GPT to deliver on our strategy and to provide strong performance across our direct investment portfolio and managed funds.

Funds management:
GPT has a strong Funds Management platform which has experienced significant growth over the past two years. The funds management team will continue to actively manage the existing portfolios, with new acquisitions and divestments reviewed based on meeting the relevant investment objectives of the respective funds.

(ii) Guidance for 2016
In 2016 GPT expects to deliver between 4.0 and 5.0% growth in FFO per ordinary security. Achieving this target is subject to risks detailed in the following section.

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

GPT has an active enterprise-wide risk management framework. Within this framework the Board has adopted a policy setting out the principles, objectives and approach established to maintain GPT's commitment to integrated risk management. GPT 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. The approach is consistent with AS/NZS ISO 31000:2009: Risk Management.

The key components of this approach include:
- The Board, Leadership Team, employees and contractors all understand their risk management accountabilities, promote the risk awareness and management culture and apply 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.

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The following table sets out the key inherent risks to GPT's main investment objectives, and the strategies 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
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 2015 to 30 June 2016. 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 2015. GPT has submitted its report to the Department of Climate Change and Energy Efficiency for the period ended 30 June 2015.

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

3. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstances occurring since 31 December 2015 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 in 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 and other entities:
- Primary Health Care Limited (since 2009) – Chairman
- Watermark Market Neutral Fund Limited (since 2013)
- Tyro Payments Limited (since 2005)
- Smartward Limited (since 2012)

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

As at the date of this report, he holds 207,628 GPT stapled securities.

Robert Johnston – Chief Executive Officer
Bob was appointed to the Board as Chief Executive Officer and Managing Director in September 2015. He has 28 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014.

As at the date of this report, he holds 116,279 GPT stapled securities.

Michael Cameron – Chief Executive Officer and Managing Director
Michael joined The GPT Group as Chief Executive Officer and Managing Director in May 2009 and retired as a director in September 2015. He has over 30 years' experience in Finance and Business, including Group CFO at Commonwealth Bank of Australia and then St George Bank. Before that, he worked 10 years with Lend Lease and MLC Limited before moving to the US in 1994 with The Yarmouth Group, Lend Lease's US property business.

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

As at the date of his retirement as a director of the GPT Group, Michael owned 1,663,779 GPT stapled securities.

Brendan Crotty
Brendan was appointed to the Board in 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), Chairman of Cloud FX Pte Ltd, 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 67,092 GPT stapled securities.

Eileen Doyle
Eileen was appointed to the Board in 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 the position of Non-Executive Director in the following listed and other entities.
- Boral Limited (since 2010)
- Hunter Valley Research Foundation (Chairman)

Eileen was also a director of Bradken Limited from 2011 to November 2015 and will be a Non-Executive Director of Oil Search Limited with effect from 18 February 2016.

As at the date of this report, she holds 41,597 GPT stapled securities.

Eric Goodwin
Eric was appointed to the Board in November 2005 and retired as a director in May 2015. During his appointment as a Director, Eric was 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 his retirement as a director of GPT, Eric owned 34,801 GPT stapled securities.

Swe Guan Lim
Swe Guan was appointed to the Board in March 2015 and is also a member of the Audit and Risk Management Committee and the Sustainability Committee. Swe Guan brings significant Australian real estate skills and experience and capital markets knowledge to the Board, having spent most of his executive career as a Managing Director in the Government Investment Corporation (GIC) in Singapore.

Swe Guan is currently a director of Sunway Berhad in Malaysia (since 2011) and Global Logistics Properties in Singapore (since 2012). Swe Guan is also a member of the Investment Committee of CIMB Trust Cap Advisors.

As at the date of this report, he holds no GPT stapled securities.

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Anne McDonald
Anne was appointed to the Board in 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 (since 2013)

As at the date of this report, she holds 23,364 GPT stapled securities and 10,000 units in GPT Metro Office Fund.

Michelle Somerville
Michelle was appointed to the Board in December 2015 and is also a member of the Audit and Risk Management Committee. She was previously a partner of KPMG for 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues.

Michelle currently holds the position of Non-Executive Director in the following entities.
- Mecu Limited (trading as Bank Australia) (since 2014)
- Challenger Retirement and Investment Services Ltd (since 2014)
- Save the Children (Australia) (since 2012)
- Down Syndrome Australia (since 2011)

Michelle is also an independent consultant to the Unisuper Limited Audit, Risk and Compliance Committee since 2015.

As at the date of this report, she holds no GPT stapled securities.

Gene Tilbrook
Gene was appointed to the Board in 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:
- Orica Limited (since 2013)
- Woodside Petroleum Limited (since 2014)

Gene was also a Director of listed entities Transpacific Industries Group Limited from 2009 to 2013, Fletcher Building Limited from 2009 to April 2015 and Aurizon Holdings Limited from 2010 to February 2016.

As at the date of this report, he holds 48,546 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).

Lisa Bau – Senior Legal Counsel and Company Secretary
Lisa was appointed as a Company Secretary of GPT in September 2015. Her previous experience includes legal roles in mergers and acquisitions, capital markets, funds management and corporate advisory.

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

	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chair	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	11	11	-	-	8	8	-	-
Michael Cameron	7	7	-	-	-	-	-	-
Robert Johnston	4	4	-	-	-	-	-	-
Brendan Crotty	11	11	5	5	-	-	3	3
Eileen Doyle	10	11	-	-	7	8	3	3
Eric Goodwin	5	5	2	2	-	-	1	1
Swe Guan Lim	9	9	3	3	-	-	2	2
Anne McDonald	11	11	5	5	-	-	-	-
Michelle Somerville	2	2	1	1	-	-	-	-
Gene Tilbrook	11	11	-	-	8	8	-	-

5. OTHER DISCLOSURES

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

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

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

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

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

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

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

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

6. REMUNERATION REPORT

The Nomination & Remuneration Committee (the Committee) of the Board presents the Remuneration Report (Report) for the GPT Group. This Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001.*

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.

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; • Criteria for reviewing the performance of Directors 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 Key Management Personnel (KMP) are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, the CEO and certain other key Executives). Since the prior year, the number of Executive members has reduced to only include the "C-suite" executives under the new organisation structure implemented in December 2015.

[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).

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Committee key decisions and outcomes in 2015

Platform component	Key decisions and outcomes
Base pay (fixed)	• Implemented a review of employee base pay, effective 1 January 2015, with an average increase of 2.23%. • Reviewed Non-Executive Director fees[2], effective 1 January 2015, with an average increase of 4.62%.
Short term incentive compensation	• Maintained Total Return as the primary measure of Group financial performance with a target of 9%. • The Group achieved an 11.5% Total Return which exceeded the stretch target of 10% and created a STIC pool of $14.86 million.
Long term incentive compensation	• The Group achieved a Total Return for the 2013-15 period of 9.86%, exceeding the stretch target of 9.5%, and delivering a Relative Total Securityholder Return (Relative TSR)[3] of 56.32%, which ranked 6th out of 12 against the comparator group and exceeded the threshold target for vesting. • As a result, the vesting outcome for the 2013-15 LTI plan was 78.70% of the performance rights for each of the 23 participants in the LTI plan. • Launched the 2015-2017 LTI with two performance measures, Total Return and Relative TSR.
Other employee ownership plans	• Continued the General Employee Security Ownership Plan (GESOP) for 97 STIC eligible employees not in the LTI. Under GESOP participants receive an amount equal to 10% of STIC (less tax) delivered in GPT securities, which must be held for at least 1 year. • Continued the Broad Based Employee Security Ownership Plan (BBESOP) for 307 employees ineligible for GESOP. Under BBESOP, participants receive $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	• The appointment of Bob Johnston as CEO of the GPT Group on 7 September 2015, following the resignation of Michael Cameron. • The appointment of Lim Swe Guan as a Non-Executive Director on 23 March 2015, following the notification of the retirement of Eric Goodwin, which occurred in May 2015. • The appointment of Michelle Somerville as a Non-Executive Director on 1 December 2015, in anticipation of the retirement of Anne McDonald from the Board at the May 2016 AGM. • Utilised 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	• The percentage of females in senior leadership roles increased from 34% to 37%, falling short of the 2015 target of 40%. • The percentage of Aboriginal and Torres Strait Islander employees increased from 1.8% to 3%, exceeding the 2015 target of 2.5%.

[2] The last review of Non-Executive Director base fees was effective 1 January 2008.
[3] TSR represents an investor's return, calculated as the percentage difference between an 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.

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

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

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

Attract, retain, motivate and reward high calibre executives to deliver superior performance by:	**Align executive rewards to GPT's performance and securityholder 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	Open ended.
Termination by Executive	6 months' notice. GPT may elect to make a payment in lieu of notice.
Remuneration Package	In 2015, Michael Cameron's annual remuneration mix and potential incentives remained unchanged from the 2014 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 an equal mix of cash and deferred GPT securities, with the securities component 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. On appointment, Bob Johnston's annual remuneration mix and potential incentives were: • Fixed pay: $1,400,000. • STIC: $0 to $1,750,000 (ie 0% to 125% of base pay) based on performance and paid in an equal mix of cash and deferred GPT securities, with the securities component vesting in two equal tranches 1 year and 2 years after the conclusion of the performance year. • LTI: $0 to $2,100,000 (ie 0% to 150% of base pay) based on performance and continued service and delivered in restricted GPT securities.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	12 months' notice. Treatment of unvested STIC and LTI will be at Committee discretion under the terms of the relevant plans and GPT policy.
Post-employment restraints	6 months Non-Compete, 12 months Non-solicitation of GPT employees.
External Directorships	Under GPT policy Michael Cameron was 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 were paid to GPT. Bob Johnston is an unpaid Director on the Property Industry Foundation (PIF) Board.

2. Employment terms – Executive KMP

<table>
<tr><th>Term</th><th>Conditions</th></tr>
<tr><td>Contract duration</td><td>Open ended.</td></tr>
<tr><td>Termination by Executive</td><td>3 months' notice. GPT may elect to make a payment in lieu of notice.</td></tr>
<tr><td>Remuneration Package</td><td><table>
<tr><td>Component</td><td>Mark Fookes</td><td>Anastasia Clarke[4]</td><td>Carmel Hourigan[5]</td></tr>
<tr><td>Fixed pay</td><td>$800,000</td><td>$575,000</td><td>$775,000</td></tr>
<tr><td>STIC[6]</td><td>$0 to $800,000</td><td>$0 to $431,250</td><td>$0 to $775,000</td></tr>
<tr><td>LTI</td><td>$0 to $800,000</td><td>$0 to $431,250</td><td>$0 to $775,000</td></tr>
</table></td></tr>
<tr><td>Termination by Company for cause</td><td>No notice requirement or termination benefits (other than accrued entitlements).</td></tr>
<tr><td>Termination by Company (other)</td><td>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.</td></tr>
<tr><td>Post-employment restraints</td><td>12 months Non-solicitation of GPT employees.</td></tr>
</table>

3. Compensation mix

	Fixed remuneration	Variable or "at risk" remuneration[7]	
Senior Executives	**Base pay**	**STI**	**LTI**
Bob Johnston Chief Executive Officer and Managing Director	26.7%	33.3%	40.0%
Anastasia Clarke[8] Chief Financial Officer	40.0%	30.0%	30.0%
Mark Fookes Chief Operating Officer	33.4%	33.3%	33.3%

[4] Figures listed are 2015 package prior to a remuneration review in line with Ms Clarke's appointment to Chief Financial Officer effective 1 December 2015. Her revised package is fixed pay of $650,000 and STIC range of $0 to $650,000; LTI range will be determined when the 2016-18 LTI is launched in May 2016.
[5] Ms Hourigan resigned on 30 October 2015; the figures listed in this table are full year equivalent figures.
[6] The STIC is paid in an equal mix of cash and deferred GPT securities, with the securities component vesting in two equal tranches 1 year and 2 years after the conclusion of the performance year.
[7] The percentage of each component of total remuneration is calculated with reference to maximum or stretch potential outcomes as set out under Remuneration Package in Tables 1 and 2 above. As Mr Cameron and Ms Hourigan resigned during the course of 2015 their packages were 100% base pay and hence they have not been included in the table.
[8] Figures listed are 2015 package prior to a remuneration review in line with Ms Clarke's appointment to Chief Financial Officer effective 1 December 2015. Her revised package is fixed pay of $650,000 and STIC range of $0 to $650,000; LTI range will be determined when the 2016-18 LTI is launched in May 2016.

DIRECTORS' REPORT
For the year ended 31 December 2015

Group Financial Performance & Incentive Outcomes

1. Five year Group financial performance

		2015	2014	2013	2012	2011
Total Shareholder Return (TSR)	%	**15.4**	34.5	4.1	26.9	10.5
Total Return	%	**11.5**	9.6	8.5	9.5	4.9
NTA (per security)	$	**4.17**	3.94	3.79	3.73	3.59
FFO (per security)[9]	cents	**28.3**	26.8	25.7	24.2	22.4
Security price at end of calendar year	$	**4.78**	4.35	3.40	3.68	3.07

2. Group performance driving the 2015 STIC result

Performance range	Total Return	STIC pool funding at each performance benchmark	2015 Total Return outcome	2015 STIC pool
Threshold	8.0%	$1.07 million		
	8.5%	$5.10 million		
Target	9.0%	$9.28 million	**11.5%**	**$14.86 million**
	9.5%	$12.10 million		
Stretch	10.0%	$14.86 million		

3. 2015 STIC outcomes by Executive KMP[10]

Senior Executive	Position	Actual STIC awarded ($)	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component ($)	Equity component (# of GPT securities)[11]
Bob Johnston	Chief Executive Officer and Managing Director	$353,000	80%	20%	$176,500	39,694[12]
Anastasia Clarke	Chief Financial Officer	$400,000	93%	7%	$200,000	48,687
Mark Fookes	Chief Operating Officer	$800,000	100%	0%	$400,000	97,373

4. Group Performance measures for LTI Plans

LTI	LTI performance measurement period	Performance measure	Performance measure hurdle	Weighting	Results	Vesting % by performance measure
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%	56.32%,6th out of 12	57.39%
		Total Return	50% of rights vest at 9% Total Return, up to 100% at 9.5% Total Return (pro-rata vesting in between).	50%	9.86%	100%
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%		
2015	2015-2017	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%		

5. 2013-2015 LTI outcomes by Executive KMP[13]

Senior Executive	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Anastasia Clarke	Chief Financial Officer	98,475	77,495	20,980
Mark Fookes	Chief Operating Officer	218,834	172,211	46,623

9 Represents Realised Operating Income (ROI) until 2013.
10 Excluding the impact of movements in the GPT security price on deferred STIC value received. This table does not include former executives Mr Cameron and Ms Hourigan as they did not receive any STIC for 2015.
11 The deferred GPT securities that have been allocated will vest subject to service in two equal tranches on 31 December 2016 and 31 December 2017.
12 As Mr Johnston commenced part way through the calendar year, the VWAP that was used to calculate the number of securities to be granted under his pro-rata 2015 STIC was based on GPT's June to August (ie 3 month) 2015 VWAP of $4.4465, subject to approval at the May 2016 AGM.
13 This excludes Mr Johnston as he was not a participant in the 2013-15 LTI plan, and does not include former executives Mr Cameron and Ms Hourigan as their LTI participation lapsed upon the cessation of their employment during 2015.

DIRECTORS' REPORT

For the year ended 31 December 2015

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 15	Vesting date	Maximum value to be recognised in future years
Bob Johnston	**2015**	**8 Sept 15**	**$2.21**	**430,476**	**31 Dec 17**	**$821,514**
Chief Executive Officer and Managing Director						
Anastasia Clarke	**2015**	**18 May 15**	**$2.48**	**104,981**	**31 Dec 17**	**$198,742**
Chief Financial Officer	2014	26 May 14	$2.09	114,706	31 Dec 16	$92,787
Mark Fookes	**2015**	**18 May 15**	**$2.48**	**194,747**	**31 Dec 17**	**$368,680**
Chief Operating Officer	2014	26 May 14	$2.09	217,087	31 Dec 16	$175,604

7. Reported remuneration – Executive KMP - Cash[14]

		Fixed pay		Variable or "at risk"[15]			
Senior Executive		Base pay	Superannuation	Other[16]	STIC	LTI	Total
Bob Johnston[17]	**2015**	**$419,518**	**$4,827**	**$608,734**	**$361,633**	**-**	**$1,394,712**
Chief Executive Officer and Managing Director							
Anastasia Clarke[18]	**2015**	**$562,204**	**$19,046**	**$2,314**	**$427,076**	**$361,437**	**$1,372,077**
Chief Financial Officer							
Mark Fookes	**2015**	**$780,954**	**$19,046**	**$9,599**	**$854,148**	**$803,192**	**$2,466,939**
Chief Operating Officer	2014	$756,720	$18,279	$7,583	$634,448	$575,254	$1,992,284
Senior Executives – Former							
Michael Cameron[19]	**2015**	**$1,380,845**	**$14,219**	**$13,279**	**-**	**-**	**$1,408,343**
Chief Executive Officer and Managing Director	2014	$1,481,721	$18,279	$9,514	$1,290,402	$1,614,421	$4,414,337
Carmel Hourigan[20]	**2015**	**$675,400**	**$19,046**	**$3,521**	**-**	**-**	**$697,967**
Chief Investment Officer	2014	$733,357	$18,279	$6,206	$602,187	$372,624	$1,732,653
Total	**2015**	**$3,818,921**	**$76,184**	**$637,447**	**$1,642,857**	**$1,164,629**	**$7,340,038**
	2014	$2,971,798	$54,837	$23,303	$2,527,037	$2,562,299	$8,139,274

[14] 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.
[15] For the purpose of recording a gross dollar value for the deferred equity component of STIC & the 2013-15 LTI outcome, the equity awarded has been multiplied by GPT's fourth quarter 2015 volume weighted average security price (VWAP) of $4.664 to derive a dollar value.
[16] Other may include sign on payments totalling $608,100 to Mr Johnston, death & total/permanent disability insurance premiums, service awards, superannuation plan administration fees, executive health assessments and/or other benefits.
[17] Mr Johnston commenced employment with the Group on 7 September 2015.
[18] Ms Clarke was not KMP in 2014 hence only 2015 remuneration is reported.
[19] Mr Cameron resigned on 2 September 2015.
[20] Ms Hourigan resigned on 30 October 2015.

8. Reported remuneration – Executive KMP – AIFRS Accounting[21]

Senior Executives - Current		Fixed pay: Base pay	Fixed pay: Superannuation	Variable or "at risk": Other[22]	Variable or "at risk": STIC (cash plus accrual)[23, 24]	Variable or "at risk": LTI award accrual[25]	Variable or "at risk": Grant or vesting of non STI or LTI performance rights[26]	Total
Bob Johnston Chief Executive Officer and Managing Director	**2015**	**$458,781**	**$4,827**	**$634**	**$176,500**	**$128,116**	**$552,086**	**$1,320,944**
Anastasia Clarke[27] Chief Financial Officer	**2015**	**$594,237**	**$19,046**	**$2,314**	**$348,719**	**$233,384**	**-**	**$1,197,700**
Mark Fookes	**2015**	**$780,626**	**$19,046**	**$9,599**	**$679,759**	**$465,467**	**-**	**$1,954,497**
Chief Operating Officer	2014	$771,813	$18,279	$7,583	$420,510	$456,709	-	$1,674,894
Senior Executives – Former								
Michael Cameron[28]	**2015**	**$1,380,845**	**$14,219**	**$13,279**	**-**	**-**	-	**$1,408,343**
Chief Executive Officer and Managing Director	2014	$1,580,276	$18,279	$9,514	$855,274	$1,308,764	-	$3,772,107
Carmel Hourigan[29]	**2015**	**$675,400**	**$19,046**	**$3,521**	**-**	**-**	**-**	**$697,967**
Chief Investment Officer	2014	$746,088	$18,279	$6,206	$399,127	$398,671	$53,687	$1,622,058
Total	**2015**	**$3,889,889**	**$76,184**	**$29,347**	**$1,204,978**	**$826,967**	**$552,086**	**$6,579,451**
	2014	$3,098,177	$54,837	$23,303	$1,674,911	$2,164,144	$53,687	$7,069,059

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

	Current GPT security ownership at 31/12/15						Performance rights	
	Vested security holding[30]	Securities allocated and still deferred[31]	Private holdings				Performance rights that lapsed in 2015[33]	Performance rights still on foot at 31/12/15[34]
Senior Executive	(# of securities)	(# of securities)	Balance (31/12/14)	Purchase/ (Sale)	Balance (31/12/15)	MSHR[32] (Y/N)	(# of rights)	(# of rights)
Bob Johnston Chief Executive Officer and Managing Director	116,279	0	0	0	0	N	0	455,615
Anastasia Clarke Chief Financial Officer	277,912	71,796	0	3,546	3,546	Y	24,783	219,687
Mark Fookes Chief Operating Officer	644,642	138,690	0	3,546	3,546	Y	46,623	411,834

21 This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
22 Other may include death & total/permanent disability insurance premiums, GPT superannuation plan administration fees, service awards, executive health assessments and other benefits.
23 This column includes the cash value of the STIC award and an accounting valuation of the deferred equity component, with the exception of the amount recorded for Mr Johnston which is cash only.
24 In addition to the cash amount noted, approval will be sought at the May 2016 AGM to grant a further 39,694 deferred GPT securities to Mr Johnston to vest in two equal tranches on 31 December 2016 and 31 December 2017 respectively.
25 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.
26 Grant or vesting of one off non STI or LTI performance rights includes a sign on package for Mr Johnston and the sign on package of Ms Hourigan.
27 Ms Clarke was not KMP in 2014 hence only 2015 remuneration is reported.
28 Mr Cameron resigned on 2 September 2015.
29 Ms Hourigan resigned on 30 October 2015.
30 This number may include LTI plans up to and including the 2013-15 outcome and deferred 2014 STIC that has vested.
31 This number may include 2014 and 2015 STIC deferred equity that remains subject to further service conditions prior to vesting. For Mr Johnston, 39,694 deferred GPT securities for his 2015 STIC are still subject to securityholder approval at the May 2016 AGM and hence are not included in this column.
32 This shows whether the Minimum Security Holding Requirement (MSHR) has been met at a GPT security price of $4.664 (the Q4 2015 GPT VWAP).
33 The number of performance rights that were awarded to a participant in the 2013 LTI that did not vest at the end of the 2013-2015 performance period, and as a result, lapsed. It also includes performance rights granted under the 2015 STIC that also lapsed.
34 The total of unvested performance rights currently on foot and excludes any GPT securities or performance rights that may have lapsed up to 31 December 2015. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the various applicable performance measures; as such, these performance rights are "at risk" and may never vest.

DIRECTORS' REPORT

For the year ended 31 December 2015

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 $1,800,000 per annum which was approved by GPT security holders at the Annual General Meeting on 5 May 2015. As an executive director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.

1. Board and Committee fees[35,36]

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee	Project Control Group
Chairman	**2015**	**$362,500**	**$36,000**	**$30,000**	**$30,000**	**$20,000**
	2014	$346,500	$34,650	$11,000	$23,100	$20,000
Members	**2015**	**$145,000**	**$18,000**	**$15,000**	**$15,000**	**N/A**
	2014	$138,600	$17,325	$8,000	$11,550	N/A

2. Reported Remuneration - Non-Executive Directors – AIFRS Accounting[37,38]

		Fixed pay			
Non-Executive Directors - Current		**Salary & fees**	**Superannuation**	**Other[39]**	**Total**
Rob Ferguson	**2015**	**$362,500**	**$19,046**	-	**$381,546**
Chairman	2014	$346,500	$18,279	-	$364,779
Brendan Crotty	**2015**	**$198,000**	**$18,797**	**-**	**$216,797**
	2014	$183,925	$16,171	-	$200,096
Eileen Doyle	**2015**	**$190,000**	**$18,050**	-	**$208,050**
	2014	$161,150	$15,108	-	$176,258
Swe Guan Lim[40]	**2015**	**$129,154**	**$12,270**	**$551**	**$141,975**
Anne McDonald	**2015**	**$181,000**	**$17,195**	**$3,350**	**$201,545**
	2014	$173,250	$16,242	$1,329	$190,821
Michelle Somerville[41]	**2015**	**$13,583**	**$1,291**	**-**	**$14,874**
Gene Tilbrook	**2015**	**$175,000**	**$16,625**	**$1,446**	**$193,071**
	2014	$161,700	$15,159	$736	$177,595
Non-Executive Directors - Former					
Eric Goodwin[42]	**2015**	**$68,285**	**$6,480**	-	**$74,765**
	2014	$183,925	$16,171	-	$200,096
Total	**2015**	**$1,317,522**	**$109,754**	**$5,347**	**$1,432,623**
	2014	$1,210,450	$97,130	$2,065	$1,309,645

[35] 'Chairman' used in this sense may refer to the chairperson of the board or a particular committee.
[36] 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.
[37] This table provides a breakdown of remuneration for non-executive directors in accordance with statutory requirements and Australian accounting standards.
[38] No termination benefits were paid during the financial year.
[39] Other may include death & total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
[40] Mr Lim joined the GPT Board on 23 March 2015.
[41] Ms Somerville joined the GPT Board on 1 December 2015.
[42] Mr Goodwin retired from the GPT Board on 5 May 2015.

DIRECTORS' REPORT
For the year ended 31 December 2015

3. Non-Executive Director - GPT security holdings

Director	Private holdings (# of securities) Balance 31/12/14	Purchase / (Sale)	Balance 31/12/15	MSHR (Y/N)[43]
Rob Ferguson	204,082	3,546	207,628	Y
Brendan Crotty	60,000	7,092	67,092	Y
Eileen Doyle	31,450	10,147	41,597	Y
Swe Guan Lim	-	-	-	N
Anne McDonald	21,000	2,364	23,364	N
Michelle Somerville	-	-	-	N
Gene Tilbrook	45,000	3,546	48,546	Y

The Directors' Report, including the Remuneration Report, is signed in accordance with a resolution of the Directors of the GPT Group.

Rob Ferguson
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
17 February 2016

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2015, 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
17 February 2016

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GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2015

	Note	**31 Dec 15 $'000**	31 Dec 14 $'000
Revenue			
Fund management fees		**85,580**	61,246
Property management fees		**41,467**	36,833
Development management fees		**15,558**	18,799
Development revenue		**16,065**	21,661
Mangement costs recharged		**35,543**	32,541
		194,213	171,080
Other income			
Share of after tax profit of equity accounted investments		**4,287**	3,040
Interest revenue		**1,234**	901
Reversal of prior year impairment expense		**12,650**	6
Revaluation of financial arrangements		**10,623**	47,135
		28,794	51,082
Total revenue and other income		**223,007**	222,162
Expenses			
Remuneration expenses		**125,040**	115,338
Property expenses and outgoings		**7,642**	7,255
Development expenses		**9,525**	17,870
Repairs and maintenance		**3,591**	2,977
Professional fees		**6,488**	6,137
Depreciation		**2,280**	1,902
Amortisation		**6,802**	6,747
Impairment expense/ (reversal)		**5,852**	(14)
Finance costs		**16,913**	19,343
Other expenses		**6,584**	7,624
Total expenses		**190,717**	185,179
Profit before income tax		**32,290**	36,983
Income tax credit	10(a)	**(318)**	(7,144)
Profit after income tax for continuing operations		**32,608**	44,127
Loss from discontinued operations	24(c)	**(183)**	(7,916)
Net profit for the year		**32,425**	36,211
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments	11(b)	**51**	1,758
Revaluation of available for sale financial asset	11(b)	**6,667**	-
Total comprehensive income for the year		**39,143**	37,969
Net profit attributable to:			
- Members of the Company		**24,703**	36,211
- Non-controlling interest		**7,722**	-
Total comprehensive income attributable to:			
- Members of the Company		**31,421**	37,969
- Non-controlling interest		**7,722**	-
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) from continuing operations	12(a)	**1.40**	2.61
Basic and diluted earnings per share (cents per share) - Total	12(a)	**1.39**	2.14

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	31 Dec 15 $'000	31 Dec 14 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**40,380**	50,414
Loans and receivables	3	**65,833**	38,800
Prepayments		**1,139**	1,179
		107,352	90,393
Assets held for sale		**246**	220
Total current assets		**107,598**	90,613
Non-Current Assets			
Intangibles	4	**35,542**	43,561
Property, plant & equipment	6	**14,135**	14,434
Inventories	5	**101,455**	43,647
Equity accounted investments	2	**4,274**	89
Loans and receivables	3	**26,047**	13,397
Deferred tax assets	10	**30,240**	32,452
Deferred acquisition costs		**2,504**	3,159
Other assets	7	**19,182**	5,387
Total non-current assets		**233,379**	156,126
Total assets		**340,977**	246,739
LIABILITIES			
Current liabilities			
Payables	8	**52,044**	43,057
Provisions	9	**29,738**	29,888
Borrowings	15	**6,723**	6,942
Total current liabilities		**88,505**	79,887
Non-current liabilities			
Borrowings	15	**74,805**	34,047
Provisions	9	**5,285**	4,810
Other liabilities		**7,182**	7,231
Total non-current liabilities		**87,272**	46,088
Total liabilities		**175,777**	125,975
Net assets		**165,200**	120,764
EQUITY			
Contributed equity	11(a)	**325,328**	319,315
Reserves	11(b)	**43,742**	40,549
Accumulated losses	11(c)	**(216,440)**	(243,948)
Total equity attributable to Company members		**152,630**	115,916
Non-controlling interests		**12,570**	4,848
Total equity		**165,200**	120,764

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

		Company members				Non-controlling interests			
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Equity attributatable to Company Members									
Balance at 1 January 2014		319,562	35,397	(280,159)	74,800	22,060	-	(17,212)	4,848
Foreign currency translation reserve	11(b)	-	1,758	-	1,758	-	-	-	-
Other comprehensive income for the year		-	1,758	-	1,758	-	-	-	-
Profit for the year	11(c)	-	-	36,211	36,211	-	-	-	-
Total comprehensive income for the year		-	1,758	36,211	37,969	-	-	-	-
Transactions with Members in their capacity as Members:									
On-market securities buy-back	11(a)	(287)	-	-	(287)	-	-	-	-
Issue of securities	11(a)	40	-	-	40	-	-	-	-
Movement in employee incentive security scheme reserve net of tax	11(b)	-	3,394	-	3,394	-	-	-	-
Balance at 31 December 2014		319,315	40,549	(243,948)	115,916	22,060	-	(17,212)	4,848
Balance at 1 January 2015		**319,315**	**40,549**	**(243,948)**	**115,916**	**22,060**	**-**	**(17,212)**	**4,848**
Revaluation of available for sale financial asset	11(b)	**-**	**6,667**	**-**	**6,667**	**-**	**-**	**-**	**-**
Foreign currency translation reserve	11(b)	**-**	**51**	**-**	**51**	**-**	**-**	**-**	**-**
Other comprehensive income for the year		**-**	**6,718**	**-**	**6,718**	**-**	**-**	**-**	**-**
Profit for the year	11(c)	**-**	**-**	**24,703**	**24,703**	**-**	**-**	**7,722**	**7,722**
Total comprehensive income for the year		**-**	**6,718**	**24,703**	**31,421**	**-**	**-**	**7,722**	**7,722**
Transactions with Members in their capacity as Members:									
Issue of securities	11(a)	**6,013**	**-**	**-**	**6,013**	**-**	**-**	**-**	**-**
Movement in employee incentive security scheme reserve net of tax	11(b)	**-**	**(3,525)**	**-**	**(3,525)**	**-**	**-**	**-**	**-**
Reclassification of employee incentive security scheme reserve to accumulated losses	11(c)	**-**	**-**	**2,805**	**2,805**	**-**	**-**	**-**	**-**
Balance at 31 December 2015		**325,328**	**43,742**	**(216,440)**	**152,630**	**22,060**	**-**	**(9,490)**	**12,570**

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

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended 31 December 2015

	Note	31 Dec 15 $'000	31 Dec 14 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**116,640**	153,308
Cash payments in the course of operations (inclusive of GST)		**(128,542)**	(116,093)
Payments for inventories		**(53,787)**	(43,647)
Cash receipts from development activities		**32,820**	4,877
Payments for development activities		**(11,612)**	(10,037)
Distributions and dividends received from equity accounted investments		**747**	2,523
Interest received		**1,241**	1,298
Finance costs		**(1,877)**	(194)
Net cash outflows from operating activities	14	**(44,370)**	(7,965)
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,737)**	(998)
Payments for intangibles		**(5,172)**	(3,053)
Investment in joint ventures		**-**	(2)
Net cash outflows from investing activities		**(6,909)**	(4,053)
Cash flows from financing activities			
Proceeds from issue of securities net of transaction costs		**4,688**	-
Purchase of securities for the employee incentive scheme		**(278)**	(388)
Payments for the on-market buy-back of securities		**-**	(287)
Repayment of related party borrowings		**(3,804)**	-
Proceeds from borrowings		**40,639**	40,989
Net cash inflows from financing activities		**41,245**	40,314
Net (decrease) / increase in cash and cash equivalents		**(10,034)**	28,296
Cash and cash equivalents at the beginning of the year		**50,414**	22,118
Cash and cash equivalents at the end of the year		**40,380**	50,414

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

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

The notes to these financial statements have been organised into 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 to the financial statements are organised into the following sections:

Note 1 - Results for the year: focuses on results and performance of the Consolidated Entity.
Note 2 to 10 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.
Note 11 to 16 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Note 17 to 26 – Other disclosure items: provides information on other items that 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**
Loan receivables	Recoverability	3
Management rights with indefinite life	Impairment and recoverable amounts	4
IT development and software	Impairment trigger and recoverable amounts	4
Inventories	Lower of costs and net realisable value	5
Deferred tax assets	Recoverability	10
Security 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 Statement of Financial Position 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.

OPERATING ASSETS AND LIABILITIES

2. EQUITY ACCOUNTED INVESTMENTS

	Note	31 Dec 15 $'000	31 Dec 14 $'000
Investments in joint ventures	(a)	**4,274**	89
Total equity accounted investments		**4,274**	89

(a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest 2015 %	2014 %	31 Dec 15 $'000	31 Dec 14 $'000
Entities incorporated in Australia					
DPT Operator Pty Limited (1)	Managing property	**50.00**	50.00	**87**	85
Lendlease GPT (Rouse Hill) Pty Limited (1) (2) (3)	Property development	**50.00**	50.00	**4,183**	-
Chullora Trust 1	Property development	**50.00**	50.00	**2**	2
Erskine Park Trust	Property development	**50.00**	50.00	**2**	2
Total investment in joint ventures				**4,274**	89

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

(b) Summarised financial information for joint ventures

The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures 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 15 $'000	31 Dec 14 $'000
Cash and cash equivalents	**67,885**	14,489
Other assets	**19,157**	20,691
Property investments and loans	**2,783**	35,852
Total assets	**89,825**	71,032
Other liabilities	**23,779**	29,875
External borrowings - non current	**57,498**	57,107
Total liabilities	**81,277**	86,982
Net assets	**8,548**	(15,950)
Negative net assets not recognised(1)	**-**	16,128
Net assets recognised	**8,548**	178
Consolidated entity's share	**4,274**	89

(1) This represents the negative net assets in Lendlease GPT (Rouse Hill) Pty Limited.

(c) Share of joint ventures commitments and contingent liabilities

	31 Dec 15 $'000	31 Dec 14 $'000
Capital expenditure commitments	2,419	-
Total joint venture commitments	**2,419**	-

The contingent liabilities in the Consolidated Entity's joint ventures at 31 December 2015 relate to Lendlease GPT (Rouse Hill) Pty Limited (2014: nil).

(d) Reconciliation of the carrying amount of investments in joint ventures

	31 Dec 15 $'000	31 Dec 14 $'000
Carrying amount at the beginning of the year	**89**	86
Acquisitions	**-**	2
Reversal of negative net assets	**(8,065)**	-
Share of joint venture entities' net operating profit	**12,352**	3,040
Distributions received / receivable from joint ventures	**(102)**	(3,039)
Carrying amount at the end of the year	**4,274**	89

3. LOANS AND RECEIVABLES

	31 Dec 15 $'000	31 Dec 14 $'000
Current assets		
Trade receivables (1)	**35,892**	14,977
Distributions receivable from joint venture entities	**16**	515
Accrued development revenue	**-**	11,916
Other debtors	**1,108**	2,865
Related party receivables(2)	**28,817**	8,527
Total current loans and receivables	**65,833**	38,800
Non-Current assets		
Loan to Lendlease GPT (Rouse Hill) Pty Limited(3)	**18,500**	5,850
Loans to related parties	**7,547**	7,547
Total non-current loans and receivables	**26,047**	13,397

(1) The trade receivables balance includes amounts receivable from GWOF, GWSCF and GMF. See note 20 for more details on related party transactions.
(2) The related party receivables are from GPT Trust and have been agreed on commercial terms and conditions
(3) The loan is provided to Lendlease GPT (Rouse Hill) Pty Limited as part of the funding of the joint venture agreement. During 2015, no loan repayments were received (2014 $1.0 million). A $12.7 million reversal of impairment has been booked in 2015 (2014 nil).

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

	31 Dec 15						31 Dec 14					
	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	-	63,082	1,085	262	1,404	65,833	-	34,495	325	408	3,572	38,800
Non current loans and receivables	26,047	-	-	-	-	26,047	13,397	-	-	-	-	13,397
Total loans and receivables	26,047	63,082	1,085	262	1,404	91,880	13,397	34,495	325	408	3,572	52,197

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 the 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. See note 16(e) for more information on management of credit risk in relation 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.

Recoverability of non-current loan receivables
At the end of each reporting period, the Consolidated Entity assesses whether there is objective evidence that a loan receivable is impaired. The amount of the impairment is measured as the difference between the loan receivable's carrying amount and the present value of estimated future cash flows discounted at the loan receivable's original effective interest rate. The carrying amount of the loan receivable is reduced and the amount of the loss is recognised in the Consolidated Statement of Comprehensive Income. In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

For the loan advanced to Lendlease GPT (Rouse Hill) Pty Limited, which has been previously impaired, the Consolidated Entity has performed the impairment test at 30 June 2015 and 31 December 2015, resulting in a partial reversal of the prior year impairment of $12.65 million, increasing the loan receivable balance to $18.5 million.

4. INTANGIBLES

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	IT development and software $'000	Total $'000
Cost			
Balance as at 1 January 2014	55,509	58,023	113,532
Additions	197	2,746	2,943
Transfers	-	(3,286)	(3,286)
Balance as at 31 December 2014	55,706	57,483	113,189
Additions	**134**	**4,819**	**4,953**
Transfers	**(23)**	**(252)**	**(275)**
Balance as at 31 December 2015	**55,817**	**62,050**	**117,867**
Accumulated amortisation and impairment			
Balance as at 1 January 2014	(43,904)	(18,977)	(62,881)
Amortisation	(564)	(6,183)	(6,747)
Balance as at 31 December 2014	(44,468)	(25,160)	(69,628)
Amortisation	**(283)**	**(6,519)**	**(6,802)**
Impairment	**-**	**(5,895)**	**(5,895)**
Balance as at 31 December 2015	**(44,751)**	**(37,574)**	**(82,325)**
Carrying Amounts			
Balance as at 31 December 2014	11,238	32,323	43,561
Balance as at 31 December 2015	**11,066**	**24,476**	**35,542**

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, management 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 5.6% and the growth rate used to extrapolate the cash flows beyond the five year period is 4.0%.

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 management in setting appropriate impairment triggers and assumptions used to determine the recoverable amount.

5. INVENTORIES

	31 Dec 15 $'000	31 Dec 14 $'000
Development properties held for resale	**101,455**	43,647
Total inventories	**101,455**	43,647

During the year, the Consolidated Entity has acquired land parcels adjacent to the Rouse Hill Town Centre from Urban Growth for $19.9 million in April 2015 and two land parcels located on Wembley Road in Berrinba from Logan City Council for $25.0 million in June 2015.

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

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

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 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 2015 (2014: nil).

6. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 15 $'000	31 Dec 14 $'000
Computers		
At cost	**13,653**	11,975
Less: accumulated depreciation and impairment	**(8,826)**	(7,539)
Total computers	**4,827**	4,436
Office, fixtures and fittings		
At cost	**14,365**	14,062
Less: accumulated depreciation and impairment	**(5,057)**	(4,064)
Total office, fixtures and fittings	**9,308**	9,998
Total property, plant and equipment	**14,135**	14,434

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
Balance as at 1 January 2014	2,474	10,108	12,582
Additions	193	275	468
Transfers	2,889	397	3,286
Depreciation charge	(1,120)	(782)	(1,902)
Balance as at 31 December 2014	4,436	9,998	14,434
Balance as at 1 January 2015	**4,436**	**9,998**	**14,434**
Additions	**1,485**	**221**	**1,706**
Transfers	**193**	**82**	**275**
Depreciation charge	**(1,287)**	**(993)**	**(2,280)**
Balance as at 31 December 2015	**4,827**	**9,308**	**14,135**

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 their 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. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

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 Consolidated Statement of Comprehensive Income in the year of disposal.

7. OTHER ASSETS

	31 Dec 15 $'000	31 Dec 14 $'000
Available for sale financial asset (1)	**8,641**	-
Lease incentive asset	**5,101**	5,387
Investment in financial asset	**5,440**	-
	19,182	5,387

(1) The available for sale financial asset relates to an investment in BGP, which is a European real estate investment company. This investment is held as an available for sale investment. The fair value at December 2014 was determined to be nil.

8. PAYABLES

	31 Dec 15 $'000	31 Dec 14 $'000
Trade payables	**14,488**	7,523
Accruals	**34,829**	30,562
Other payables	**2,727**	4,972
Total payables	**52,044**	43,057

Trade payables and accruals 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 15 $'000	31 Dec 14 $'000
Current provisions		
Employee benefits	**26,110**	26,121
Other	**3,628**	3,767
Total current provisions	**29,738**	29,888
Non current provisions		
Employee benefits	**5,285**	4,810
Total non current provisions	**5,285**	4,810

	Employee benefits $'000	Other $'000	Total $'000
Balance as at 1 January 2014	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)
Balance as at 31 December 2014	30,931	3,767	34,698
Balance as at 1 January 2015	**30,931**	**3,767**	**34,698**
Arising during the year	**25,474**	**797**	**26,271**
Utilised during the year	**(25,010)**	**(936)**	**(25,946)**
Balance as at 31 December 2015	**31,395**	**3,628**	**35,023**

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 is due to be settled within twelve months after the end of the reporting period is therefore recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are due 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 15 $'000	31 Dec 14 $'000
(a) Income tax		
Current income tax credit	**-**	-
Deferred income tax credit	**(319)**	(4,582)
Income tax credit in the Statement of Comprehensive Income	**(319)**	(4,582)
Income tax credit attributable to:		
Profit from continuing operations	**(318)**	(7,144)
Loss from discontinued operations	**(1)**	2,562
Aggregate income tax credit	**(319)**	(4,582)
Reconciliation of income tax credit to prima facie tax payable		
Profit from continuing operations before income tax expense	**32,290**	36,983
Loss from discontinued operations before income tax expense	**(184)**	(5,354)
Net profit before income tax expense	**32,106**	31,629
Prima facie income tax expense at 30% tax rate (2014: 30%)	**9,632**	9,489
Tax effect of amounts not deductible / assessable in calculating income tax credit:		
Prior year adjustments	**-**	(3,422)
Previously unrecognised tax losses used to reduce deferred tax expense	**(5,965)**	-
Net loss on disposal of foreign investments	**-**	544
Amortisation of intangibles	**40**	39
Revaluation of financial arrangements	**(2,830)**	(14,141)
Bad debt deductions allowed on related party interest	**-**	(4,193)
Depreciation not deductible	**18**	88
Deferred acquisition costs	**-**	954
Deferred tax asset not recognised	**3,800**	5,323
Reversal of impairment	**(3,795)**	-
Loss from joint ventures	**(1,256)**	-
Other	**37**	737
Income tax credit	**(319)**	(4,582)
(b) Deferred tax assets		
Employee credits	**13,970**	15,243
Provisions and accruals	**2,874**	3,197
Other	**(4,416)**	(1,793)
Tax losses recognised	**17,812**	15,805
Net deferred tax asset	**30,240**	32,452
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**32,452**	25,021
Credited / (charged) to the Statement of Comprehensive Income	**4,276**	(1,588)
(Charged) / credited to reserves	**(2,533)**	2,847
Tax losses (utilised) / recognised	**(3,955)**	6,172
Closing balance at the end of the year	**30,240**	32,452

Company and other taxable entities
Income tax credit for the financial year is the tax 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 assets and liabilities – 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.
  - Unused tax losses for which no deferred tax asset has been recognised are $45.0 million (2014: $81.0 million).

Tax relating to equity items
Income taxes relating to items recognised directly in equity are recognised in equity and not in Consolidated Statement of Comprehensive Income.

CAPITAL STRUCTURE

11. EQUITY AND RESERVES

(a) Contributed equity

	Number	$'000
Ordinary stapled securities		
Opening securities on issue	1,694,888,638	319,562
Securities issued	1,980,505	40
On market buy back	(11,408,188)	(287)
Closing securities on issue	1,685,460,955	319,315
Opening securities on issue	1,685,460,955	319,315
Securities issued - institutional placement (1)	76,832,152	4,093
Transaction costs	-	(70)
Securities issued - Long Term Incentive Plan	2,169,649	81
Securities issued - Security Purchase Plan (1)	11,820,458	665
Securities issued - Deferred Short Term Incentive Plan	1,236,353	65
Securities issued - Broad Based Employee Security Ownership Plan	59,514	4
Distribution reinvestment plan for 6 months period ended 30 June 2015 (2)	17,237,448	1,175
Closing securities on issue	**1,794,816,529**	**325,328**

Ordinary securities are classified as equity and recognised at the fair value of the consideration received by the Consolidated Entity. 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 – institutional placement and stapled security purchase plan
Equity raising comprised a $325.0 million institutional placement and a $50.0 million security purchase plan. The funding was used to fund the redemption of exchangeable securities.

(2) Distribution reinvestment plan
The distribution reinvestment plan was activated for the six months to 30 June 2015 distribution at a 1.0% discount to the volume weighted average GPT trading price for a period of 15 business days commencing from the business day following the record date (30 June 2015).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

(b) Reserves

	Foreign Currency Translation Reserve	Employee Incentive Scheme Reserve	Fair Value Reserve	Total Reserve
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
Balance at 1 January 2015	**33,955**	**6,594**	**-**	**40,549**
Net foreign exchange translation adjustments	**51**	**-**	**-**	**51**
Reclassification to accumulated losses	**-**	**(2,805)**	**-**	**(2,805)**
Employee incentive schemes expense, net of tax	**-**	**265**	**-**	**265**
Tax on incentives valued at reporting date	**-**	**(558)**	**-**	**(558)**
Purchase of securities	**-**	**(278)**	**-**	**(278)**
Issue of securities	**-**	**(149)**	**-**	**(149)**
Revaluation of available for sale financial asset	**-**	**-**	**6,667**	**6,667**
Balance at 31 December 2015	**34,006**	**3,069**	**6,667**	**43,742**

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 security-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 19 for further details of security based payments.

Fair value reserve
The fair value reserve comprises the cumulative net change in available for sale financial assets until the assets are derecognised or impaired.

(c) Accumulated losses

	Company $'000	Non-controlling interest $'000	Total $'000
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)
Balance at 1 January 2015	**(243,948)**	**(17,212)**	**(261,160)**
Net profit for the year	**24,703**	**7,722**	**32,425**
Reclassification from employee incentive security scheme	**2,805**	**-**	**2,805**
Balance at 31 December 2015	**(216,440)**	**(9,490)**	**(225,930)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

12. EARNINGS PER SHARE

	31 Dec 15 Cents	31 Dec 14 Cents
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share - profit from continuing operations	**1.40**	2.61
Basic and diluted loss per share - loss from discontinued operations	**(0.01)**	(0.47)
Total basic and diluted earnings per share	**1.39**	2.14

(b) Weighted average number of ordinary stapled securities	**Number of shares '000s**	Number of shares '000s
Weighted average number of ordinary shares used as the denominator in calculating:		
Basic earnings per ordinary share	**1,773,920**	1,686,320
Performance security rights (weighted average basis)[(1)]	**3,764**	2,754
Weighted average number of ordinary shares and potential ordinary shares used as the demoninator in calculating diluted earnings per ordinary share	**1,777,684**	1,689,074

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

Profit reconciliation - basic and diluted	**31 Dec 15 $'000**	31 Dec 14 $'000
Profit from continuing operations	**24,886**	44,127
Loss from discontinued operations	**(183)**	(7,916)
Profit attributed to external non-controlling interest	**7,722**	-
	32,425	36,211

(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 share 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.

13. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the 2015 financial year (2014: nil).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

14. CASH FLOWS FROM OPERATING ACTIVITIES

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

	31 Dec 15	31 Dec 14
	$'000	$'000
Net profit for the year	**32,425**	36,211
Share of after tax profit of equity accounted investments (net of distributions)	**(4,037)**	(515)
Reversal of prior year impairment expense	**(12,650)**	-
Net foreign exchange (gain) / loss	**(3)**	19
Impairment expense	**5,895**	1,813
Non-cash employee benefits - security based payments	**8,456**	13,543
Lease incentive amortisation	**238**	295
Interest capitalised	**(1,974)**	-
Amortisation of rental abatement	**474**	-
Depreciation and amortisation expense	**9,082**	8,649
Amortisation of deferred acquisition costs	**653**	-
Intercompany finance costs	**15,357**	22,603
Revaluation of borrowings	**(10,623)**	(47,135)
Payment for inventories (1)	**(53,787)**	(43,647)
Increase in operating assets	**(42,526)**	(27,470)
Decrease in operating liabilities	**8,650**	27,669
Net cash outflows from operating activities	**(44,370)**	(7,965)

(1) This represents payment for land parcels adjacent to the Rouse Hill Town Centre acquired in April 2015 and two land parcels located on Wembley Road in Berrinba acquired in June 2015 (2014: Metroplex development at Westgate).

15. BORROWINGS

	31 Dec 15		31 Dec 14	
	Carrying amount(1)	**Fair value(2)**	Carrying amount(1)	Fair value(2)
	$'000	**$'000**	$'000	$'000
Current borrowings - secured	**6,723**	**6,733**	6,942	6,942
Current borrowings	**6,723**	**6,733**	6,942	6,942
Non-current borrowings - secured	**13,580**	**13,619**	11,947	12,000
Related party borrowings from GPT Trust	**61,225**	**61,794**	22,100	22,497
Non-current borrowings	**74,805**	**75,413**	34,047	34,497
Total borrowings	**81,528**	**82,146**	40,989	41,439

(1) Net of unamortised establishment costs.
(2) Excludes unamortised establishment costs.

The fair value of fixed rate interest-bearing borrowings is estimated by discounting the future contractual cash flows at the current market interest rate curve.

The following unsecured borrowings are provided by GPT Trust and its subsidiaries and have been revalued to nil (Dec 2014: nil) based on a forecast cash flow for amounts payable. As a result a revaluation adjustment of $10.2 million for both continuing and discontinued operations has been recognised in the Consolidated Statement of Comprehensive Income (2014: $47.1 million):

- Loan facility to GPT Management Holdings Limited of AUD $550,000,000 was drawn to $372,860,231 (Dec 2014: $373,511,287). This facility expires on 31 December 2030.
- Loan facility to GPT Property Management Ltd of AUD $50,000,000 was drawn to $33,986,204 (Dec 2014: $34,637,259). This facility expires on 31 December 2030.
- Loan facility to GPT International Pty Limited of AUD $120,000,000 was drawn to $100,942,484 (Dec 2014: $102,042,484). This facility expires on 12 June 2032.
- Loan facility to Voyages Hotels & Resorts of AUD $70,000,000 was drawn to $68,697,888 (Dec 2014: $70,000,000). This facility expires on 3 January 2035.
- Loan facility to Voyages Hotels & Resorts of AUD $54,663,473 was drawn to $54,663,473 (Dec 2014: $54,663,473). This facility expires on 30 June 2032.

Interest of $12,751,494 is payable in connection with the above loans. It is not capitalised as per the agreements but is included in the revaluation of the loans. Interest will no longer be accrued from 3 September 2015.

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 Consolidated 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.

The maturity profile of borrowings is provided below:

	Total facility[(1)] $'000	Used facility[(1)] $'000	Unused facility $'000
Due within one year	9,856	6,733	3,123
Due between one and five years	89,574	64,844	24,730
Due after five years	854,763	641,150	213,613
	954,193	**712,727**	**241,466**
Cash and cash equivalents			**40,380**
Total financing resources available at the end of the year			**281,846**

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

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

16. FINANCIAL RISK MANAGEMENT

The 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 table below provides a summary of the Consolidated Entity's gross interest rate risk exposure as at 31 December 2015 on interest bearing borrowings together with the net effect of interest rate risk management transactions. This excludes unamortised establishment costs.

	Gross exposure		Net exposure	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Fixed rate interest-bearing borrowings	**32,001**	12,000	**32,001**	12,000
Floating rate interest-bearing borrowings	**49,527**	29,042	**49,527**	29,042
	81,528	41,042	**81,528**	41,042

The average fixed rate for 2015 is 7.5%.

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.

	2015 (+1%) $'000	**2015 (-1%) $'000**	2014 (+1%) $'000	2014 (-1%) $'000
Impact on statement of comprehensive income				
Impact on interest revenue increase / (decrease)	**404**	**(404)**	504	(504)
Impact on interest expense (increase) / decrease	**(496)**	**496**	(290)	290
	(92)	**92**	214	(214)

(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,
- maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period,
- the ability to close out market positions.

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

	31 Dec 15					31 Dec 14				
	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	**52,044**	**-**	**-**	**-**	**52,044**	43,057	-	-	-	43,057
Borrowings(1)	**6,733**	**13,619**	**51,225**	**641,150**	**712,727**	6,942	-	24,000	10,100	41,042
Projected interest cost on borrowings	**4,910**	**4,093**	**8,060**	**1,689**	**18,752**	3,221	2,872	6,016	2,519	14,628
Total liabilities	**63,687**	**17,712**	**59,285**	**642,839**	**783,523**	53,220	2,872	30,016	12,619	98,727
Less cash and cash equivalents	**40,380**	**-**	**-**	**-**	**40,380**	50,414	-	-	-	50,414
Total liquidity exposure	**23,307**	**17,712**	**59,285**	**642,839**	**743,143**	2,806	2,872	30,016	12,619	48,313

(1) Including 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 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 2015, 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 15.

(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.

Sensitivity to foreign exchange is deemed insignificant.

Foreign currency assets and liabilities
The following table shows the Australian dollar equivalents of amounts within the Consolidated Statement of Financial Position which are denominated in foreign currencies.

	Euros		United States Dollars	
	31 Dec 15	31 Dec 14	**31 Dec 15**	31 Dec 14
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**1,296**	1,402	**143**	141
Interests in equity accounted investments	**-**	-	**(31)**	-
	1,296	1,402	**112**	141
Liabilities				
Other liabilities	**333**	331	**-**	19
	333	331	**-**	19

(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 Statement of Financial Position.

The Consolidated Entity manages this risk by:

- establishing credit limits for financial institutions and monitoring credit exposures for customers to ensure that the Consolidated Entity only trades and invests with approved counterparties,
- providing loans to joint ventures, associates and third parties only 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, 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 2015 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position. For more information refer to note 3.

OTHER DISCLOSURE ITEMS

17. COMMITMENTS

(a) Capital expenditure commitments (1)

The capital expenditure commitments at 31 December 2015 were $0.1 million (2014: nil)

(1) Commitments arising from purchase of plant and equipment and intangibles, which have been approved but not recognised as liabilities in the Consolidated Statement of Financial Position.

(b) Operating lease commitments (1)

	31 Dec 15	31 Dec 14
	$'000	$'000
Due within one year	**4,355**	4,454
Due between one and five years	**19,412**	17,722
Over five years	**1,896**	4,642
Total operating lease commitments	**25,663**	26,818

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

18. 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.

As part of the sale agreement of Quad 2 and Quad 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 until July 2029.

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

19. SECURITY BASED PAYMENTS

The Consolidated Entity 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 (Short Term Incentive Scheme) 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 has 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 performance rights is recognised as an employee benefit expense with a corresponding increase in liability to employees and the employee security scheme reserve in equity. Fair value is measured at each reporting 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, Management 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 Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value of the performance rights has been independently determined using the Monte Carlo simulation methodology for those rights issued under LTI and Black Scholes methodology for those rights issued under DSTI. The following key inputs are taken into account:

	2015 LTI	2015 DSTI
Fair value of rights	$2.95	$4.19
Security price at valuation date	$4.78	$4.78
Grant dates	18 May 2015	6 May 2015
Expected vesting dates	31 December 2017	50% on 31 Dec 2016, 50% on 31 Dec 2017
Security Price at the grant date	$4.47	N/A
Expected life	3 years (2 years remaining)	50% - 1 Year, 50% - 2 years
Distribution yield	5.4%	5.4%
Risk free interest rate	2.0%	N/A
Volatilty[1]	18.5%	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	Total
Rights outstanding at the beginning of the year	1,872,133	12,026,315	13,898,448
Rights granted during the year	1,473,587	3,895,599	5,369,186
Rights forfeited during the year	(826,935)	(4,653,486)	(5,480,421)
Rights converted to GPT stapled securities during the year [1]	(1,236,353)	(2,350,540)	(3,586,893)
Rights outstanding at the end of the year	1,282,432	8,917,888	10,200,320

(1) Rights under the 2014 DSTI plan were converted to GPT stapled securities on 18 March 2015 and rights under the 2012 LTI Plan were converted to GPT stapled securities on 23 February 2015.

	Number of stapled securities		
	GESOP	DSSP	Total
Securities outstanding at the beginning of the year	77,024	284,315	361,339
Securities granted during the year	74,715	-	74,715
Securities vested during the year	(84,011)	(284,315)	(368,326)
Securities outstanding at the end of the year	67,728	-	67,728

20. RELATED PARTY TRANSACTIONS

GPT Management Holdings Limited is the ultimate parent entity. The Consolidated Entity is stapled to the General Property Trust and the GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

Equity interests in joint ventures and associates are set out in note 2. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 3.

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Key management personnel

Key management personnel compensation was as follows.

	31 Dec 15	31 Dec 14
	$'000	$'000
Short term employee benefits	**6,447**	7,267
Post employment benefits	**186**	170
Long term incentive award accrual	**827**	2,591
Other long term benefits	**552**	54
Total key management personnel compensation	**8,012**	10,082

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

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

Transactions with related parties

	31 Dec 15 $'000	31 Dec 14 $'000
Transactions with General Property Trust (Trust):		
Revenue and expenses		
Fund management fees from Trust	**29,106**	27,757
Property management fees from Trust	**13,607**	16,255
Development management fees from Trust	**14,162**	12,801
Development revenue received from Trust	**-**	4,608
Management costs recharged from Trust	**14,675**	10,919
Property rent and outgoings paid to Trust	**(4,601)**	(4,627)
Interest paid to Trust	**(16,215)**	(21,617)
Receivables		
Current receivables from Trust	**28,817**	8,527
Other transactions		
Revaluation of arrangements with Trust - continued and discontinued operations	**10,236**	47,136
Purchase of inventory from Trust	**4,050**	-
Transactions with employees		
Contributions to superannuations funds on behalf of employees	**(6,110)**	(5,753)
Transactions with GWOF, GWSCF & GMF:		
Revenue		
Responsible Entity fees	**44,434**	35,238
Performance fee	**13,926**	-
Asset management fees	**15,209**	12,601
Development management fees	**4,521**	9,792
Development revenue	**16,065**	21,661
Directors fees recharged	**919**	411
Management costs recharged	**3,541**	3,108
Payroll costs recharged	**12,595**	10,564
Expense		
Site access fee paid	**(786)**	(590)
Receivables and payables		
Current receivable outstanding	**6,734**	11,029
Current Performance fee receivable	**15,319**	**-**
Current FM fee receivable	**13,026**	**-**
Current payable	**(144)**	(16)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

21. AUDITOR'S REMUNERATION

	31 Dec 15 $	31 Dec 14 $
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**242,893**	235,819
Total remuneration for audit services	**242,893**	235,819
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**59,965**	66,259
Total remuneration for other assurance services	**59,965**	66,259
Total remuneration for audit and assurance services	**302,858**	302,078
Non audit related services		
PricewaterhouseCoopers Australia		
Other services	**-**	28,058
Total remuneration for non audit related services	**-**	28,058
Total auditor's remuneration	**302,858**	330,136

22. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 15 $'000	31 Dec 14 $'000
Assets		
Current assets	**191,147**	146,784
Non-current assets	**144,326**	183,043
Total assets	**335,473**	329,827
Liabilities		
Current liabilities	**237,821**	132,938
Non-current liabilities	**15,285**	209,803
Total liabilities	**253,106**	342,741
Net assets	**82,367**	(12,914)
Equity		
Contributed equity	**325,328**	319,315
Reserves	**13,067**	6,592
Accumulated losses	**(256,028)**	(338,821)
Total equity	**82,367**	(12,914)
Profit attributable to members of the parent entity	**82,793**	10,827
Total comprehensive income for the year attributable to members of the parent entity	**82,793**	10,827
Operating lease commitments		
Due within one year	**4,355**	4,454
Due between one and five years	**19,412**	17,722
Over five years	**1,896**	4,642
Total operating lease commitments	**25,663**	26,818

Capital expenditure commitments

The parent entity has $0.1 million capital expenditure commitments at 31 December 2015 (2014: nil).

As at 31 December 2015, the parent entity had a net current asset deficiency of $37.1 million. The non-current liabilities have decreased by $184.9 million due to the repayment of borrowings. The parent has access to undrawn financing facilities of $177.1 million.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

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

23. FAIR VALUE DISCLOSURES – FINANCIAL INSTRUMENTS

(a) Fair value measurement, valuation techniques and inputs

Class of asset	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs
Available for sale financial asset	Level 3	Discounted cash flow (DCF)	Discount rate	30%
			Foreign currency exchange rate (AUD/EUR)	

(1) Level 3 – inputs for the asset are not based on observable market data.

The available for sale asset has moved from nil opening balance at 1 January 2015 to $8.6 million at 31 December 2015 due to the movement in fair value.

DCF method
The available for sale financial asset has been valued using a discounted cash flow methodology. The expected future cash flow is converted into Australian dollars and discounted over a six year period.

(b) Sensitivities
The table below summarises the impact of a 5% increase/decrease in the discount rate, with all other variables held constant.

	31 Dec 15 $'000
Fair value of level 3 available for sale financial asset	**8,641**
5% increase in discount rate - gain / (loss)	**(1,751)**
5% decrease in discount rate - gain / (loss)	**2,293**

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

(a) Discontinued operations
At 31 December 2015, there are three discontinued operations: Hotel/ Tourism portfolio, Funds Management – Europe portfolio and the US Seniors Housing portfolio.

Hotel / Tourism
The Consolidated Entity has substantially completed its exit from the Hotel/Tourism portfolio.

Funds Management - Europe
Relates to 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 2015.

	Discontinued Operations US Senior Housing	
	31 Dec 15 $'000	31 Dec 14 $'000
Investments in joint venture entities[1]	**246**	220
Total Assets held for sale	**246**	220

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

(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 15 $'000	31 Dec 14 $'000
Revenue	**7**	8
Expenses	**(191)**	(5,362)
Loss before income tax	**(184)**	(5,354)
Income tax (credit) / expense	**(1)**	2,562
Loss after income tax of discontinued operations	**(183)**	(7,916)
Net cash outflow from operating activities	**(64)**	(64)
Net decrease in cash from discontinued operations	**(64)**	(64)

(d) Details of all disposals in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position
The table below sets out the net loss on sale of discontinued operations and in the general course of business during the year.

	31 Dec 15 $'000	31 Dec 14 $'000
Details of disposals during the year:		
Consideration (net of transaction costs)	**-**	-
Total consideration	**-**	-
Carrying amount of net assets sold	**-**	-
Profit on sale before income tax	**-**	-
Income tax		-
Foreign exchange loss realised on disposal	**-**	(1,813)
Loss on sale after income tax	**-**	(1,813)

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 Statement of Financial Position.

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.

25. 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 17 February 2016.

(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 10% 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 Statement of Financial Position 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 Statement of Financial Position using the equity method which is the same method adopted for associates.

(c) Other accounting policies

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.

Other accounting policies include:

(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 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 ventures, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Consolidated 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 Statement of Financial Position.

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

(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 2015

There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2015.

(e) New and amended accounting standards and interpretations issued but not yet applied

The following standards and amendments to standards are relevant to the Consolidated Entity and the potential effects have not yet been fully determined:

Reference	Description	Application of Standard
AASB 15 *Revenue from Contracts with Customers*	AASB 15 will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. It 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. GPT is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.	1 January 2018
AASB 9 *Financial Instruments*	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and also introduces expanded disclosure requirements and changes in presentation. 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 must now be presented in other comprehensive income. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. GPT is in the process of assessing any implications of this new standard to its operation and financial results and the potential effects have not been fully determined.	1 January 2018

26. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstances occurring since 31 December 2015 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.

DIRECTORS' DECLARATION

Year ended 31 December 2015

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

(a) the financial statements and notes set out on pages 19 to 44 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 2015 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 25 to the financial statements.

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

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

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

Rob Ferguson
Chairman

GPT Management Holdings Limited

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
17 February 2016

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 statement of financial position as at 31 December 2015, 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 25, 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 whether the financial report is free from material misstatement.

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

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

Independence

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

Auditor's opinion
In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

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

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 25.

Report on the Remuneration Report
We have audited the remuneration report included in pages 9 to 17 of the directors' report for the year ended 31 December 2015. 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 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
17 February 2016

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