



ASX Announcement

14 August 2023

Interim Financial Report – The GPT Group

The GPT Group ('GPT' or 'Group') provides its 2023 Interim Financial Report.

–ENDS–

Authorised for release by The GPT Group Board.

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Our Purpose

Experience First

We create experiences that drive positive impact for people, place and planet.

Our Values

Everyone counts

People really matter to us. We learn from our differences and we pull together as one. Life is precious, so safety and wellbeing are our priority, always.

Go for it!

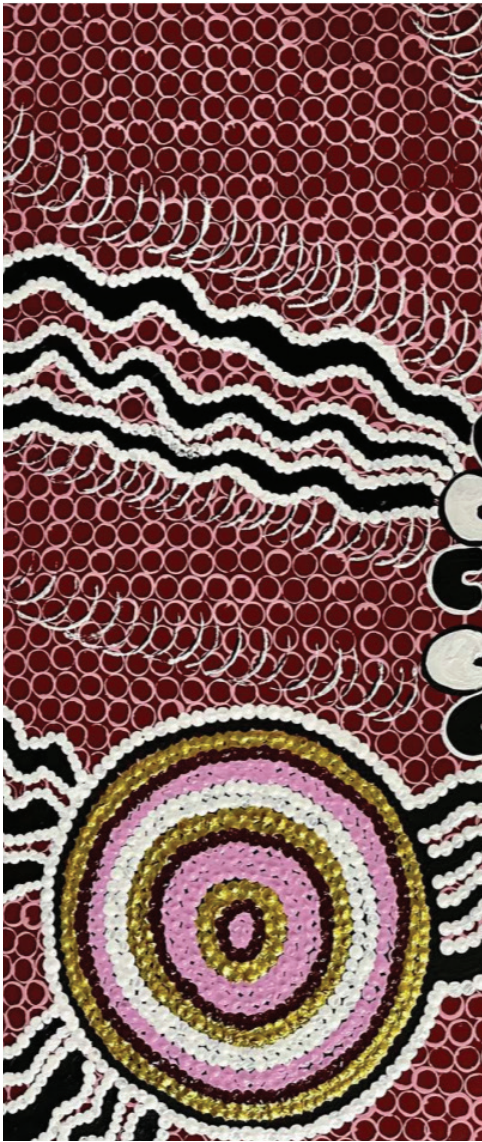
We turn ideas into action. We back ourselves and each other. Energy and enthusiasm power everything we do. We're great at getting things done. We're excited to pioneer the firsts that others follow.

Imagine if...

We believe anything is possible. We're inquisitive about the world around us, and use customer insights to drive the creative and the new. Great questions drive great outcomes.

Make an impact

Property impacts our planet in a very real way. So we act with courage and conviction to make a difference — no matter how big or small. We know a better tomorrow is up to each of us.



Welcome to The GPT Group 2023 Interim Report

GPT is one of Australia's leading property groups, with assets under management of \$32.2 billion across a portfolio of high quality retail, office and logistics assets.

The GPT Group (GPT) is a stapled entity comprised of the General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities.

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



GPT acknowledges the Traditional Custodians of the lands on which our business operates.

We pay our respects to Elders past, present and emerging; and to their knowledge, leadership and connections.

We honour our responsibility for Country, culture and community in the places we create and how we do business.

Artwork by Aunty Denise Proud (Koa and Kuku-Yalanji woman born on Wakka Wakka Country, QLD), Cultural Grounding.

Disclaimer

This Interim Report (Report) has been prepared by The GPT Group comprising GPT RE Limited (ACN 107 426 504; AFSL 286511), as responsible entity of the General Property Trust, and GPT Management Holdings Limited (ACN 113 510 188) (together, GPT). It has been prepared for the purpose of providing GPT's investors with general information regarding GPT's performance and plans for the future and risks.

The information provided in this Report is for general information only. It is not intended to be investment, legal or other advice and should not be relied upon as such. You should make your own assessment of, or obtain professional advice about, the information in this Report to determine whether it is appropriate for you.

You should note that past performance is not necessarily a guide to future performance. While every effort is made to provide accurate and complete information, The GPT Group does not represent or warrant that the information in this Report is free from errors or omissions, is complete or is suitable for your intended use. In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statements contained in this Report or the assumptions on which they are based. Such material is, by its nature, subject to significant uncertainties and contingencies outside of GPT's control. Actual results, circumstances and developments may differ materially from those expressed or implied in this Report.

To the maximum extent permitted by law, The GPT Group, its related companies, officers, employees and agents will not be liable to you in any way for any loss, damage, cost or expense (whether direct or indirect) howsoever arising in connection with the contents of, or any errors or omissions in, this Report.

Information is stated as at 30 June 2023 unless otherwise indicated. Except as required by applicable laws or regulations, GPT does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Reporting suite

The Group 2023 Interim Report forms part of our reporting suite, which includes:

Results Presentation and Data Pack

A summary of GPT's operating and financial performance and key developments in our business and portfolio, accompanied by a data supplement released every six months.

Property Compendium

Consolidated information about the assets in the Group's property portfolio, published every six months.

Integrated Annual Report

A summary of the value created by GPT's business activities together with the annual financial statements for the Group.

Corporate Governance Statement

An annual statement of how GPT addresses the ASX Corporate

Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Sustainability Report

A detailed report of our sustainability policies, priorities and progress along with future targets, released annually.

Climate Disclosure Statement

An annual statement of the steps we are taking to identify, assess and manage climate change risks and opportunities, prepared in accordance with the TCFD recommendations.

Modern Slavery Statement

A summary of the actions taken during the year and those proposed to be taken in the future, to assess and address modern slavery risks in our business.

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Highlights

\$316.7m

Funds From Operations (FFO)
(30 June 2022: \$326.5m)

12.5¢

Distribution per security
(30 June 2022: 12.7¢)

97.9%

Portfolio occupancy
(31 December 2022: 97.5%)

\$5.85

Net tangible assets per security
(31 December 2022: \$5.98)

86%

Emissions intensity
reduction since 2005
(31 December 2022: 82%)

(0.6)%

12 month Group total return
(30 June 2022: 10.8%)



Pacific Fair Shopping Centre, QLD

Group Performance

Review of Operations and Operating Result

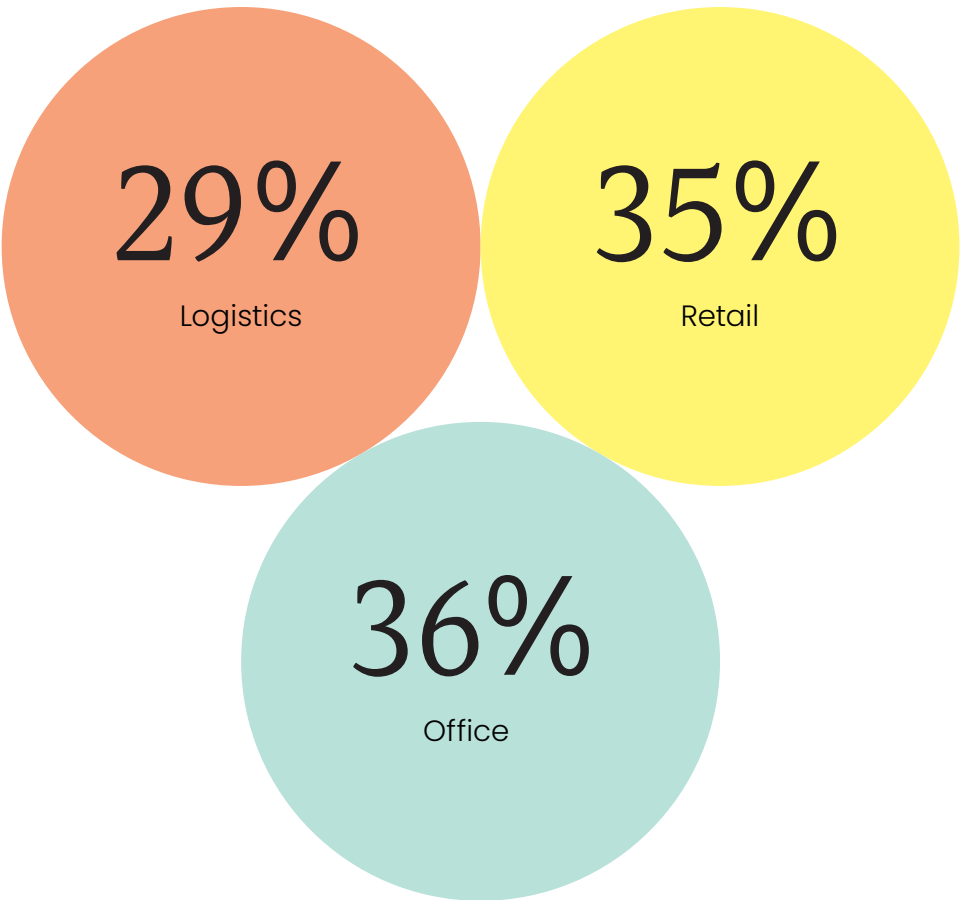
The Group's Funds From Operations (FFO) reflects increased FFO contributions from the Retail and Logistics segments, offset by lower income in the Office segment and higher financing costs, as a consequence of the higher interest rate environment versus the prior corresponding period.

The Retail portfolio performed strongly in the period, with high occupancy maintained and strong leasing outcomes achieved. Retail sales across the portfolio were above the prior comparable period and our CBD located asset at Melbourne Central is back at pre-pandemic retail sales levels. Leasing spreads continued to strengthen, with lease structures consisting of fixed base rents and annual fixed increases.

The Office leasing environment continues to be challenging, with vacancy remaining above long term averages in each of our core markets. Smaller tenants continue to be the most active segment in the market and are seeking to upgrade to high quality assets in prime locations. Our prime grade Office portfolio occupancy is broadly stable compared to December 2022, with the ongoing rollout of our premium turn-key product, 'GPT DesignSuites', specifically designed for smaller tenants, resonating well with the market. Year-to-date, approximately 15,000sqm (on a 100 per cent NLA basis) of GPT DesignSuites have been leased. The GPT Wholesale Office Fund's development at 51 Flinders Lane is progressing well and due for completion in 2025.

Continued tenant demand and low market vacancy rates has resulted in high occupancy and positive leasing outcomes across our Logistics portfolio. In the period there were three completions in the Logistics sector, including two held within the GPT QuadReal Logistics Trust (GQLT), with a further two projects due to be

Portfolio asset weighting
30 June 2023



complete by the end of 2023. Logistics currently represents 29 per cent of the Group's diversified property portfolio.

The growth of Funds Management remains a key focus for the Group. The strong result delivered reflects the full period contribution of managing UniSuper's \$2.8 billion portfolio of real estate investments which transitioned to GPT in September 2022 and

management of the Australian Core Retail Trust (ACRT) and property management of Pacific Fair Shopping Centre which commenced in December 2022.

The Group's gearing at 30 June 2023 of 28.1 per cent remains below the mid-point of our stated range of 25-35 per cent.

Funds From Operations (FFO)

Funds From Operations (FFO) represents GPT's underlying earnings from its operations. This is determined by adjusting statutory net profit after tax (under Australian Accounting Standards) for certain items which are non-cash, unrealised or capital in nature. This is in accordance with FFO and Adjusted Funds From Operations (AFFO) in the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'.

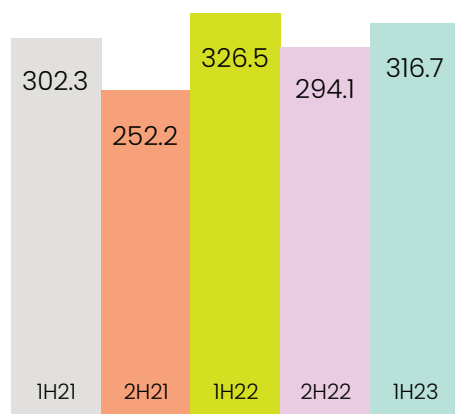
GPT delivered FFO of \$316.7 million for the half year ended 30 June 2023, down 3.0 per cent on the prior period (30 June 2022: \$326.5 million). FFO per security decreased 3.0 per cent to 16.53 cents (30 June 2022: 17.04 cents).

Both the Retail and Logistics segments contributed strongly with growth of 13.7 per cent and 7.4 per cent respectively.

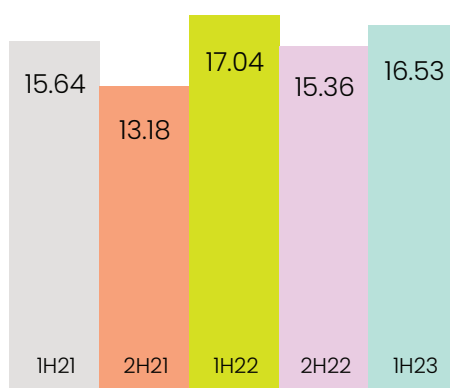
The Office segment contribution fell by 3.4 per cent as a consequence of higher vacancy in the portfolio compared to the prior corresponding period. Net finance costs from borrowings increased by 52.5 per cent to \$82.5 million (30 June 2022: \$54.1 million). This was due to an increase in the cost of debt to 4.1 per cent (June 2022: 2.5 per cent).

GPT's statutory net loss after tax was \$1.1 million, as compared to a \$529.7 million profit after tax in the prior corresponding period, predominantly due to negative investment property valuation movements of \$341.3 million (30 June 2022: \$219.5 million positive revaluation). The Group's 12 month total return was negative 0.6 per cent (30 June 2022: 10.8 per cent) predominantly as a result of the FFO yield of 5.1 per cent offset by the negative investment property revaluations resulting in a decrease in NTA per stapled security to \$5.85.

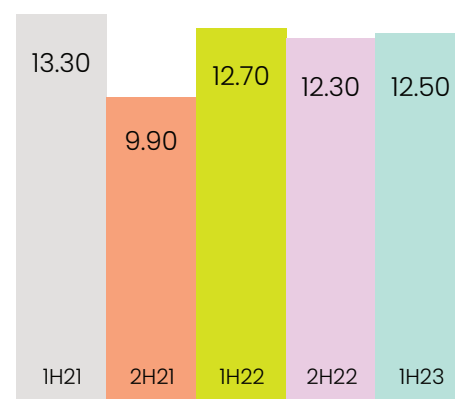
Funds From Operations (\$M)



FFO per ordinary stapled security (cents)



Distribution per ordinary stapled security (cents)



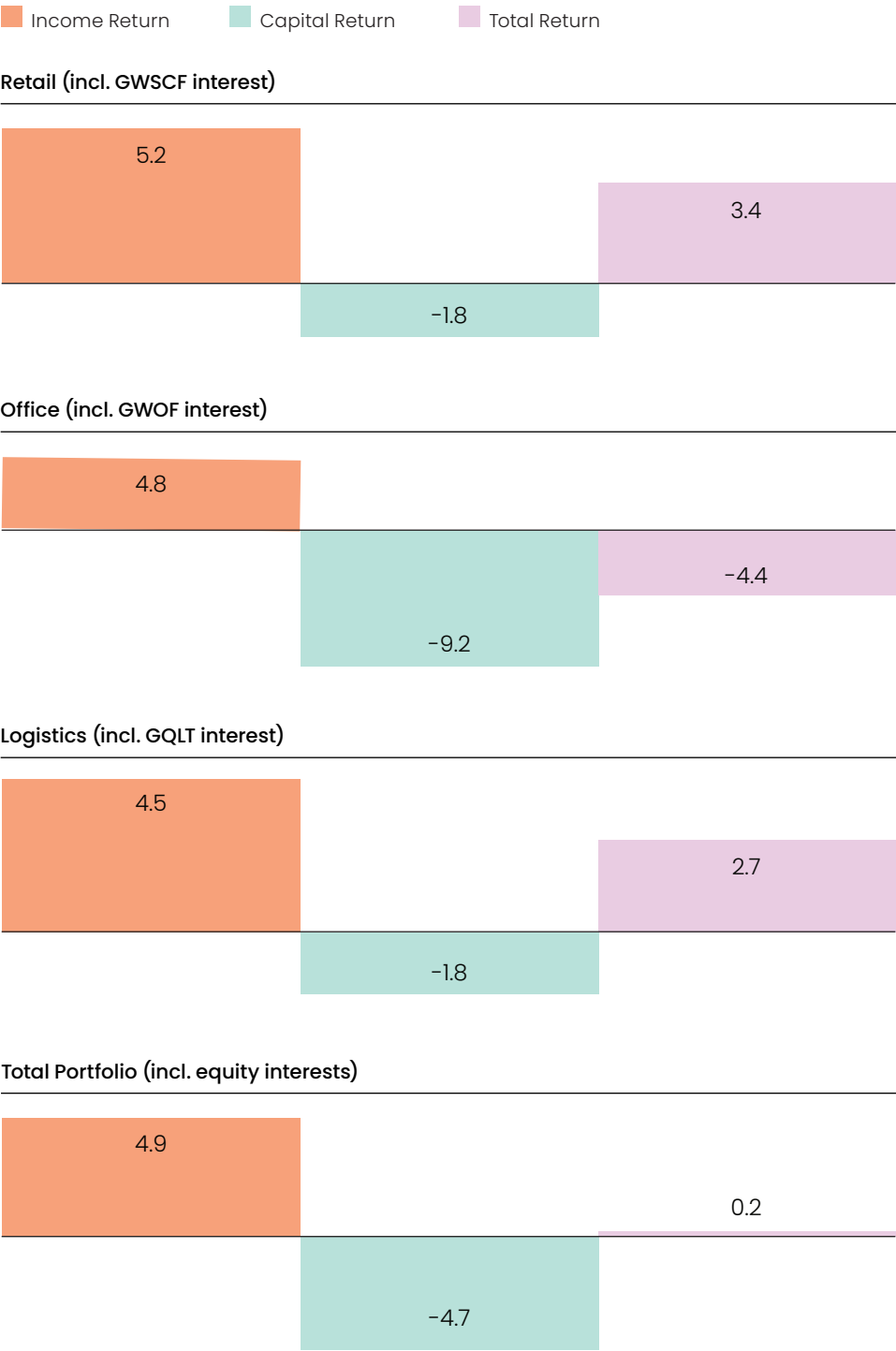
Distribution

The Group targets to distribute 95 to 105 per cent of free cash flow, defined as operating cash flow less maintenance and leasing capex and inventory movements. The Group may make other adjustments in its determination of free cash flow for one-off or abnormal items.

Distributions to stapled securityholders for the half year ended 30 June 2023 are \$239.4 million (30 June 2022: \$243.3 million), representing an interim distribution of 12.5 cents per ordinary stapled security, a decrease of 1.6 per cent on 2022 (30 June 2022: 12.7 cents). The payout ratio for the half year ended 30 June 2023 is 95.9 per cent of free cash flow.

Portfolio Total Return (%)

The portfolio total return at the investment portfolio level for the 12 months to 30 June 2023 was 0.2 per cent with each portfolio’s performance detailed in the following chart.



Financial Result

For the half year ended	30 Jun 23 \$M	30 Jun 22 \$M	Change %
Retail			
– Operations net income	158.6	144.8	
– Funds management net income	12.7	5.8	
– Development net income	0.2	0.2	
	171.5	150.8	13.7%
Office			
– Operations net income	142.5	148.0	
– Funds management net income	20.2	20.7	
– Development net income	1.2	0.9	
	163.9	169.6	(3.4%)
Logistics			
– Operations net income	96.1	90.7	
– Funds management net income	1.4	1.0	
– Development net income	1.5	0.5	
	99.0	92.2	7.4%
Corporate management expenses	(28.8)	(28.3)	1.8%
Net finance costs	(82.5)	(54.1)	52.5%
Income tax expense	(6.4)	(3.7)	73.0%
Funds from Operations (FFO)	316.7	326.5	(3.0%)
Non-FFO items:			
Valuation (decrease)/increase	(341.3)	219.5	
Financial instruments mark to market, net foreign exchange movements and other items	23.5	(16.3)	
Net (loss)/profit for the half year after tax	(1.1)	529.7	(100.2%)
FFO per ordinary stapled security (cents)	16.53	17.04	(3.0%)
Funds from Operations (FFO)	316.7	326.5	(3.0%)
Maintenance capex	(15.8)	(14.8)	6.8%
Lease incentives	(35.1)	(41.1)	(14.6%)
Adjusted Funds from Operations (AFFO)	265.8	270.6	(1.8%)
Distributions	239.4	243.3	(1.6%)
Distribution per ordinary stapled security (cents)	12.5	12.7	(1.6%)

Financial Position

	30 Jun 23 \$M	31 Dec 22 \$M	Change %
Portfolio assets			
Retail	5,687.6	5,789.2	(1.8%)
Office	5,802.8	5,982.6	(3.0%)
Logistics	4,614.2	4,834.5	(4.6%)
Total portfolio assets	16,104.6	16,606.3	(3.0%)
Financing and corporate assets	765.8	710.7	7.8%
Total assets	16,870.4	17,317.0	(2.6%)
Borrowings	4,916.1	5,052.5	(2.7%)
Other liabilities	715.6	788.6	(9.3%)
Total liabilities	5,631.7	5,841.1	(3.6%)
Net assets	11,238.7	11,475.9	(2.1%)
Total number of ordinary stapled securities (million)	1,915.6	1,915.6	–
NTA (\$ per security)¹	5.85	5.98	(2.2%)

1. Includes all right-of-use assets of the GPT Group.

Balance sheet

The Group independently valued all investment properties as at 30 June 2023. Valuations were conducted by valuers with appropriate experience and expertise. The independent valuations contain a number of assumptions, estimates and judgements on the future performance of each property, including market rents and growth rates, occupancy, capital expenditure and investment metrics.

Total portfolio assets decreased by 3.0 per cent in the half year ended 30 June 2023 due to net property devaluations, the divestment of Rosehill Business Park and Citiport Business Park, offset by investment in developments.

Cash borrowings decreased by \$183.2 million as a result of asset sales, partially offset by development capital expenditure. Total borrowings reduced by \$136.4 million after adjusting for non-cash items of \$46.8 million which includes movements on the Group's foreign currency borrowings. The Group's foreign borrowings are fully hedged against foreign currency exchange rate risk.



Queen & Collins, Melbourne



We create
experiences
that drive
positive impact
for people, place
and planet.

Capital management

GPT continues to maintain a strong focus on capital management.

Key metrics for the period

Net gearing of

28.1%

(31 December 2022 28.5%)

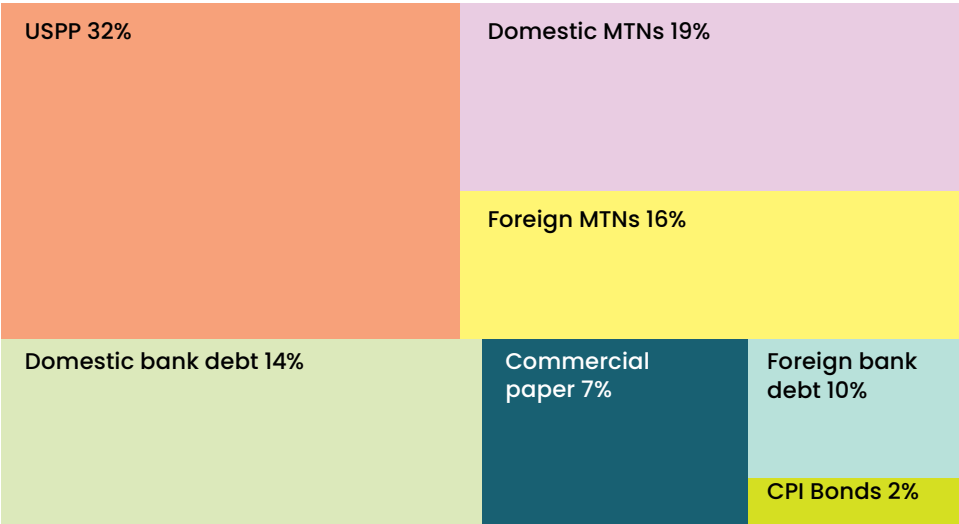
Weighted average cost of debt for the half year was

4.1%

up from 3.2% for the year to 31 December 2022

As at	30 Jun 23	31 Dec 22	Change
Net gearing	28.1%	28.5%	Down 40bps
Weighted average debt maturity	6.1 years	6.2 years	Down 0.1 years
Interest rate hedging	90%	76%	Up 14%
S&P/Moody's credit rating	A (negative) / A2 (stable)	A (negative) / A2 (stable)	Unchanged

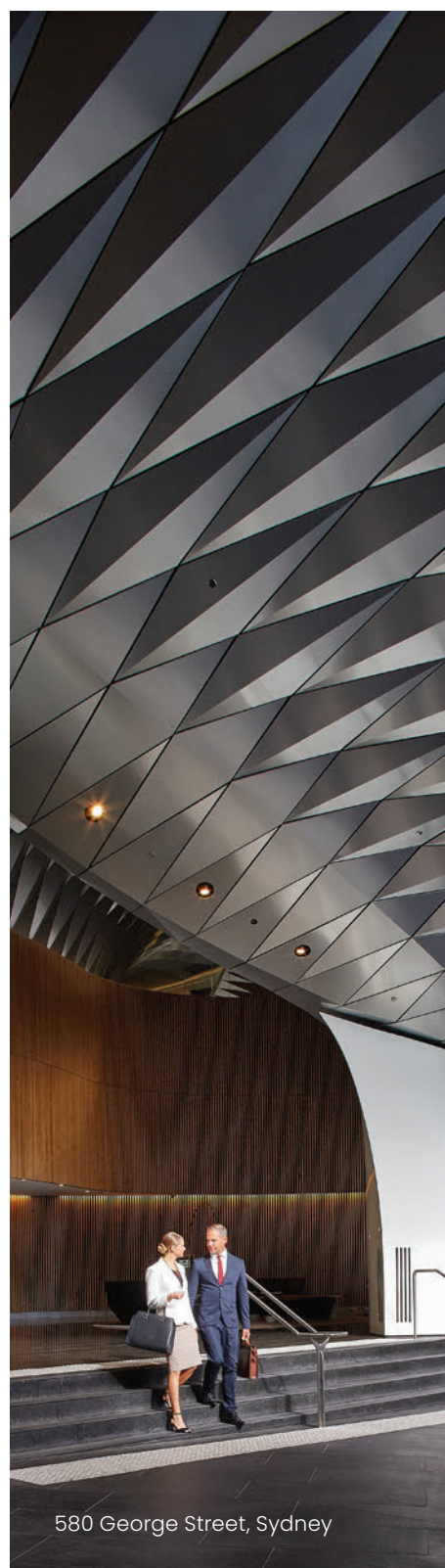
Sources of debt



Going concern

GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of \$1,476.4 million (after allowing for refinancing of \$326.6 million of outstanding commercial paper) as at 30 June 2023;
- Weighted average debt expiry of 6.1 years, with sufficient liquidity in place to cover the \$202.7 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2024;
- Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio for the six months to 30 June 2023 of 4.6 times, compared to a covenant level of 2.0 times.



Cash flow

The increase in free cash flow compared to the prior corresponding period is primarily due to a reduction in maintenance capex and lease incentives. One-off transaction costs to transition UniSuper and ACRT mandates from AMP to GPT are excluded from free cash flow.

The Non-IFRS information included below has not been audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 9 of the accompanying financial statements.

The table below shows the reconciliation from FFO to the cash flow from operating activities and free cash flow.

For the half year ended	30 Jun 23 \$M	30 Jun 22 \$M	Change %
FFO	316.7	326.5	(3.0%)
Less: non-cash items included in FFO	(17.1)	(13.6)	25.7%
Add/(less): net movement in inventory	32.4	(10.7)	N/A
Less: one-off transaction costs	(22.3)	–	N/A
Less: movements in working capital and reserves	(20.5)	(30.4)	(32.6%)
Net cash inflows from operating activities	289.2	271.8	6.4%
(Less)/add: net movement in inventory	(32.4)	10.7	N/A
Add: one-off transaction costs	22.3	–	N/A
Less: maintenance capex and lease incentives (excluding rent free)	(29.4)	(39.2)	(25.0%)
Free cash flow	249.7	243.3	2.6%

Retail

Performance

Operations

Operations net income for the period was \$158.6 million, an increase of 9.5 per cent on 2022.

The portfolio occupancy as at 30 June 2023 was 99.5 per cent (31 December 2022: 99.4 per cent), with this high occupancy continuing to underscore the strength of the retail market and desire from retailers to take floor space in GPT's quality portfolio.

The Group completed 343 leasing deals during the period, with both an improved average fixed annual rental increase of 4.8 per cent (31 December 2022: 4.4 per cent) and average lease term of 5.2 years (31 December 2022: 4.7 years). Total Specialty leasing spreads improved to positive 3.4 per cent (31 December 2022: negative 2.8 per cent).

Total Centre sales were up 11.8 per cent and Total Specialty sales were up 10.1 per cent for the six months to 30 June 2023 compared to the same period in 2022. Strong sales growth was achieved across the majority of retail categories driven by continued sales growth in both non discretionary and discretionary spending, particularly in Supermarkets, Dining, Health and Beauty. Other Retail sales was up 84.9 per cent largely due to travel agents benefiting from the return of overseas holiday bookings.

Melbourne Central, our largest retail investment property, has returned to regular trading levels with MAT at June 2023 surpassing pre-pandemic retail turnover. Customer visitation is also up 36.8 per cent on the six months to 30 June 2022. The asset continues to be in strong demand by retailers, with occupancy increasing to 99.7 per cent at 30 June 2023 (31 December 2022: 98.0 per cent).

The Retail portfolio recorded a net revaluation decline of \$103.7 million (-1.8 per cent) for the six months to June 2023 (30 June 2022: \$97.3 million), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The weighted average capitalisation rate increased to 5.23 per cent (31 December 2022: 5.03 per cent).

Funds management

Retail Funds Management continues to be a focus, with income increasing 119.0 per cent to \$12.7 million driven by the addition of the UniSuper and ACRT portfolios in September and December 2022.

Retail masterplanning has commenced for all assets in the ACRT and UniSuper portfolios to drive the long term returns for our clients.

Development

The Group has continued advancing the development at Rouse Hill Town Centre, with the lodgement of the Development Application (DA). Final DA approval is anticipated by the end of 2023.



Highlights

\$5.6b

Retail portfolio value
(31 December 2022: \$5.6b)¹

99.5%

Retail portfolio occupancy
(31 December 2022: 99.4%)

4.0 years

Retail portfolio weighted average lease expiry
(31 December 2022: 4.0 years)

5.23%

Retail portfolio weighted
average capitalisation rate
(31 December 2022: 5.03%)

3.4%

Retail portfolio 12 month total return
(30 June 2022: 5.9%)

1. Includes GPT's interest in GWSCF.

Office

Performance

Operations

Significant investment has been made to refurbish the Group's prime grade Office portfolio, to provide amenity-rich, sustainable, modern assets in desirable locations. GPT provides a differentiated workplace offering, appealing to a broad range of customers and providing customers with the flexibility of choice they desire.

In 2023, 58,800sqm¹ has been leased across 86 deals. Office occupancy (including HoA) as at June 2023 is 88.5 per cent and the portfolio WALE is 4.8 years.

Operations net income for the period ending 30 June 2023 decreased 3.7 per cent, primarily driven by lease expiries in late 2022 at Darling Park and 60 Station Street. Comparable income growth for the portfolio was negative 3.4 per cent.

The Office portfolio recorded a negative revaluation of \$241.8 million (-4.0 per cent) in the first half of 2023 (30 June 2022: net positive revaluation of \$6.8 million), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). The largest negative revaluations were recorded at 2 Park Street (-\$47.2 million), Darling Park (-\$40.7 million), Australia Square (-\$39.2 million), 60 Station Street (-\$28.4 million) and 32 Smith (-\$28.2 million), which was partly offset by a revaluation uplift at One One One Eagle Street of \$20.8 million and 181 William & 550 Bourke Street of \$6.2 million.

Funds management

Office Funds Management income decreased 2.4 per cent to \$20.2 million (2022: \$20.7 million), driven by investment property devaluations in GWOF.



Development

Strategic master planning and development approvals are being progressed on the Group's Office pipeline for the next cycle.

The only project underway is GWOF's development of 51 Flinders Lane, Melbourne, with completion expected in late 2025.

1. Includes signed leases and Heads of Agreement (HoA) based on GPT and GWOF NLA.

Highlights

\$5.8b

Office portfolio value¹
(31 December 2022: \$6.0b)

88.5%

Office portfolio occupancy
(including heads of agreement)
(31 December 2022: 88.5%)

4.8 years

Office portfolio weighted average lease expiry
(31 December 2022: 5.0 years)

5.24%

Office portfolio weighted
average capitalisation rate
(31 December 2022: 5.03%)

(4.4)%

Office portfolio 12 month total return
(30 June 2022: 8.9%)

1. Includes GPT's interest in GWOF.

Logistics

Performance

Operations

Operations net income for the period ending 30 June 2023 increased 6.0 per cent as a result of development completions, structured rent increases and leasing outcomes achieved. Comparable income growth for the period was 5.1 per cent. Logistics occupancy as at June 2023 is 99.8 per cent (including HoA) and the portfolio has a WALE of 5.7 years.

The Logistics portfolio recorded revaluations of \$3.2 million (0.1 per cent) in the first half of 2023 (30 June 2022: \$115.4 million) including GPT's equity interest in the GPT QuadReal Logistics Trust (GQLT). The weighted average capitalisation rate has expanded to 4.78 per cent (31 December 2022: 4.40 per cent), with movement in metrics offset by increased market rents and higher valuations for underway developments.

The divestment of Citiport Business Park, Port Melbourne and Rosehill Business Park, Camellia has completed, with the assets settling during the period.

At Austrak Business Park, Somerton in Melbourne's North, a rail terminal ground lease has commenced with the Aware Super owned Intermodal Terminal Company. Once operational, the freight terminal is expected to further enhance the logistics estate, in which GPT owns a 50 per cent stake.

Funds management

Funds Management income increased to \$1.4 million, as a result of the Group's partnership with QuadReal.

GQLT was formed to create a \$2 billion prime Australian logistics portfolio (GPT share 50.1 per cent), with assets under management (AUM) of \$0.6 billion at June 2023.

Development

GPT is growing exposure to the Logistics sector primarily through creation of product via the development pipeline.

In Melbourne, GPT's 27,300sqm development at 24A & 24B Niton Drive, Truganina reached completion in January and is leased to Nature's Best and Daikin. This was followed in February by the GQLT's 22,800sqm facility at Keylink Estate – North, Keysborough, with the asset leased by three occupiers. GPT's 31,600sqm facility at Gateway Logistics Hub, Truganina in Melbourne is underway and due for completion in late 2023.

In Brisbane, GQLT's 17,600sqm facility at 149 & 153 Coulson Street, Wacol was delivered in May, and has been leased to Mainfreight. In August GQLT's 11,700sqm facility, 22 Hume Drive at Apex Business Park, Bundamba reached completion, with leasing activity progressing.

The Group is also advancing planning and pre-construction milestones across the pipeline.

At GPT's future Djeembana Estate (previously known as 865 Boundary Road) in Melbourne's West, earthworks and site servicing activities will start in the second half of 2023.

In Western Sydney, where 47 hectares of development land is held by both GPT and GQLT, engagement with the relevant authorities continues. Phased build-out of these developments will commence once approvals have been achieved.

Two land parcels held in GQLT settled in the period, at Epping in Melbourne's North and at Crestmead in Brisbane.



24A & 24B Niton Drive, Truganina, VIC

Highlights

\$4.6b

Logistics portfolio value¹
(31 December 2022: \$4.5b)

99.8%

Logistics portfolio occupancy
(including heads of agreement)
(31 December 2022: 99.8%)

5.7 years

Logistics portfolio weighted average lease expiry
(31 December 2022: 6.2 years)

4.78%

Logistics portfolio weighted
average capitalisation rate
(31 December 2022: 4.40%)

2.7%

Logistics portfolio 12 month total return
(30 June 2022: 14.0%)

1. Includes GPT's interest in the GQLT. December 2022 excluded assets contracted for sale.

Prospects

GPT is an owner and manager of high quality, diversified real estate assets, with assets under management of \$32.2 billion, including a balance sheet portfolio valued at \$15.9 billion. Occupancy of the Group's diversified portfolio at 30 June 2023 was 97.9 per cent.

Over the last 12 months there has been a material step up in interest rates by the Reserve Bank of Australia to bring inflation back toward its target range. These measures are having an impact with economic growth slowing as a result. While it would appear we are approaching the peak in the interest rate cycle, the rise in interest rates has increased the cost of debt and this has had a material impact on the Group's FFO.

Independent valuations were undertaken for all investment properties as at 30 June 2023, resulting in a softening of valuation metrics. Transaction activity has been limited over the last 12 months and we expect that investment appetite, particularly for larger assets, will remain relatively muted for the balance of 2023. There is the potential for further softening of valuation metrics and asset values as transaction evidence emerges.

The Group continues to deliver strong results from its Retail portfolio. Portfolio occupancy has been maintained at greater than 99 per cent supported by ongoing tenant demand from existing and new retailers. The transition of management of the \$2.8 billion UniSuper portfolio and the \$2.7 billion Australian Core Retail Trust in 2022, has provided deeper tenant relationships and operational leverage for the GPT Retail platform. While there has been a moderation in retail sales growth as a result of inflationary pressure and rising interest rates, the Group's portfolio is well positioned with high occupancy, ongoing tenant demand, fixed rental increases, and sustainable tenant occupancy costs.

The office sector continues to be impacted by subdued demand, new supply and subleasing activity, as tenants respond to employee preference for hybrid working arrangements. The Group made solid leasing progress over the first half of 2023, however vacancy remains elevated for the Office portfolio and we anticipate the leasing market will remain very competitive for some time. Smaller tenants remain the most active in the market, and GPT continues to achieve positive

outcomes from high quality fitted suites to attract these tenants. Occupancy for the Office portfolio at 88.5 per cent (including HoA) remains in line with December 2022, despite approximately 4 per cent of lease expiry occurring in the first half of the year. While market leasing conditions remain challenging the Group is currently targeting to achieve portfolio occupancy (including HoA) of approximately 90 per cent by the end of 2023.

GPT is well placed to continue to deliver further growth from its Logistics portfolio. The logistics sector continues to benefit from ongoing tenant demand, very low market vacancy levels and limited uncommitted supply. GPT's Logistics portfolio has occupancy of greater than 99 per cent, and is well positioned to continue to deliver further growth through contracted rental increases and further development completions. The Group has a Logistics development pipeline with an end value of approximately \$2 billion of assets under management that will provide further opportunities to enhance the portfolio.



Darling Park, Sydney

At 30 June 2023, the Group's balance sheet net gearing was 28.1 per cent, below the midpoint of our stated gearing range of 25-35 per cent and with liquidity of \$1.5 billion to meet funding requirements through to mid-2026. GPT has A space credit ratings with S&P and Moody's and over the next 3.5 years the Group is 72 per cent hedged at an average rate of 3.5 per cent.

Our commitment to being a leader in ESG enhances and protects GPT and its assets for the long term. This is underpinned by data driven decision making, coupled with a robust environmental management system and transparent disclosures. The Group remains on target for its owned and managed Retail and Office assets to be certified as operating carbon neutral by the end of 2024.

Outlook

While economic uncertainty remains in the Group's trading environment, GPT expects to deliver FFO of approximately 31.3 cents per security and a distribution of 25.0 cents per security for 2023, in line with previous guidance.

GPT has a strong balance sheet and a high quality diversified portfolio, combined with an experienced management team, making it well positioned to create long term value for securityholders.

Risk Management

GPT proactively identifies and manages risk in order to enable informed decisions which protect the value of our assets and realise our strategic objectives.

GPT takes an integrated, enterprise-wide approach to risk management which incorporates culture, conduct, compliance, processes and systems, consistent with AS/NZS ISO 31000:2018.

Risk Management Framework

The Group’s Risk Management Framework is overseen by the Board and consists of the following key elements:

1. Risk Policy The Risk Policy sets out the Group’s approach to risk management, which is reviewed annually by the Board and Sustainability and Risk Committee. The Risk Policy is available on GPT’s website.	2. Risk Appetite Statement The Board sets GPT’s risk appetite to align with strategy, having regard to GPT’s operating environment and key risks. Risk appetite is documented in our Risk Appetite Statement, against which all key investment decisions are assessed.	3. Risk Governance The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee, which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.	4. Risk Culture GPT maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits and tracked using a Risk Culture Scorecard.	5. Risk Management Processes and Systems GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.
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Management of Key Risks in the 2023 Operating Environment

The most material key risk currently facing the Group remains the potential impact on future financial performance of ongoing inflation and increases in interest rates. This impact is occurring directly through increased financing and other costs, and indirectly through changes in tenant demand, retail sales, supply chain disruption and in the transactions market for commercial real estate, both through a slowing in capital flows and a resetting of required investment returns. Closely aligned to interest rate risk is the risk of ongoing volatility and instability in global financial markets, with the potential to impact capital flows and slow activity in the real estate market generally. GPT’s management and Board have implemented a number of measures to mitigate both of these risks, which are expected to require ongoing focus for the remainder of 2023.

There continues to be a level of uncertainty in the office property market regarding the long term impact of changing ways of working on demand for space. Levels of office leasing enquiry have been subdued, and office leasing is expected to remain challenging throughout the remainder of 2023.

GPT continues to monitor cyber risk closely. The Group holds limited personal identifying information, with the key risk in this area being potential interruption to business operations. A robust risk-based cyber security strategy is in place, aligned to the National Institute of Standards and Technology (NIST) Cyber Security Framework.

A full assessment of GPT’s key risks is set out in the table on page 22.



Emerging Risks




In addition to current risks, GPT also monitors emerging risks which have the potential to disrupt the business. In many cases, these will also present opportunities. A review of emerging risks and GPT’s preparedness for them is undertaken every six months by both the GPT Leadership Team and the Sustainability and Risk Committee. Some of the issues considered in the first half of 2023 include:



- Global economic uncertainty
- The transition to clean energy
- Global trends in ESG regulation
- The shift to electric vehicles
- Responding to societal expectations, and
- Increasing geopolitical tensions.



Key Risks



The following table sets out GPT's material risks and our actions in response to them. Included in the table is an indication of the change in the level of each risk during the period.



Risk	Our Response	Change in Residual Risk for 6 months to June 2023	Value Creation Input Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors, including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	<ul style="list-style-type: none"> • A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including sensitivities of impacts to gearing and returns, as well as extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement 	 <p>Rising inflation and increases in interest rates have the potential to negatively impact GPT's financial performance, primarily through increased cost of debt, the potential for a decline in asset valuations and a re-setting of required investment returns.</p>	Our investors Real estate Our people Environment Our customers, suppliers and communities
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	<ul style="list-style-type: none"> • A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments 	 <p>There has been some supply chain disruption and costs have increased as a result of inflation, however these risks are being effectively managed and are not impacting project delivery at the current time.</p>	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY:  Risk increased  No change in risk  Risk decreased

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	Value Creation Input Affected
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	<ul style="list-style-type: none"> • Stated gearing range of 25 to 35 per cent consistent with stable investment grade credit ratings in the "A" range • Long term capital planning, including sensitivity of asset valuation movements on gearing • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within policy • Limits on currency exposure • Limits on exposure to counterparties 	 Significant liquidity is in place and gearing sits below the mid-point of the stated range, however the cost of debt has increased materially, and asset devaluations have increased gearing.	Our investors
Health and Safety GPT is committed to promoting and protecting the health and safety of its people, customers, contractors and all users of our assets.	<ul style="list-style-type: none"> • A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually 	 There have been no changes in the period which have materially impacted health and safety risk.	Real estate Our people Our customers, suppliers and communities

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	Value Creation Input Affected
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	<ul style="list-style-type: none"> • Active adoption and promotion of GPT's values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning 	 <p>Key drivers of People and Culture risk during the period have been a tight employment market resulting in increased competition for skilled resources, and growth in GPT's funds under management, increasing employee numbers. A decrease in employee turnover and an increase in the employee engagement score indicate effective management of this risk.</p>	Our investors Our people
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment and society can affect our assets and business operations.	<ul style="list-style-type: none"> • Extensive climate adaptation planning to ensure a portfolio of climate resilient assets • An ISO 14001 certified Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the S&P Global Corporate Sustainability Assessment, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate-related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • A Modern Slavery Statement and program of work in response to Modern Slavery legislation 	 <p>There has been no material change to GPT's sustainability risk profile during the period. GPT remains highly proactive in its management of ESG risks, particularly around supply chain risk, energy use, the changing regulatory environment and climate change.</p>	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY:  Risk increased  No change in risk  Risk decreased

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	Value Creation Input Affected
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	<ul style="list-style-type: none"> • A comprehensive technology risk management framework, including third party risk management procedures around cyber security • Policies, guidelines and standards for Information Management and Privacy • Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A Disaster Recovery Plan, including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan • External specialists and technology solutions in place to monitor GPT platforms • Regular updates to technology hardware and software incorporating recommended security patches • Annual cyber risk assessments • An Information Security Risk and Compliance Committee overseeing information security • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework • Regular review of security of information and compliance with privacy regulations 	 The number of cyber attacks impacting Australian entities has increased during the period.	Real estate Our people Our customers, suppliers and communities
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	<ul style="list-style-type: none"> • An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal committees such as a Market Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies 	 There has been no material change in GPT's compliance and regulatory risk during the period.	Our investors Real estate Our people Environment Our customers, suppliers and communities

Climate-related Risks and Opportunities

GPT outlines the steps that it is taking to identify and monitor, mitigate and adapt to climate change and other sustainability-related risks and opportunities in the Group's Climate Disclosure Statement, which is prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is summarised on the following pages.

The threat of climate change is a global challenge. It presents numerous complex questions about the best approach to transition to an economy that aligns with the scientific imperative to limit global warming to 1.5 degrees. In 2022, Australia increased its decarbonisation ambitions. The COP27 United Nations Climate Change Conference in Egypt reinforced progress on the Paris Agreement targets and widened the conversation to the importance of nature-related risks, including biodiversity loss and water.

As the owner and manager of a \$32.2 billion portfolio of retail, office and logistics assets across Australia, GPT understands the importance of our contribution to climate change mitigation efforts and planning for the business impacts of climate-related risks and opportunities.





Rouse Hill Town Centre, NSW

Governance

GPT's approach to managing climate change risk is overseen by the Board and the Sustainability and Risk Committee (SRC). Management report to the SRC on sustainability matters such as climate change risks and opportunities, compliance with GPT's environmental management system and the delivery of environmental performance targets.

GPT's Chief Executive Officer and Managing Director is accountable for ensuring that the Group identifies, assesses, and manages material risks, including climate change and other sustainability risks, in accordance with GPT's Risk Management Framework. The Chief Risk Officer manages the Sustainability Team, which is responsible for formulating and driving the implementation of GPT's climate response, including decarbonisation and climate resilience. To achieve this, the Risk and Sustainability Team work closely with business units across GPT through a number of formalised delivery groups and committees.

Strategy

ESG leadership is a key pillar of GPT's overarching business strategy which is outlined in the Our Strategy section of the 2022 Annual Report. The Group's strategy aims to deliver growing and predictable earnings for investors through owning, developing and managing a diversified portfolio of high quality real estate located in Australian capital cities and established regional centres.

Proactively identifying and managing key risks and opportunities related to climate change supports the achievement of this strategy. Our long term approach to our property investments and sustainability initiatives benefits our tenants and broader stakeholder groups. It improves the resilience of our assets to the impacts of transitional and physical climate risks.

As a result of our climate response strategy and GPT's focus on climate resilience, we aim to contribute to an orderly and just transition to a low carbon economy. Within our transition plans, we consider strategic opportunities and co-benefits, such as sustainable financing options, climate-related income generation and funds management opportunities which may arise in the change management process.

GPT's net zero plan always entails measuring emissions, reducing and eliminating wherever feasible, and only offsetting residual emissions. Our targets are independently validated through Climate Active Carbon Neutral certifications. Our current emissions reduction actions and future targets are tracking well ahead of Australia's commitments to the Paris Agreement and recently legislated emissions reduction targets.

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. The two scenarios align with the Representative Concentration Pathways (RCP) recommended by the Intergovernmental Panel on Climate Change (IPCC). We have adopted a low emissions scenario aligned with RCP 2.6 and a high emissions scenario with RCP 8.5. These scenarios test the resilience of the Group's strategy and help develop systems that address climate-related risks and opportunities.

Through workshops with GPT's business units and supported by subject matter experts, we consider transitional and physical risks which may arise under low and high emissions scenarios and potential impacts on the business. Workshops also identify possible opportunities which may occur as a result of these risks. Transitional impacts could result from changes to policy, regulation and technology, and stakeholder expectations. Physical impacts could directly or indirectly damage or limit our capacity to operate in specific locations.

Additionally, as part of GPT's ESG leadership strategy, we are also focusing on having a net positive impact on biodiversity. We have begun integrating nature-related risks and opportunity considerations into strategic decision making.

The scenarios adopted by GPT and a detailed analysis of the identified potential impacts, along with our mitigation and adaptation strategies can be found in the Group's 2022 Climate Disclosure Statement.

Risk Management

Effective risk management is fundamental to GPT's ability to achieve its strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

Our detailed risk management process identifies and addresses climate-related risks and opportunities. Through these risk processes, no specific climate-related risks have currently been identified that we believe could have a material adverse impact on our current business model or strategy.

Applying our enterprise-wide Risk Management Framework, GPT's Risk Team monitors the operation of risk management processes and assists in identifying, assessing, treating, and monitoring identified risks. The Risk Team supports the Leadership Team, the GPT Board, the Funds Management Board, and their respective committees in ensuring we manage risk appropriately.

Included on GPT's Key Risk Dashboard, climate change risk is reviewed every six months by the Board and the Sustainability and Risk Committee and quarterly by the Leadership Team. The Committee receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section of GPT's Climate Disclosure Statement.

Metrics and Targets

GPT aspires to be an overall positive contributor to environmental sustainability by taking a leadership role in reducing carbon emissions across our operations and shifting towards a nature positive outcome.

We are progressing towards our net zero target of Climate Active Carbon Neutral (for Buildings) certifications for all assets that GPT operationally controls and which we have an ownership interest in by the end of 2024.¹

During 2022, GPT also delivered Australia's first Climate Active certified upfront embodied carbon neutral development at 143 Foundation Road, Truganina. A target is in place to deliver upfront embodied carbon neutral developments from 2023 onwards for all assets developed for GPT's investment portfolio.

GPT monitors its direct climate impacts and reports on emissions, energy, water and waste for each property annually. Our Environment Dashboard includes a portfolio-level summary for all key metrics – electricity, water, fuels, recycling, and emissions – since 2005.

GPT sets environmental performance and resilience targets driven by operational optimisation programs and capital upgrades. Medium term operational emissions targets are also set at a portfolio level to inform energy procurement and offsets.

In areas outside of its control, GPT aims to influence outcomes, focusing on supporting its tenants to reduce their emissions. As outlined in our Climate Change and Energy Policy, GPT is committed to actively engaging with its stakeholders to reduce greenhouse gas emissions and energy use, reduce waste, manage water use, and protect biodiversity.

GPT's corporate activities and business premises, including its travel and consumables, have been certified as carbon neutral by Climate Active since 2011. This certification covers material Scope 1, 2 and 3 emissions. GPT aims to reduce emissions through initiatives such as energy efficiency improvements at its offices and to use technology to reduce the frequency of business-related flights. Emissions that can't be avoided in these areas are offset to ensure GPT's net emissions from our operations are zero.

GPT obtains independent external assurance over sustainability performance data, details of which are in Appendix C of the Group's 2022 Sustainability Report.

Find out more

GPT's 2022 Climate Disclosure Statement
GPT's Environmental Data Dashboard,
for detailed data and breakdowns

1. The majority of logistics assets are operationally controlled by tenants.

Directors' Report

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the GPT Group (GPT or The Group) for the half year ended 30 June 2023. General Property Trust (the Trust) and its controlled entities together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group.

General Property Trust is a registered scheme, GPT Management Holdings Limited is a company limited by shares, and GPT RE Limited is a company limited by shares, each of which is incorporated and domiciled in Australia. The registered office and principal place of business is Level 51, 25 Martin Place, Sydney NSW 2000.

The Directors' Report for the half year ended 30 June 2023 has been prepared in accordance with the requirements of the *Corporations Act 2001* and includes the following information:

- Operating and Financial Review, including a review of the Group's operations and financial position, on pages 1 to 29
- Information on the Directors on page 30; and
- Auditor's Independence Declaration on page 32.

Events subsequent to reporting date

The Directors are not aware of any matter or circumstance occurring since 30 June 2023 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 periods.

Directors

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

Chairman, Non-Executive Director

Vicki McFadden (joined the Board in March 2018, appointed Chairman in May 2018)

Chief Executive Officer and Managing Director

Bob Johnston (joined the Board in September 2015)

Non-Executive Directors

Anne Brennan (joined the Board in May 2022)

Shane Gannon (joined the Board on 1 May 2023)

Tracey Horton AO (joined the Board in May 2019)

Mark Menhinnitt (joined the Board in October 2019)

Michelle Somerville (joined the Board in December 2015 and retired following the Annual General Meeting on 10 May 2023)

Robert Whitfield AM (joined the Board in May 2020)

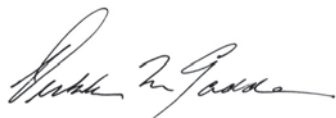
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 32 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 hundred thousand dollars unless otherwise stated (where rounding is applicable) under the option available to GPT under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. GPT is an entity to which the Instrument applies.

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



Vickki McFadden

Chairman



Bob Johnston

Chief Executive Officer and Managing Director

Sydney
14 August 2023

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of General Property Trust for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'D. G. Smith'.

Debbie Smith
Partner
PricewaterhouseCoopers

Sydney
14 August 2023

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Financial Report



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Consolidated Statement of Comprehensive Income

Half year ended 30 June 2023

	Note	30 Jun 23 \$M	30 Jun 22 \$M
Revenue			
Rent from investment properties	10	381.4	356.6
Property management fees		15.4	8.8
Funds management fees		38.3	32.8
Development management fees		5.7	5.2
		440.8	403.4
Fair value adjustments and other income			
Interest revenue		7.8	0.1
Fair value (loss)/gain on investment properties		(151.7)	216.0
Share of after tax (loss)/profit of equity accounted investments		(69.9)	133.3
Gain on financial liability at amortised cost		1.4	1.2
Net gain/(loss) from hedge ineffectiveness on qualifying hedges		7.0	(0.2)
Net gain/(loss) on fair value movements of derivatives		21.5	(17.6)
		(183.9)	332.8
Total revenue, fair value adjustments and other income		256.9	736.2
Expenses			
Property expenses and outgoings		114.8	106.0
Management and other administration costs		47.9	39.8
Development costs		0.1	–
Depreciation, amortisation and impairment expense		3.7	0.5
Impairment (reversal)/loss on trade and other receivables		(4.4)	0.7
Finance costs		90.8	54.8
Net foreign exchange loss		0.1	0.2
Total expenses		253.0	202.0
Profit before income tax expense		3.9	534.2
Income tax expense		5.0	4.5
Net (loss)/profit for the half year		(1.1)	529.7
Other comprehensive income			
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Movement in hedging reserve		0.6	(0.1)
Movement in fair value of cash flow hedges		2.7	(3.2)
Total other comprehensive income/(loss)		3.3	(3.3)
Total comprehensive income for the half year		2.2	526.4
Net (loss)/profit attributable to:			
– Securityholders of the Trust		(12.1)	517.8
– Securityholders of the Company		11.0	11.9
Total comprehensive (loss)/income attributable to:			
– Securityholders of the Trust		(8.8)	514.5
– Securityholders of the Company		11.0	11.9
Basic (loss)/earnings per unit attributable to ordinary securityholders of the Trust			
(Loss)/earnings per unit (cents per unit)	5(a)	(0.6)	27.0
Basic (loss)/earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
(Loss)/earnings per stapled security (cents per stapled security)	5(b)	(0.1)	27.7

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

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 Jun 23 \$M	31 Dec 22 \$M
Assets			
Current assets			
Cash and cash equivalents		69.0	60.2
Trade receivables		70.6	56.2
Other receivables		57.2	175.4
Intangible assets		0.2	0.3
Inventories		14.1	13.4
Derivative assets		61.8	60.8
Prepayments		21.9	11.7
Other assets		2.5	23.8
Current tax assets		7.6	6.2
		304.9	408.0
Assets classified as held for sale – investment properties	2(a)(v)	–	256.6
Total current assets		304.9	664.6
Non-current assets			
Investment properties	2(a)	11,873.4	11,956.6
Equity accounted investments	3	4,031.1	4,098.3
Intangible assets		23.8	24.5
Inventories		149.1	141.3
Property, plant and equipment		9.9	10.6
Derivative assets		402.7	350.0
Right-of-use assets		19.3	23.9
Deferred tax assets		20.7	21.9
Other assets		35.5	25.3
Total non-current assets		16,565.5	16,652.4
Total assets		16,870.4	17,317.0
Liabilities			
Current liabilities			
Payables		443.3	485.9
Borrowings	7	529.3	704.9
Derivative liabilities		84.8	65.4
Lease liabilities – other property leases		9.1	8.6
Provisions		41.7	44.0
Total current liabilities		1,108.2	1,308.8
Non-current liabilities			
Borrowings	7	4,386.8	4,347.6
Derivative liabilities		103.2	146.4
Lease liabilities – investment properties	2(a)	14.1	14.2
Lease liabilities – other property leases		17.9	22.6
Provisions		1.5	1.5
Total non-current liabilities		4,523.5	4,532.3
Total liabilities		5,631.7	5,841.1
Net assets		11,238.7	11,475.9
Equity			
Securityholders of the Trust (parent entity)			
Contributed equity	4	8,526.6	8,526.6
Reserves		(19.5)	(22.8)
Retained earnings		3,151.0	3,402.5
Total equity of the Trust's securityholders		11,658.1	11,906.3
Securityholders of the Company			
Contributed equity	4	331.8	331.8
Reserves		26.9	26.9
Accumulated losses		(778.1)	(789.1)
Total equity of the Company's securityholders		(419.4)	(430.4)
Total equity		11,238.7	11,475.9

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

Consolidated Statement of Changes in Equity

Half year ended 30 June 2023

	General Property Trust and its subsidiaries				GPT Management Holdings Limited and its subsidiaries			
	Contri- buted equity \$M	Reserves \$M	Retained earnings \$M	Total \$M	Contri- buted equity \$M	Reserves \$M	Accum- ulated losses \$M	Total equity \$M
Equity attributable to Securityholders								
At 1 January 2022	8,526.6	(20.7)	3,624.6	12,130.5	331.8	22.7	(811.7)	11,673.3
Movement in hedging reserve	-	(0.1)	-	(0.1)	-	-	-	(0.1)
Movement in fair value of cash flow hedges	-	(3.2)	-	(3.2)	-	-	-	(3.2)
Other comprehensive loss for the half year	-	(3.3)	-	(3.3)	-	-	-	(3.3)
Net profit for the half year	-	-	517.8	517.8	-	-	11.9	529.7
Total comprehensive income/(loss) for the half year	-	(3.3)	517.8	514.5	-	-	11.9	526.4
Transactions with Securityholders in their capacity as Securityholders								
Movement in employee incentive scheme reserve net of tax	-	-	-	-	-	0.6	-	0.6
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	-	-	(0.2)	(0.2)	-	0.2	-	-
Distributions paid and payable	-	-	(189.6)	(189.6)	-	-	-	(189.6)
At 30 June 2022	8,526.6	(24.0)	3,952.6	12,455.2	331.8	23.5	(799.8)	12,010.7
Equity attributable to Securityholders								
At 1 January 2023	8,526.6	(22.8)	3,402.5	11,906.3	331.8	26.9	(789.1)	11,475.9
Movement in hedging reserve	-	0.6	-	0.6	-	-	-	0.6
Movement in fair value of cash flow hedges	-	2.7	-	2.7	-	-	-	2.7
Other comprehensive income for the half year	-	3.3	-	3.3	-	-	-	3.3
Net (loss)/profit for the half year	-	-	(12.1)	(12.1)	-	-	11.0	(1.1)
Total comprehensive (loss)/income for the half year	-	3.3	(12.1)	(8.8)	-	-	11.0	2.2
Transactions with Securityholders in their capacity as Securityholders								
Movement in employee incentive scheme reserve net of tax	-	-	-	-	-	(4.1)	-	(4.1)
Purchase of treasury securities for employees	-	-	-	-	-	4.1	-	4.1
Distributions paid and payable	-	-	(239.4)	(239.4)	-	-	-	(239.4)
At 30 June 2023	8,526.6	(19.5)	3,151.0	11,658.1	331.8	26.9	(778.1)	11,238.7

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

Consolidated Statement of Cash Flows

Half year ended 30 June 2023

	Note	30 Jun 23 \$M	30 Jun 22 \$M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		467.1	438.1
Payments in the course of operations (inclusive of GST)		(223.0)	(178.2)
Proceeds from sale of inventories		38.5	–
Payments for inventories		(6.2)	(10.7)
Distributions received from equity accounted investments		96.5	81.3
Interest received		6.1	0.1
Income taxes paid		(5.2)	(7.5)
Finance costs paid		(84.6)	(51.3)
Net cash inflows from operating activities	9	289.2	271.8
Cash flows from investing activities			
Deposit paid for investment properties		(12.5)	(24.0)
Payments for maintenance and leasing capital expenditure on investment properties		(27.5)	(37.9)
Payments for development capital expenditure on investment properties		(58.5)	(75.0)
Proceeds from disposal of investment properties (net of transaction costs)		334.2	188.1
Payments for property, plant and equipment		(0.8)	(0.5)
Payments for intangibles		(0.7)	(2.8)
Investment in equity accounted investments		(87.0)	(47.8)
Net cash inflows from investing activities		147.2	0.1
Cash flows from financing activities			
Proceeds from borrowings		2,371.5	1,437.4
Repayment of borrowings		(2,554.7)	(1,528.1)
Repayment of principal elements of lease payments		(4.2)	(4.1)
Purchase of securities for security based payments plans		(4.6)	–
Distributions paid to securityholders		(235.6)	(189.6)
Net cash outflows from financing activities		(427.6)	(284.4)
Net increase/(decrease) in cash and cash equivalents		8.8	(12.5)
Cash and cash equivalents at the beginning of the half year		60.2	61.5
Cash and cash equivalents at the end of the half year		69.0	49.0

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

Notes to the Consolidated Financial Statements

Half year ended 30 June 2023

These are the consolidated financial statements of the consolidated entity, The GPT Group (GPT or the Group), which consists of General Property Trust (the Trust), GPT Management Holdings Limited (the Company) and their controlled entities.

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

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

Note 1 – RESULT FOR THE HALF YEAR: focuses on the results and performance of GPT.

Notes 2 to 3 – OPERATING ASSETS AND LIABILITIES: provides information on the assets and liabilities used to generate GPT's trading performance.

Notes 4 to 8 – CAPITAL STRUCTURE: outlines how GPT manages its capital structure.

Notes 9 to 13 – OTHER DISCLOSURE ITEMS: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements, estimates and assumptions

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

The impact of inflation and interest rate rises has caused heightened levels of economic uncertainty. As such there is a higher level of estimation uncertainty than usual in management's judgements and estimates for the period.

Management has reviewed the investment property valuations for both accuracy and the reasonableness of assumptions used to determine fair value. See note 2(c) for information on GPT's valuation process, and note 2(d) for a sensitivity analysis showing indicative movements in investment property valuations should certain key metrics differ from those assumed in the valuations.

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

Financial statement item	Area of judgements and estimates	Note
Investment properties	Fair value	2
Equity accounted investments	Assessment of control versus significant influence	3
Trade receivables	Measurement of expected credit loss	12
Inventories	Lower of cost and net realisable value	12
Security based payments	Fair value	12
Right-of-use assets	Recoverable amount	12

RESULT FOR THE HALF YEAR

1. Segment Information

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

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed-use) and management of predominantly regional, sub-regional and CBD shopping centres and also includes the management of the GPT Wholesale Shopping Centre Fund (GWSCF) and external mandates as well as the results of GPT's equity investment in GWSCF.
Office	Ownership, development and management of prime office properties and also includes the management of the GPT Wholesale Office Fund (GWOFF) as well as the results of GPT's equity investment in GWOFF.
Logistics	Ownership, development and management of logistics assets and also includes the management of the GPT QuadReal Logistics Trust (GQLT) as well as the results of GPT's equity investment in GQLT.
Corporate	Cash, other assets, borrowings and associated hedges as well as net finance costs, corporate management and administration expenses and income tax expense.

1. Segment Information continued**a) Segment financial information**

30 June 2023

The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2023 is set out below:

Financial performance by segment

	Note	Retail \$M	Office \$M	Logistics \$M	Corporate \$M	Total \$M
Rent from investment properties	b(ii)	189.0	148.6	119.4	–	457.0
Property expenses and outgoings	b(iii)	(57.2)	(41.0)	(25.8)	–	(124.0)
Income from funds	b(iv)	20.9	34.8	3.4	–	59.1
Management net income	b(v)	5.9	0.1	(0.9)	(28.8)	(23.7)
Operations net income		158.6	142.5	96.1	(28.8)	368.4
Funds management net income	b(vi)	12.7	20.2	1.4	–	34.3
Development profit		(0.1)	–	–	–	(0.1)
Development management net income	b(vii)	0.3	1.2	1.5	–	3.0
Development net income		0.2	1.2	1.5	–	2.9
Net finance costs	b(viii)	–	–	–	(82.5)	(82.5)
Segment result before tax		171.5	163.9	99.0	(111.3)	323.1
Income tax expense	b(ix)	–	–	–	(6.4)	(6.4)
Funds from Operations (FFO)	b(i)	171.5	163.9	99.0	(117.7)	316.7

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

	Retail \$M	Office \$M	Logistics \$M	Corporate \$M	Total \$M
Current assets					
Current assets	9.9	–	7.9	287.1	304.9
Total current assets	9.9	–	7.9	287.1	304.9
Non-current assets					
Investment properties	4,720.5	2,918.3	4,234.6	–	11,873.4
Equity accounted investments	866.8	2,853.3	301.0	10.0	4,031.1
Inventories	80.2	–	68.9	–	149.1
Other non-current assets	10.2	31.2	1.8	468.7	511.9
Total non-current assets	5,677.7	5,802.8	4,606.3	478.7	16,565.5
Total assets	5,687.6	5,802.8	4,614.2	765.8	16,870.4
Current liabilities	18.6	4.1	–	1,085.5	1,108.2
Non-current liabilities	6.5	11.2	7.6	4,498.2	4,523.5
Total liabilities	25.1	15.3	7.6	5,583.7	5,631.7
Net assets/(liabilities)	5,662.5	5,787.5	4,606.6	(4,817.9)	11,238.7

1. Segment Information continued**a) Segment financial information** continued

30 June 2022

The segment financial information provided to the chief operating decision makers for the half year ended 30 June 2022 is set out below:

Financial performance by segment

	Note	Retail \$M	Office \$M	Logistics \$M	Corporate \$M	Total \$M
Rent from investment properties	b(ii)	175.5	147.6	111.1	–	434.2
Property expenses and outgoings	b(iii)	(56.2)	(38.2)	(21.0)	–	(115.4)
Income from funds	b(iv)	23.5	37.7	1.1	–	62.3
Management net income	b(v)	2.0	0.9	(0.5)	(28.3)	(25.9)
Operations net income		144.8	148.0	90.7	(28.3)	355.2
Funds management net income	b(vi)	5.8	20.7	1.0	–	27.5
Development profit		(0.1)	–	–	–	(0.1)
Development management net income	b(vii)	0.3	0.9	0.5	–	1.7
Development net income		0.2	0.9	0.5	–	1.6
Net finance costs	b(viii)	–	–	–	(54.1)	(54.1)
Segment result before tax		150.8	169.6	92.2	(82.4)	330.2
Income tax expense	b(ix)	–	–	–	(3.7)	(3.7)
Funds from Operations (FFO)	b(i)	150.8	169.6	92.2	(86.1)	326.5

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position – as at 31 December 2022

	Retail \$M	Office \$M	Logistics \$M	Corporate \$M	Total \$M
Current assets					
Current assets	48.2	–	338.9	277.5	664.6
Total current assets	48.2	–	338.9	277.5	664.6
Non-current assets					
Investment properties	4,783.5	2,987.8	4,185.3	–	11,956.6
Equity accounted investments	873.6	2,973.7	241.0	10.0	4,098.3
Inventories	73.7	–	67.6	–	141.3
Other non-current assets	10.2	21.1	1.7	423.2	456.2
Total non-current assets	5,741.0	5,982.6	4,495.6	433.2	16,652.4
Total assets	5,789.2	5,982.6	4,834.5	710.7	17,317.0
Current liabilities	18.6	3.7	–	1,286.5	1,308.8
Non-current liabilities	6.5	13.5	7.7	4,504.6	4,532.3
Total liabilities	25.1	17.2	7.7	5,791.1	5,841.1
Net assets/(liabilities)	5,764.1	5,965.4	4,826.8	(5,080.4)	11,475.9

1. Segment Information continued

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income

	30 Jun 23 \$M	30 Jun 22 \$M
i) FFO to net (loss)/profit for the half year		
Segment result		
FFO	316.7	326.5
Adjustments		
Fair value (loss)/gain on investment properties	(151.7)	216.0
Fair value (loss)/gain and other adjustments to equity accounted investments	(163.8)	35.6
Amortisation of lease incentives and costs	(30.7)	(29.6)
Straightlining of rental income	4.9	(2.5)
Valuation (decrease)/increase	(341.3)	219.5
Net gain/(loss) on fair value movement of derivatives	21.5	(17.6)
Net gain/(loss) from hedge ineffectiveness on qualifying hedges	7.0	(0.2)
Net foreign exchange loss	(0.1)	(0.2)
Gain on financial liability at amortised cost	1.4	1.2
Financial instruments mark to market and net foreign exchange movements	29.8	(16.8)
Impairment (expense)/reversal	(1.0)	1.4
Transaction costs	(7.0)	–
Other items	1.7	(0.9)
Total other items	(6.3)	0.5
Consolidated Statement of Comprehensive Income		
Net (loss)/profit for the half year	(1.1)	529.7
ii) Rent from investment properties		
Segment result		
Rent from investment properties	457.0	434.2
Adjustments		
Less: share of rent from investment properties in equity accounted investments	(44.0)	(44.8)
Eliminations of intra-group lease payments	(1.4)	(1.4)
Amortisation of lease incentives and costs	(30.7)	(29.6)
Straightlining of rental income	4.9	(2.5)
Impairment (reversal)/loss on trade and other receivables	(4.4)	0.7
Consolidated Statement of Comprehensive Income		
Rent from investment properties	381.4	356.6
iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	(124.0)	(115.4)
Adjustment		
Less: share of property expenses and outgoings in equity accounted investments	9.2	9.4
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	(114.8)	(106.0)
iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	59.1	62.3
Adjustments		
Share of rent from investment properties in equity accounted investments	44.0	44.8
Share of property expenses and outgoings in equity accounted investments	(9.2)	(9.4)
Fair value (loss)/gain and other adjustments to equity accounted investments	(163.8)	35.6
Consolidated Statement of Comprehensive Income		
Share of after tax (loss)/profit of equity accounted investments	(69.9)	133.3

1. Segment Information continued

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income continued

	30 Jun 23 \$M	30 Jun 22 \$M
v) Management net income		
Segment result		
Operations management net income	(23.7)	(25.9)
Adjustments		
Expenses in development management net income	(2.7)	(3.5)
Expenses in funds management net income	(7.7)	(5.3)
Eliminations of intra-group lease payments	1.4	1.4
Transfer to finance costs – leases	0.5	0.6
Depreciation, amortisation and impairment expense	2.7	1.9
Transaction costs	(3.3)	–
Other	0.3	(0.2)
Management net income	(32.5)	(31.0)
Consolidated Statement of Comprehensive Income		
Property management fees	15.4	8.8
Management and other administration costs	(47.9)	(39.8)
Management net income	(32.5)	(31.0)
vi) Funds management net income		
Segment result		
Funds management net income	34.3	27.5
Adjustments		
Add: expenses in funds management net income	7.7	5.3
Transaction costs	(3.7)	–
Consolidated Statement of Comprehensive Income		
Funds management fees	38.3	32.8
vii) Development management net income		
Segment result		
Development management net income	3.0	1.7
Adjustment		
Add: expenses in development management net income	2.7	3.5
Consolidated Statement of Comprehensive Income		
Development management fees	5.7	5.2
viii) Finance costs		
Segment result		
Net finance costs	(82.5)	(54.1)
Adjustment		
Finance costs – leases	(0.5)	(0.6)
Net finance costs	(83.0)	(54.7)
Consolidated Statement of Comprehensive Income		
Interest revenue	7.8	0.1
Finance costs	(90.8)	(54.8)
Net finance costs	(83.0)	(54.7)
ix) Income tax expense		
Segment result		
Income tax expense	(6.4)	(3.7)
Adjustment		
Tax impact of reconciling items from segment result to net (loss)/profit for the half year	1.4	(0.8)
Consolidated Statement of Comprehensive Income		
Income tax expense	(5.0)	(4.5)

OPERATING ASSETS AND LIABILITIES

2. Investment Properties

Basis of valuation

In line with the Valuation Policy, GPT independently values each completed investment property (including investment property assets disclosed within equity accounted investments) at least annually. Independent valuers consider transaction evidence and prevailing market conditions, which guides them in their key valuation assumptions, including capitalisation and discount rates, market rental levels, tenant incentives, lease up periods, income growth rates and capital expenditure.

GPT provides factual information to the independent valuers, including passing rent information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment.

In early August 2023 the Group consulted with the independent valuers to understand whether any changes subsequent to the balance date changed their view regarding the 30 June 2023 valuations. In particular the Group noted the current economic environment, including high inflation, rising interest rates and a slowing in capital flows. All valuers confirmed that their valuations were appropriate as at 30 June 2023. On 8 August 2023, the Valuation Committee undertook a further review of the valuations, assessing the impact of the elevated level of economic uncertainty.

Management has reviewed the investment property valuations for both accuracy and reasonableness of the assumptions used to determine fair value. The fair values are shown in the following tables.

a) Investment properties

		Investment properties	Less lease liabilities	Fair value	Investment properties	Less lease liabilities	Fair value
			30 Jun 23			31 Dec 22	
	Note	\$M	\$M	\$M	\$M	\$M	\$M
Retail	(i)	4,720.5	(6.5)	4,714.0	4,783.5	(6.5)	4,777.0
Office	(ii)	2,918.3	–	2,918.3	2,987.8	–	2,987.8
Logistics	(iii)	3,887.0	(7.6)	3,879.4	3,841.3	(7.7)	3,833.6
Properties under development	(iv)	347.6	–	347.6	344.0	–	344.0
Total investment properties	(vi)	11,873.4	(14.1)	11,859.3	11,956.6	(14.2)	11,942.4

2. Investment Properties continued

a) Investment properties continued

	Owner-ship interest % ¹	Acquisition date	Invest-ment properties		Less lease liabilities		Invest-ment properties		Less lease liabilities		Fair value		Latest independent valuation date	Valuer
			30 Jun 23		31 Dec 22		30 Jun 23		31 Dec 22		Fair value			
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		
(i) Retail														
Charlestown Square, NSW	100.0	Dec 1977	864.0	–	–	864.0	880.0	–	–	880.0	880.0	Jun 2023	Urbis	
Highpoint Shopping Centre, VIC	16.7	Aug 2009	402.5	–	–	402.5	400.0	–	–	400.0	400.0	Jun 2023	CBRE	
Melbourne Central, VIC	**100.0	May 1999/ May 2001	1,493.5	(5.5)	(5.5)	1,488.0	1,519.5	(5.5)	(5.5)	1,514.0	1,514.0	Jun 2023	Colliers	
Rouse Hill Town Centre, NSW	100.0	Dec 2005	720.0	–	–	720.0	713.0	–	–	713.0	713.0	Jun 2023	JLL	
Sunshine Plaza, QLD	**50.0	Dec 1992/ Jun 1999/ Sep 2004	559.5	(1.0)	(1.0)	558.5	576.5	(1.0)	(1.0)	575.5	575.5	Jun 2023	JLL	
Westfield Penrith, NSW	50.0	Jun 1971	681.0	–	–	681.0	694.5	–	–	694.5	694.5	Jun 2023	CBRE	
Total Retail			4,720.5	(6.5)	(6.5)	4,714.0	4,783.5	(6.5)	(6.5)	4,777.0				
(ii) Office														
Australia Square, Sydney, NSW	50.0	Sep 1981	595.0	–	–	595.0	627.8	–	–	627.8	627.8	Jun 2023	Knight Frank	
60 Station Street, Parramatta, NSW	100.0	Sep 2018	221.0	–	–	221.0	244.0	–	–	244.0	244.0	Jun 2023	Knight Frank	
32 Smith, Parramatta, NSW	100.0	Mar 2017	318.0	–	–	318.0	346.0	–	–	346.0	346.0	Jun 2023	M3 Property	
4 Murray Rose Avenue, Sydney														
Olympic Park, NSW	*100.0	May 2002	128.5	–	–	128.5	146.0	–	–	146.0	146.0	Jun 2023	JLL	
62 Northbourne Avenue, Canberra, ACT	100.0	Nov 2021	53.0	–	–	53.0	53.0	–	–	53.0	53.0	Jun 2023	Savills	
Melbourne Central Tower, VIC	100.0	May 1999/ May 2001	780.0	–	–	780.0	785.0	–	–	785.0	785.0	Jun 2023	Savills	
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	469.5	–	–	469.5	456.0	–	–	456.0	456.0	Jun 2023	Colliers	
One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	353.3	–	–	353.3	330.0	–	–	330.0	330.0	Jun 2023	JLL	
Total Office			2,918.3	–	–	2,918.3	2,987.8	–	–	2,987.8				

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

2. Investment Properties continued

a) Investment properties continued

Owner-ship interest % ¹	Acquisition date	Invest-ment properties		Less lease liabilities 30 Jun 23		Fair value		Invest-ment properties		Less lease liabilities 31 Dec 22		Fair value		Latest independent valuation date	Valuer
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M				
(iii) Logistics															
New South Wales															
100.0	Aug 2012	50.5	—	—	50.5	49.0	—	—	49.0	Jun 2023	Colliers				
100.0	Apr 2016	77.5	—	—	77.5	76.5	—	—	76.5	Jun 2023	CBRE				
100.0	Jun 2016	101.8	—	—	101.8	101.8	—	—	101.8	Jun 2023	Knight Frank				
100.0	Jun 2008	82.5	—	—	82.5	80.8	—	—	80.8	Jun 2023	Colliers				
100.0	Jun 2008	149.8	—	—	149.8	149.5	—	—	149.5	Jun 2023	JLL				
100.0	Jun 2008	204.0	—	—	204.0	201.0	—	—	201.0	Jun 2023	CBRE				
100.0	Jun 2008	41.4	—	—	41.4	41.2	—	—	41.2	Jun 2023	Colliers				
100.0	Jun 2008	149.0	—	—	149.0	148.0	—	—	148.0	Jun 2023	CBRE				
Lockwood Road, Erskine Park, NSW															
100.0	Jul 2019	132.0	—	—	132.0	128.1	—	—	128.1	Jun 2023	Colliers				
128 Andrews Road, Penrith, NSW															
100.0	Jul 2019	105.0	—	—	105.0	110.0	—	—	110.0	Jun 2023	Knight Frank				
42 Cox Place, Glendenning, NSW															
100.0	Dec 2019	55.3	—	—	55.3	55.3	—	—	55.3	Jun 2023	Colliers				
407 Pembroke Road, Minto, NSW															
50.0	Oct 2008	45.8	—	—	45.8	45.5	—	—	45.5	Jun 2023	Colliers				
4 Holker Street, Newington, NSW															
100.0	Mar 2006	43.0	—	—	43.0	48.0	—	—	48.0	Jun 2023	Knight Frank				
83 Derby Street, Silverwater, NSW															
100.0	Aug 2012	59.5	—	—	59.5	57.3	—	—	57.3	Jun 2023	Colliers				
Quad 1, Sydney Olympic Park, NSW															
*100.0	Jun 2001	28.0	—	—	28.0	28.5	—	—	28.5	Jun 2023	Knight Frank				
Quad 4, Sydney Olympic Park, NSW															
*100.0	Jun 2004	60.0	—	—	60.0	61.0	—	—	61.0	Jun 2023	Knight Frank				
372–374 Victoria Street, Wetherill Park, NSW															
100.0	Jul 2006	45.0	—	—	45.0	42.0	—	—	42.0	Jun 2023	CBRE				
38 Pine Road, Yennora, NSW															
100.0	Nov 2013	113.0	—	—	113.0	107.0	—	—	107.0	Jun 2023	CBRE				
38A Pine Road, Yennora, NSW															
100.0	Nov 2013	17.0	—	—	17.0	16.7	—	—	16.7	Jun 2023	Knight Frank				
18–24 Abbott Road, Seven Hills, NSW															
100.0	Oct 2006	75.0	—	—	75.0	55.8	—	—	55.8	Jun 2023	JLL				
1A Huntingwood Drive, Huntingwood, NSW															
100.0	Oct 2016	65.0	—	—	65.0	63.5	—	—	63.5	Jun 2023	Colliers				
1B Huntingwood Drive, Huntingwood, NSW															
100.0	Oct 2016	36.7	—	—	36.7	35.5	—	—	35.5	Jun 2023	Colliers				

1. Freehold, unless otherwise marked with an * which denotes leasehold.

2. Investment Properties continued

a) Investment properties continued

	Owner-ship interest % ¹	Acquisition date	Invest-ment properties		Less lease liabilities 30 Jun 23		Fair value		Invest-ment properties		Less lease liabilities 31 Dec 22		Fair value		Latest independent valuation date	Valuer
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M				
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	34.0	–	–	34.0	33.8	–	–	33.8	Jun 2023	JLL				
64 Bilela Street, Villawood, NSW	100.0	May 2019	51.5	–	–	51.5	50.5	–	–	50.5	Jun 2023	Savills				
30–32 Bessemer Street, Blacktown, NSW	100.0	May 2019	49.3	–	–	49.3	49.0	–	–	49.0	Jun 2023	Savills				
21 Pipeclay Avenue, Thornton, NSW	100.0	Nov 2021	4.1	–	–	4.1	4.1	–	–	4.1	Jun 2023	Savills				
ACT																
12 Faulding Street, Symonston, ACT	100.0	Nov 2021	18.0	–	–	18.0	20.5	–	–	20.5	Jun 2023	Savills				
Victoria																
21–23 Wirraway Drive, Port Melbourne, VIC	100.0	Mar 2020	28.5	–	–	28.5	33.5	–	–	33.5	Jun 2023	CBRE				
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	159.4	–	–	159.4	153.9	–	–	153.9	Jun 2023	Savills				
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	107.0	–	–	107.0	112.0	–	–	112.0	Jun 2023	CBRE				
521 Geelong Road, Brooklyn, VIC	100.0	Nov 2021	48.1	–	–	48.1	52.5	–	–	52.5	Jun 2023	Savills				
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	20.5	–	–	20.5	19.0	–	–	19.0	Jun 2023	CBRE				
40 Fulton Drive, Derrimut, VIC	100.0	Nov 2021	16.0	–	–	16.0	16.8	–	–	16.8	Jun 2023	Colliers				
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	57.5	–	–	57.5	56.5	–	–	56.5	Jun 2023	CBRE				
2 Prosperity Street, Truganina, VIC	100.0	Nov 2018	50.0	–	–	50.0	51.5	–	–	51.5	Jun 2023	CBRE				
25 Niton Drive, Truganina, VIC	100.0	Jul 2019	61.0	–	–	61.0	62.5	–	–	62.5	Jun 2023	CBRE				
1 Botero Place, Truganina, VIC	100.0	May 2020	51.5	–	–	51.5	53.5	–	–	53.5	Jun 2023	CBRE				
Foundation Estate, Truganina, VIC	100.0	Dec 2020	138.0	–	–	138.0	138.0	–	–	138.0	Jun 2023	JLL				
143 Foundation Road, Truganina, VIC	100.0	Dec 2020	23.0	–	–	23.0	23.0	–	–	23.0	Jun 2023	JLL				
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	28.3	–	–	28.3	28.3	–	–	28.3	Jun 2023	Colliers				
235–239 Boundary Road, Laverton North, VIC	100.0	Aug 2021	72.5	–	–	72.5	71.8	–	–	71.8	Jun 2023	Savills				
79 Cherry Lane, Laverton North, VIC	100.0	Nov 2021	41.0	–	–	41.0	45.8	–	–	45.8	Jun 2023	Savills				
16 Henderson Road, Knoxfield, VIC	100.0	Nov 2021	31.0	–	–	31.0	32.8	–	–	32.8	Jun 2023	Savills				
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	256.5	–	–	256.5	255.3	–	–	255.3	Jun 2023	JLL				
24A & 24B Niton Drive, Truganina, VIC ²	100.0	Jul 2019	60.5	–	–	60.5	–	–	–	–	Jun 2023	JLL				

1. Freehold, unless otherwise marked with an * which denotes leasehold.

2. Following practical completion during the half year, these properties were reclassified from properties under development to investment property in the Logistics Portfolio.

2. Investment Properties continued

a) Investment properties continued

Owner-ship interest % ¹	Acquisition date	Invest-ment properties		Less lease liabilities		Invest-ment properties		Less lease liabilities		Fair value		Latest independent valuation date	Valuer
		30 Jun 23		31 Dec 22		30 Jun 23		31 Dec 22		30 Jun 23			
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		
Queensland													
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	148.0	–	–	148.0	152.0	–	–	152.0	Jun 2023	Savills	
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	22.4	–	–	22.4	22.7	–	–	22.7	Jun 2023	Savills	
2 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	66.5	–	–	66.5	66.3	–	–	66.3	Jun 2023	JLL	
30 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	40.1	–	–	40.1	39.5	–	–	39.5	Jun 2023	JLL	
1 Wattlebird Court, Berrinba, QLD	100.0	Jun 2015	42.0	–	–	42.0	42.0	–	–	42.0	Jun 2023	Savills	
2 Wattlebird Court, Berrinba, QLD	100.0	Jun 2015	56.2	–	–	56.2	55.8	–	–	55.8	Jun 2023	Savills	
102–108 Magnesium Drive, Crestmead, QLD	100.0	Nov 2021	24.3	–	–	24.3	25.9	–	–	25.9	Jun 2023	Savills	
248 Fleming Road, Tingalpa, QLD	100.0	Nov 2021	26.5	–	–	26.5	29.4	–	–	29.4	Jun 2023	Savills	
48 Miller Street, Murarie, QLD	100.0	Nov 2021	33.0	–	–	33.0	36.7	–	–	36.7	Jun 2023	Savills	
4 Enterprise Street, Wulkuraka, QLD	100.0	Nov 2021	97.0	–	–	97.0	103.0	–	–	103.0	Jun 2023	Savills	
15 Northern Link Circuit, Townsville, QLD	100.0	Nov 2021	27.0	–	–	27.0	30.0	–	–	30.0	Jun 2023	Savills	
South Australia													
1 Vimy Avenue, Adelaide Airport, SA	*100.0	Nov 2021	23.7	(4.2)	–	19.5	24.3	(4.2)	–	20.1	Jun 2023	Savills	
26 Butler Boulevard, Adelaide Airport, SA	*100.0	Nov 2021	19.4	(3.4)	–	16.0	21.2	(3.5)	–	17.7	Jun 2023	Savills	
176 Eastern Parade, Gillman, SA	100.0	Nov 2021	17.3	–	–	17.3	19.0	–	–	19.0	Jun 2023	Savills	
1A Symonds Street, Royal Park, SA	100.0	Nov 2021	5.5	–	–	5.5	6.8	–	–	6.8	Jun 2023	Savills	
6–10 Senna Road, Wingfield, SA	100.0	Nov 2021	34.0	–	–	34.0	36.7	–	–	36.7	Jun 2023	Savills	
Western Australia													
15 Modal Crescent, Canning Vale, WA	100.0	Nov 2021	22.5	–	–	22.5	24.5	–	–	24.5	Jun 2023	Savills	
23 Destiny Way, Wangara, WA	100.0	Nov 2021	24.0	–	–	24.0	25.8	–	–	25.8	Jun 2023	Savills	
50 Triumph Avenue, Wangara, WA	100.0	Nov 2021	8.3	–	–	8.3	8.0	–	–	8.0	Jun 2023	Savills	
56 Triumph Avenue, Wangara, WA	100.0	Nov 2021	5.3	–	–	5.3	5.1	–	–	5.1	Jun 2023	Savills	
Total Logistics			3,887.0	(7.6)	(7.7)	3,879.4	3,841.3	(7.7)	(7.7)	3,833.6			

1. Freehold, unless otherwise marked with an * which denotes leasehold.

2. Investment Properties continued

a) Investment properties continued

Owner-ship interest %	Acquisition date	Invest-ment properties		Less lease liabilities		Fair value		Invest-ment properties		Less lease liabilities		Fair value		Latest independent valuation date	Valuer	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M					
(iv) Properties under development																
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	16.8	–	–	16.8	–	–	13.3	–	–	–	13.3	Jun 2023	Colliers	
Yiribana Logistics Estate – East, Kemps Creek, NSW	100.0	Oct 2020	165.0	–	–	165.0	–	–	155.9	–	–	–	155.9	Jun 2023	CBRE	
The Gateway Logistics Hub, Stage 6, Truganina, VIC ²	100.0	Jul 2019	58.6	–	–	58.6	–	–	76.3	–	–	–	76.3	Jun 2023	JLL	
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	64.8	–	–	64.8	–	–	64.8	–	–	–	64.8	Jun 2023	JLL	
Djeembana Estate, Truganina, VIC	100.0	Jul 2022	42.4	–	–	42.4	–	–	33.7	–	–	–	33.7	Jun 2023	JLL	
Total Properties under development			347.6	–	–	347.6	–	–	344.0	–	–	–	344.0			
(v) Properties held for sale																
Rosehill Business Park, Camellia, NSW ¹	100.0	May 1998	–	–	–	–	–	–	137.3	–	–	–	137.3	–	–	
Citiport Business Park, Port Melbourne, VIC ¹	100.0	Mar 2012	–	–	–	–	–	–	119.3	–	–	–	119.3	–	–	
Total Properties held for sale			–	–	–	–	–	–	256.6	–	–	–	256.6			

1. Sale contracts for Citiport Business Park and Rosehill Business Park were executed on 23 November 2022 for total consideration of \$256.6 million. Settlements were completed on 28 April 2023.

2. 24A & 24B Niton Dr, Truganina (previously Stages 4 & 5 of The Gateway Logistics Hub) reached practical completion on 13 January 2023.

2. Investment Properties continued**a) Investment properties** continued**vi) Reconciliation**

	Retail \$M	Office \$M	Logistics \$M	Properties under development \$M	30 Jun 23 \$M	31 Dec 22 \$M
Opening balance at the beginning of the period	4,783.5	2,987.8	3,841.3	344.0	11,956.6	11,954.7
Additions – maintenance capital expenditure	5.4	5.2	4.3	–	14.9	29.4
Additions – development capital expenditure	14.4	6.8	0.4	26.6	48.2	216.1
Additions – interest capitalised ¹	0.1	–	–	4.5	4.6	9.1
Asset acquisitions	–	–	–	–	–	28.1
Transfers to assets held for sale	–	–	–	–	–	(256.6)
Transfers (to)/from properties under development	–	–	60.5	(60.5)	–	–
Transfer to inventory	(1.3)	–	–	–	(1.3)	(64.6)
Movement in ground leases of investment properties	–	–	(0.1)	–	(0.1)	(0.6)
Disposals	–	–	(5.0)	–	(5.0)	–
Fair value adjustments	(85.7)	(80.8)	(17.2)	32.9	(150.8)	32.0
Lease incentives (includes rent free)	9.1	12.4	3.1	–	24.6	60.9
Leasing costs	2.0	1.5	1.8	–	5.3	8.7
Amortisation of lease incentives and costs	(8.0)	(16.0)	(4.6)	–	(28.6)	(61.4)
Straightlining of leases	1.0	1.4	2.5	0.1	5.0	0.8
Closing balance at the end of the period	4,720.5	2,918.3	3,887.0	347.6	11,873.4	11,956.6

1. A capitalisation interest rate of 4.1% (31 December 2022: 3.2%) has been applied when capitalising interest on qualifying assets.

2. Investment Properties continued

b) Fair value measurement, valuation techniques and inputs

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, using generally accepted market practices. A description of the valuation techniques and key inputs are included in the following tables:

Class of assets	Fair value hierarchy ¹	Valuation technique	Inputs used to measure fair value	Unobservable inputs		Unobservable inputs	
				30 Jun 23		31 Dec 22	
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	\$1,523	–	\$2,506	\$1,502 – \$2,444
			10-year average specialty market rental growth (DCF)	2.9%	–	3.4%	2.7% – 3.3%
			Adopted capitalisation rate	4.75%	–	5.75%	4.50% – 5.63%
			Adopted terminal yield (DCF)	5.00%	–	6.00%	4.75% – 5.88%
			Adopted discount rate (DCF)	6.50%	–	6.50%	6.25% – 6.50%
			Lease incentives (gross)	7.5%	–	10.0%	7.5% – 10.0%
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	\$445	–	\$1,675	\$435 – \$1,630
			10-year average market rental growth (DCF)	3.2%	–	4.0%	3.0% – 3.9%
			Adopted capitalisation rate	5.00%	–	6.25%	4.75% – 6.00%
			Adopted terminal yield (DCF)	5.25%	–	6.50%	5.00% – 6.25%
			Adopted discount rate (DCF)	6.13%	–	6.75%	5.88% – 6.50%
			Lease incentives (gross)	16.4%	–	42.0%	15.0% – 42.5%
Logistics	Level 3	DCF and income capitalisation method	Stabilisation allowance (% of asset annual income)	0.7%			0.2% – 0.8%
			Net market rent (per sqm p.a.)	\$85	–	\$480	\$80 – \$480
			10-year average market rental growth (DCF)	2.7%	–	4.7%	3.0% – 3.9%
			Adopted capitalisation rate	4.38%	–	6.50%	4.13% – 6.25%
			Adopted terminal yield (DCF)	4.63%	–	6.75%	4.25% – 6.50%
			Adopted discount rate (DCF)	5.75%	–	7.50%	5.38% – 7.00%
Properties under development	Level 3	Development feasibility analysis or land rate	Lease incentives (net)	8.3%	–	30.0%	8.3% – 30.0%
			Net market rent (per sqm p.a.)	\$118	–	\$131	\$95 – \$115
			Adopted capitalisation rate	4.75%	–	5.00%	4.13% – 4.75%
			Adopted terminal yield (DCF)	5.00%	–	5.25%	4.38% – 5.00%
			Adopted discount rate (DCF)	6.00%	–	6.50%	5.50% – 5.75%
			Land rate (per sqm)	\$213	–	\$800	\$363 – \$679
			Profit and risk factor	10.0%	–	20.0%	0.0% – 20.0%

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

2. Investment Properties continued**b) Fair value measurement, valuation techniques and inputs** continued

DCF	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's or liability's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the asset or liability. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flows from the asset or liability.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure and reversions.
Gross market rent	A gross market rent is the estimated amount of rent for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Net market rent	Net market rent is defined as gross market rent less the building outgoings or cleaning costs paid by the tenant.
10-year average specialty market rental growth	The expected annual rate of change in market rent over a 10-year forecast period in specialty tenancy rents. Specialty tenants are those retail tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10-year average market rental growth	The expected annual rate of change in market rent over a 10-year forecast period.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regard to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regard to market evidence.
Land rate (per sqm)	The land rate is the market land value per sqm.
Profit and risk factor	The profit and risk factor is applied to the remaining costs of a development to reflect a target margin required to complete the project. The factor will vary depending on the remaining leasing or construction required.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination of, or, one of the following: a rent-free period, a fit-out contribution, a cash contribution or rental abatement.
Stabilisation allowance	The stabilisation allowance reflects the anticipated prospective rent relief granted to tenants.

2. Investment Properties continued

c) Valuation process – investment properties

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

GPT has a Valuation Committee (Committee) which is comprised of the Chief Operating Officer, Chief Financial Officer, Head of Transactions, Deputy Chief Financial Officer and General Counsel.

The purpose of the Committee is to:

- approve the panel of independent valuers;
- review valuation inputs and assumptions;
- provide an escalation process where there are differences of opinion from various team members responsible for the valuation;
- oversee the finalisation of the valuations; and
- review the independent valuation sign-off and any comments that have been noted.

All independent valuations and internal tolerance checks are reviewed by the Committee prior to these being presented to the Board for approval.

Independent valuations

GPT's independent valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued. Selected independent valuation firms form part of a panel approved by the Committee. Each valuation firm is limited to undertaking consecutive valuations of a property for a maximum period of two years. Where an exceptional circumstance arises, the extension of the valuer's term must be approved by the relevant Board.

The Valuation Policy requires an independent valuation at least annually for all completed investment properties. Properties under development with a value of \$100 million or greater are independently valued at least every six months. Unimproved land is independently valued at least every three years. Additional valuations will be completed in the event an internal tolerance check identifies the requirement for an independent valuation.

Internal tolerance checks

Every six months, with the exception of properties independently valued, an internal tolerance check is prepared. The internal tolerance check involves the preparation of a DCF and income capitalisation valuation for each investment property. These are produced using a capitalisation rate, terminal yield and discount rate based on comparable market evidence and recent independent valuation parameters. The tolerance measurement will typically be a mid-point of these two approaches.

These internal tolerance checks are used to determine whether the book value is in line with the fair value or whether an independent valuation is required.

Properties under development

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

The fair value of vacant land parcels is based on the market land value per square metre.

Highest and best use

The fair value of investment properties is calculated based on the highest and best use whether or not the current use reflects the highest and best use.

2. Investment Properties continued**d) Sensitivity information – investment properties**

Critical judgements are made by GPT in respect of the fair values of investment properties (including investment properties within equity accounted investments). Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, and using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below and in note 2(b).

An independent valuer will typically conduct both an income capitalisation valuation and a DCF valuation for each asset, which informs a range of valuation outcomes. The valuer will then apply their expertise in determining an adopted value, which may include adopting one of these specific approaches or a mid-point of these two approaches.

In conducting the sensitivity analysis, management has selected a sample of assets for each portfolio, for which key metrics are typical of the portfolio to which they relate. For those assets, the independent valuer conducted the sensitivity analysis in the following tables. Results for individual assets may differ based on each asset's particular attributes and market conditions.

The following table shows the sensitivity of the valuation to movements in the key variables of capitalisation rates and market rent per sqm when using the income capitalisation valuation approach and the discount rate and terminal rate and market rental growth rates when using the DCF valuation approach.

	Capitalisation Method					
	Capitalisation Rate				Market Rent per sqm	
	0.25%	0.50%	0.75%	1.00%	(5.0%)	5.0%
Retail – impact to valuation	(4.8%)	(9.2%)	(13.2%)	(16.8%)	(5.9%)	5.9%
Office – impact to valuation	(4.9%)	(9.5%)	(13.7%)	(17.5%)	(4.4%)	4.4%
Logistics – impact to valuation	(5.1%)	(9.7%)	(13.9%)	(17.7%)	(4.0%)	4.5%

	DCF Method					
	Discount Rate and Terminal Rate				10-Year Growth Rate ¹	
	0.25%	0.50%	0.75%	1.00%	(0.50%)	0.50%
Retail – impact to valuation	(4.8%)	(9.2%)	(13.3%)	(17.0%)	(3.6%)	3.7%
Office – impact to valuation	(5.3%)	(10.2%)	(14.7%)	(18.8%)	(3.9%)	4.0%
Logistics – impact to valuation	(4.7%)	(8.9%)	(12.8%)	(16.4%)	(3.7%)	3.7%

1. For Retail, this is the 10-year specialty growth rate.

3. Equity Accounted Investments

	Note	30 Jun 23 \$M	31 Dec 22 \$M
Investment in joint ventures	(a)(i)	1,128.6	1,105.3
Investment in associates	(a)(ii)	2,902.5	2,993.0
Total equity accounted investments		4,031.1	4,098.3

a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest		30 Jun 23 \$M	31 Dec 22 \$M
		30 Jun 23 %	31 Dec 22 %		
i) Joint ventures					
2 Park Street Trust ¹	Investment property	50.00	50.00	783.3	819.5
Horton Trust	Investment property	50.00	50.00	29.7	30.2
GPT QuadReal Logistics Trust	Investment property	50.10	50.10	301.0	241.0
Lendlease GPT (Rouse Hill) Pty Limited ^{1,2}	Property development	50.00	50.00	14.6	14.6
Total investment in joint venture entities				1,128.6	1,105.3
ii) Associates					
GPT Wholesale Office Fund ^{1,3}	Investment property	21.71	21.74	1,547.6	1,601.5
GPT Wholesale Shopping Centre Fund ¹	Investment property	28.48	28.48	822.5	828.8
GPT Funds Management Limited	Funds management	100.00	100.00	10.0	10.0
Darling Park Trust ¹	Investment property	41.67	41.67	522.4	552.7
DPT Operator Pty Limited ¹	Management	91.67	91.67	–	–
DPT Operator No.2 Pty Limited ¹	Management	91.67	91.67	–	–
Total investments in associates				2,902.5	2,993.0

1. The entity has a 30 June balance date.

2. GPT 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 Department of Planning.

3. Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) which occurred during the half year.

For those joint ventures and associates with investment property as the principal activity refer to note 2 for details on key judgements and estimates relating to the valuation of these investment properties.

For those joint ventures where the principal activity is property development refer to note 12(h) for details on key judgements and estimates.

CAPITAL STRUCTURE

4. Equity

Contributed equity

	Number	Trust \$M	Company \$M	Total \$M
Ordinary stapled securities				
Opening securities on issue and contributed equity at 1 January 2022	1,915,577,430	8,526.6	331.8	8,858.4
Closing securities on issue and contributed equity at 30 June 2022	1,915,577,430	8,526.6	331.8	8,858.4
Opening securities on issue and contributed equity at 1 January 2023	1,915,577,430	8,526.6	331.8	8,858.4
Closing securities on issue and contributed equity at 30 June 2023	1,915,577,430	8,526.6	331.8	8,858.4

5. (Loss)/earnings per stapled security

	30 Jun 23 Cents	30 Jun 23 Cents	30 Jun 22 Cents	30 Jun 22 Cents
a) Attributable to ordinary securityholders of the Trust	Basic	Diluted	Basic	Diluted
Total basic and diluted (loss)/earnings per security attributable to ordinary securityholders of the Trust	(0.6)	(0.6)	27.0	27.0
b) Attributable to ordinary stapled securityholders of the GPT Group				
Total basic and diluted (loss)/earnings per security attributable to stapled securityholders of the GPT Group	(0.1)	(0.1)	27.7	27.6

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

	30 Jun 23 \$M	30 Jun 23 \$M	30 Jun 22 \$M	30 Jun 22 \$M
c) Reconciliation of (loss)/earnings used in calculating earnings per ordinary stapled security				
Basic and diluted (loss)/earnings of the Trust	(12.1)	(12.1)	517.8	517.8
Basic and diluted earnings of the Company	11.0	11.0	11.9	11.9
Basic and diluted (loss)/earnings of the GPT Group	(1.1)	(1.1)	529.7	529.7
	30 Jun 23 Millions	30 Jun 23 Millions	30 Jun 22 Millions	30 Jun 22 Millions
d) Weighted average number of ordinary securities				
WANOS used as the denominator in calculating basic (loss)/earnings per ordinary stapled security	1,915.6	1,915.6	1,915.6	1,915.6
Performance security rights at weighted average basis ¹		—		1.2
WANOS used as the denominator in calculating diluted (loss)/earnings per ordinary stapled security		1,915.6		1,916.8

1. Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary stapled security calculation if they meet the hurdles at the end of the period as if the end of the period were the end of the contingency period. In June 2023, the performance security rights are not dilutive as the Group reported a net loss for the period.

6. Distributions declared

Distributions declared during the period were:

	Cents per stapled security	Total amount \$M
Distributions declared		
2022		
6 months period ended 30 June 2022 ¹	9.90	189.6
Total distributions for the period	9.90	189.6
2023		
6 months period ended 30 June 2023 ²	12.50	239.4
Total distributions paid/payable for the period	12.50	239.4

1. Declared on 14 February 2022 and paid on 28 February 2022.
2. Declared on 16 June 2023 and to be paid on 31 August 2023.

7. Borrowings

	30 Jun 23 \$M	31 Dec 22 \$M
Current borrowings – unsecured ¹	526.6	702.2
Current borrowings – secured	2.7	2.7
Current borrowings	529.3	704.9
Non-current borrowings – unsecured ²	4,386.8	4,259.4
Non-current borrowings – secured	–	88.2
Non-current borrowings	4,386.8	4,347.6
Total borrowings – carrying amount³	4,916.1	5,052.5
Total borrowings – fair value⁴	4,782.6	4,909.0

1. Includes \$326.6 million of outstanding commercial paper (31 December 2022: \$502.3 million) which is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities.
2. Cumulative fair value hedge adjustments and impact of exchange rate changes are shown in the table on page 57.
3. Including unamortised establishment costs, fair value hedge adjustments, impact of exchange rate changes and other adjustments.
4. Of the total estimated fair value, \$2,267.2 million (31 December 2022: \$2,443.0 million) was classified as level 2 in the fair value hierarchy, and \$2,515.4 million (31 December 2022: \$2,466.0 million) was classified as level 3. The estimated fair value is calculated using the inputs which are described in Note 8, and excludes unamortised establishment costs.

7. Borrowings continued

The following table outlines the cumulative amount of fair value hedge adjustments and impact of exchange rate changes that are included in the carrying amount of borrowings, which are designated in hedging relationships, in the Consolidated Statement of Financial Position.

	30 Jun 23 \$M	31 Dec 22 \$M
Nominal amount	2,192.8	2,192.8
Unamortised borrowing costs	(5.2)	(5.5)
Amortised cost	2,187.6	2,187.3
Cumulative fair value hedge adjustments and impact of exchange rate changes	220.2	174.2
Carrying amount	2,407.8	2,361.5

The carrying value of cross currency interest rate swaps hedging the above foreign currency borrowings is reflected in the Consolidated Statement of Financial Position within derivative assets totalling \$301.7 million (31 December 2022: \$260.3 million) and within derivative liabilities totalling \$71.8 million (31 December 2022: \$86.3 million).

The maturity profile of borrowings as at 30 June 2023 is as follows:

	Total facility ^{1,2} \$M	Used facility ^{1,2} \$M	Unused facility ² \$M
Due within one year	529.3	529.3	–
Due between one and five years	3,311.8	1,761.8	1,550.0
Due after five years	2,592.8	2,397.8	195.0
	6,433.9	4,688.9	1,745.0
Cash and cash equivalents			69.0
Total financing resources at the end of the half year			1,814.0
Less: commercial paper ²			(326.6)
Less: cash and cash equivalents held for the AFSLs			(11.0)
Total financing resources available at the end of the half year			1,476.4

1. Excluding unamortised establishment costs, fair value hedge adjustments, impact of exchange rate changes and other adjustments and \$10.0 million bank guarantee facilities and its \$7.1 million utilisation. This reflects the contractual cash flows payable on maturity of the borrowings taking into account historical exchange rates under cross currency interest rate swaps entered into to hedge the foreign currency borrowings.
2. GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities and are therefore excluded from available liquidity.

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

Debt covenants

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

- Gearing: adjusted borrowings must not exceed 50% of adjusted total tangible assets; and
- Interest coverage: the ratio of operating earnings before interest and taxes to finance costs on borrowings is not to be less than 2 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 30 June 2023 and no breaches were identified noting:

- Covenant gearing ratio as at 30 June 2023 is 28.4%; and
- Interest cover ratio for the 6 months to 30 June 2023 is 4.6 times.

8. Other Fair Value Disclosures

Information about how the fair value of financial instruments is calculated and other information required by the accounting standards, including the valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed in the following table:

Fair value measurement, valuation techniques and inputs

Fair value measurement, valuation technique and inputs					
Class of assets/liabilities	Fair value hierarchy ¹	Valuation technique	Inputs used to measure fair value	Unobservable inputs 30 Jun 23	Unobservable inputs 31 Dec 22
Derivative financial instruments – measured at fair value through profit or loss	Level 2	DCF (adjusted for counterparty credit worthiness)	Interest rates Basis CPI Volatility Foreign exchange rates	Not applicable – all inputs are market observable inputs.	
Borrowings – measured at amortised cost	Level 2 and Level 3	DCF	Interest rates Foreign exchange rates GPT’s own credit spread	Borrowings classified as Level 2 relate to Australian dollar denominated bonds, bank debt and commercial paper. All inputs are market observable. Borrowings classified as Level 3 relate to foreign currency denominated borrowings as GPT’s own credit spreads are not market observable. These spreads are sourced from banks. Refer to note 7 for breakdown.	
<div>1. Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 – inputs for the asset or liability that are not based on observable data (unobservable inputs).</div>					
Counterparty credit worthiness		Credit value adjustments are applied to derivative assets based on that counterparty’s credit risk using observable credit default swap curves as a proxy for credit risk. Debit value adjustments are applied to derivative liabilities based on GPT’s credit risk using observable credit default swap curves as a proxy for credit risk.			

OTHER DISCLOSURE ITEMS

9. Cash Flow Information

Cash flows from operating activities

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

	30 Jun 23 \$M	30 Jun 22 \$M
Net (loss)/profit for the half year	(1.1)	529.7
Fair value loss/(gain) on investment properties	151.7	(216.0)
Net (gain)/loss on fair value movement of derivatives	(21.5)	17.6
Net (gain)/loss from hedge ineffectiveness on qualifying hedges	(7.0)	0.2
Gain on financial liability at amortised cost	(1.4)	(1.2)
Impairment expense/(reversal)	1.2	(1.4)
Share of after tax loss/(profit) of equity accounted investments (net of distributions)	155.5	(38.6)
Depreciation and amortisation	2.5	1.9
Non-cash revenue/expense adjustments	10.8	17.9
Proceeds from sale of inventories	38.5	–
Payment for inventories	(6.1)	(10.7)
Movements in working capital and reserves (net of impairment)	(40.2)	(29.6)
Net foreign exchange loss	0.1	0.2
Other	6.2	1.8
Net cash inflows from operating activities	289.2	271.8

10. Lease Revenue

	30 Jun 23				30 Jun 22			
	Retail \$M	Office \$M	Logistics \$M	Total \$M	Retail \$M	Office \$M	Logistics \$M	Total \$M
Segment Result								
Lease revenue	147.2	88.8	112.0	348.0	136.0	88.0	104.2	328.2
Recovery of operating costs	40.8	16.8	7.4	65.0	38.5	15.8	6.9	61.2
Share of rent from investment properties in equity accounted investments	1.0	43.0	–	44.0	1.0	43.8	–	44.8
	189.0	148.6	119.4	457.0	175.5	147.6	111.1	434.2
Less:								
Share of rent from investment properties in equity accounted investments				(44.0)				(44.8)
Amortisation of lease incentives and costs				(30.7)				(29.6)
Straightlining of leases				4.9				(2.5)
Eliminations of intra-group lease payments				(1.4)				(1.4)
Impairment (reversal)/loss on trade and other receivables				(4.4)				0.7
Consolidated Statement of Comprehensive Income								
Rent from investment properties				381.4				356.6

10. Lease Revenue continued**Rent from investment properties**

Rent from investment properties in the Consolidated Statement of Comprehensive Income is recognised and measured in accordance with AASB 16 *Leases* (AASB 16). Revenue for leases with fixed increases is recognised on a straight-line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight-line basis. Contingent rental income is recognised as revenue in the period in which it is earned.

In addition to revenue generated directly from the lease, rent from investment properties includes non-lease revenue earned from tenants, predominately in relation to recovery of asset operating costs, which is recognised and measured under AASB 15 *Revenue from Contracts with Customers*.

Management has assessed if a rent waiver constitutes a lease modification under AASB 16 and concluded that where rent waivers relate to periods after the execution of an agreement with the tenant, this constitutes a lease modification and the rent waiver is reflected on a straight-line basis over the life of the lease. Rent waivers relating to periods prior to the execution of an agreement are treated as write-offs under AASB 9 where the rent waiver offsets a receivable from the tenant (see note 12(c)). Waivers reflected on invoices issued to tenants and which do not relate to previous outstanding debtors, are shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

11. Commitments**a) Capital expenditure commitments**

Commitments arising from contracts principally relating to the purchase and development of investment properties and committed tenant incentives contracted for at balance date but not recognised on the Consolidated Statement of Financial Position are shown below.

	30 Jun 23 \$M	31 Dec 22 \$M
Retail	28.9	31.4
Office	114.2	104.0
Logistics	29.8	22.7
Properties under development	8.6	28.3
Total capital expenditure commitments	181.5	186.4

b) Commitments relating to joint ventures

GPT's share of joint ventures' commitments at balance date:

	30 Jun 23 \$M	31 Dec 22 \$M
Capital expenditure	53.1	63.6
Total joint ventures' commitments	53.1	63.6

12. Accounting Policies, Key Judgements and Estimates

a) Basis of preparation

The financial report has been prepared:

- in accordance with the requirements of the Trust's Constitution, *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*;
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis. GPT has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements and future cash flow assessments have been made, taking into consideration appropriate probability-weighted factors. GPT is confident in the belief it will realise its assets and settle its liabilities and commitments in the normal course of business for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities of \$803.3 million is impacted by the inclusion of the distribution payable of \$239.4 million and borrowings due within 12 months (inclusive of \$326.6 million of outstanding commercial paper). As set out in note 7, GPT has access to \$1,745.0 million in undrawn financing facilities (prior to refinancing of the commercial paper). Refer to note 12(b) for further information on going concern;
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies with adjustments to align any dissimilar accounting policies adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the 2022 Annual Financial Report and any public announcements made by GPT during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

Comparatives in the financial statements have been restated to the current period presentation.

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to the Company is shown as a form of non-controlling interest.

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

The interim financial report was approved by the Board of Directors on 14 August 2023.

Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2023 that have been adopted where applicable.

b) Going concern

GPT is of the opinion that it is able to meet its liabilities and commitments as and when they fall due for at least a period of 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of \$1,476.4 million (after allowing for refinancing of \$326.6 million of outstanding commercial paper) as at 30 June 2023;
- Weighted average debt expiry of 6.1 years, with sufficient liquidity in place to cover the \$202.7 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2024;
- Primary covenant gearing of 28.4% compared to a covenant level of 50.0%; and
- Interest cover ratio for the six months to 30 June 2023 of 4.6 times, compared to a covenant level of 2.0 times.

c) Trade receivables

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method less any allowance under the 'expected credit loss' (ECL) model. GPT holds these financial assets in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Rent waivers and other write-offs

Debts which management have determined will be subject to a rent waiver, or are otherwise uncollectible have been written off at 30 June 2023, in accordance with the requirements of AASB 9 *Financial Instruments*. Bad debt write-offs of \$2.5 million relating to COVID-19 rent waivers and other non-recoverable amounts have been processed against trade debtors during the period (30 June 2022: \$18.2 million). Waivers which have been reflected on invoices issued to tenants and which are not relating to previous

12. Accounting Policies, Key Judgements and Estimates continued**c) Trade receivables** continued

outstanding receivables, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

Recoverability of receivables

For remaining trade and other receivables balances which have not been written off, management has assessed whether these balances are “credit impaired”, and recognised a loss allowance equal to the lifetime ECL. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset is expected to occur.

Lifetime ECLs result from all possible default events over the expected life of the trade receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the contracted cash flows due to GPT and the cash flows expected to be received). A default on trade receivables is when the counterparty fails to make contractual payments when they fall due and management determines that the debt is uncollectible, or where management forgives all or part of the debt.

Debts that are known to be uncollectible are written off when identified.

At 30 June 2023, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account several factors. These include the risk profile of the tenant, the asset location and other economic conditions impacting the tenant’s ability to pay.

This has resulted in an ECL allowance of \$11.1 million being recognised as at 30 June 2023 (31 December 2022: \$16.9 million). The remaining net balance of trade receivables (excluding accrued income and related party receivables) is \$19.2 million (31 December 2022: \$12.7 million).

d) Revenue**Revenue from contracts with customers**

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller’s performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

When the above criteria is not met, revenue is recognised at a point in time.

Other revenue

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

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

e) Leases

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

Lease liabilities are subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability and any variable lease payments not included in the measurement of the lease liability are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled \$0.5 million for the half year (30 June 2022: \$0.6 million).

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability. The cost of the asset includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration cost.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless they meet the definition of an investment property. Right-of-use assets which meet the definition of an investment property form part of the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property* (refer note 2 and the following section on ground leases).

12. Accounting Policies, Key Judgements and Estimates continued**e) Leases** continued

GPT's right-of-use assets are all property leases.

GPT determines the lease term as the non-cancellable period of a lease together with both:

- the periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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

GPT has assessed the right-of-use assets for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in an impairment expense of \$0.6 million for the half year (30 June 2022: \$1.4 million reversal of impairment).

Ground leases

A lease liability reflecting the leasehold arrangements of investment properties is separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties is adjusted (i.e. grossed up) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

f) IT development and software

Costs incurred in developing systems and acquiring software that will contribute future financial benefits and which the Group controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. 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 that benefits are expected to be received, generally ranging from 5 to 10 years.

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. When impairment indicators exist, management calculate the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount.

Critical judgements are made by GPT in setting appropriate impairment indicators and assumptions used to determine the recoverable amount.

Management believe the carrying value reflects the recoverable amount.

Costs incurred in relation to Software as a Service are recognised as an expense as incurred.

g) Carbon credits – intangibles

The Group has purchased carbon credits (or offsets). These carbon credits are used by the Group to offset its operational emissions or to offset embodied carbon within a development project. The carbon credits are measured at cost and management considers that the carbon credits have an indefinite useful life. Therefore, GPT tests for impairment at balance date. The costs of the carbon credits include any direct purchase costs.

Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined with reference to the current market price for equivalent carbon credits.

When carbon credits are utilised, they are derecognised and the cost is recognised as an expense where the carbon credits are utilised to offset operational emissions, or capitalised to development costs of investment properties where utilised to offset embodied carbon.

GPT has assessed the carbon credits for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in an impairment expense of \$0.5 million for the half year (30 June 2022: nil).

h) Inventories

Development properties and other assets held as inventory to be sold are stated at the lower of cost and net realisable value.

Cost

Cost includes the cost of acquisition and for development properties, development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses.

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 considering:

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

12. Accounting Policies, Key Judgements and Estimates continued**h) Inventories** continued

Management have completed NRV assessments for each asset held as inventory for the half year, and has compared the results to the cost of each asset. For the half year to 30 June 2023 \$0.5 million reversal of impairment (30 June 2022: nil) was recognised.

i) Security based payments**Fair value of performance rights issued under Deferred Short Term Incentive (DSTI) and Long Term Incentive (LTI)**

The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee security scheme reserve in equity. For LTI, the fair value is measured at grant date. For DSTI, the fair value is measured at each reporting date until the issuance of securities. Total security based payment expense based on the fair value is recognised over the period from the service commencement date to the vesting date of the performance rights.

Fair value of the performance rights issued under LTI is determined using a Monte Carlo simulation and the Black Scholes methodologies. Fair value of the performance rights issued under DSTI is determined using the security price.

Non-market vesting conditions are included in the calculation of the number of rights that are expected to vest. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to vest 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.

j) New and amended accounting standards and interpretations commencing 1 January 2023

There are no significant changes to GPT'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 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2023 that have been adopted where applicable.

k) New accounting standards and interpretations issued but not yet applied

There are no new standards or amendments to standards relevant to the Group.

13. Events subsequent to reporting date

The Directors are not aware of any matter or circumstance occurring since 30 June 2023 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 periods.

Directors' Declaration

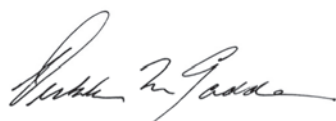
Half year ended 30 June 2023

In the Directors of the Responsible Entity's opinion:

- a) The consolidated financial statements and notes set out on pages 34 to 64 are in accordance with the *Corporations Act 2001*, including:
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - giving a true and fair view of GPT's financial position as at 30 June 2023 and of its performance for the half year ended on that date; and
- b) There are reasonable grounds to believe that GPT 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 the ASX Corporate Governance Council Recommendations and consistent with Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Vickki McFadden
Chairman



Bob Johnston
Chief Executive Officer and Managing Director

GPT RE Limited
Sydney

14 August 2023

Independent Auditor's Report



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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of General Property Trust (the Trust) and the entities it controlled and GPT Management Holdings Limited (the Company) and its controlled entities during the half-year (together, the GPT Group or the Group), which comprises the Consolidated Statement of Financial Position as at 30 June 2023, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, material accounting policy information and explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the GPT Group does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

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

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Liability limited by a scheme approved under Professional Standards Legislation.

***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink, appearing to read 'Debbie Smith'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Debbie Smith'.

Debbie Smith
Partner

Sydney
14 August 2023

Glossary

Term	Meaning
A-Grade	As per the Property Council of Australia's 'a guide to office building quality'
ACRT	Australian Core Retail Trust
AFFO	Adjusted Funds From Operations, defined as FFO less maintenance capex, leasing incentives and one-off items calculated in accordance with the Property Council of Australia 'voluntary best practice guidelines for disclosing FFO and AFFO'
AREIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange
AUM	Assets under management
bps	Basis points
Capex	Capital expenditure
CBD	Central business district
CO₂	Carbon dioxide
Carbon neutral	Carbon neutral means reducing emissions where possible and compensating for the remainder by investing in carbon offset projects to achieve net zero overall emissions, as defined in the Australian Government Climate Active Carbon Neutral Standards
Climate Active	Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certifies businesses and organisations that have proven that they are measuring, reducing and offsetting their emissions, with a net result of zero emissions. www.climateactive.org.au
CPI	Consumer price index
cps	Cents per security
Decarbonisation	Decarbonisation is the term used for removal or reduction of carbon dioxide (CO ₂) output into the atmosphere. Decarbonisation is achieved by switching to usage of low carbon energy sources
DPS	Distribution per security
EBIT	Earnings before interest and tax
Embodied carbon	As per the World Green Building Council 2019 report, "Bringing embodied carbon upfront"
EPS	Earnings per security is defined as Funds From Operations per security
FFO	Funds From Operations. Funds From Operations is defined as the underlying earnings calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
Free Cash Flow	Defined as operating cash flow less maintenance and leasing capex and inventory movements. The Group may make other adjustments in its determination of free cash flow for one-off or abnormal items
FUM	Funds under management
GAV	Gross asset value
GFA	Gross floor area
GLA	Gross lettable area
GQLT	GPT QuadReal Logistics Trust
Group total return	Calculated at the Group level as the change in NTA per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year
GWOF	GPT Wholesale Office Fund
GWSCF	GPT Wholesale Shopping Centre Fund
HoA	Heads of agreement
IFRS	International Finance Reporting Standards
IRR	Internal rate of return
Major tenants	Retail tenancies including supermarkets, discount department stores, department stores and cinemas
MAT	Moving annual turnover
Mini-major tenants	Retail tenancies with a GLA above 400 sqm not classified as a major tenant
MTN	Medium term notes
N/A	Not applicable

Term	Meaning
NABERS	National Australian Built Environment Rating System
NAV	Net asset value
Net gearing	Defined as debt less cash less cross currency derivative assets add cross currency derivative liabilities divided by total tangible assets less cash less cross currency derivative assets less right-of-use assets less lease liabilities – investment properties
Net Zero	A target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere. GPT uses the term 'carbon neutral' to describe the outcomes for its emissions reduction targets. This aligns with the language of the Australian Government's Climate Active Carbon Neutral program, which certifies buildings as operating on a carbon neutral basis. GPT's carbon neutral achievements have all been certified by Climate Active and are part of its overall net zero plan
NLA	Net lettable area
NPAT	Net profit after tax
NTA	Net tangible assets
Ordinary securities	Those that are most commonly traded on the ASX. The ASX defines ordinary securities as those securities that carry no special or preferred rights. Holders of ordinary securities will usually have the right to vote at a general meeting of the company, and to participate in any dividends or any distribution of assets on winding up of the company on the same basis as other ordinary securityholders
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels: Unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
PCA	Property Council of Australia
Portfolio total return	Calculated as the sum of the net income and revaluation movement of the portfolio divided by the average book value of the portfolio, compounded monthly for a rolling 12 month period
Premium grade	As per the Property Council of Australia's 'a guide to office building quality'
Prime grade	Includes assets of premium and A-grade quality
psm	Per square metre
Representative Concentration Pathways (RCPs)	RCPs are different greenhouse gas concentrations and their radiative forcing potential to describe different climate futures that are considered in scenario analysis
Retail sales	Based on a weighted GPT interest in the assets and GWSCF portfolio. GPT reports retail sales in accordance with the Shopping Centre Council of Australia (SCCA) Guidelines
Specialty tenants	Retail tenancies with a GLA below 400 sqm
sqm	Square metre
Task Force on Climate-Related Financial Disclosures (TCFD)	The TCFD was established by the Financial Stability Board to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders understanding of the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. These recommendations were released in 2017 to help companies provide better information to support informed capital allocation: www.fsb-tcfd.org
Total specialties	Retail tenancies including specialty tenants and mini-major tenants
Total tangible assets	Defined as per the Constitution of the Trust and equals total assets less intangible assets reported in the Statement of Financial Position
TSR	Total securityholder return, defined as distribution per security plus change in security price, assuming distributions are reinvested
USPP	United States Private Placement
VWAP	Volume weighted average price
WACD	Weighted average cost of debt
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry

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