

Appendix 4E

GPT Group – GPT Management Holdings Limited (comprising GPT Management Holdings Limited and its controlled entities)

Annual Financial Report For the year ended 31 December 2010

Results for announcement to the market

2.1	Total revenues and other income	up	493%	to	568,590,000
2.2	Loss from operations as assessed by Directors ⁽¹⁾	up	47%	to	(34,307,751)
2.3	Net profit after income tax expense attributable to stapled security holders	up	617%	to	616,325,000
2.4	Distributions	Amount per stapled security			
	Nil	Nil			
2.5	Record date for determining entitlement to the distributions	N/A			
2.6	Brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood: Refer to the attached announcement for a detailed discussion on the performance of the GPT Management Holdings Limited and its controlled entities's results for the year ended 31 December 2010.				
6.0	Details of individual and total dividends or distribution payments.	Amount per stapled security		Total	
	Nil				
7.0	Details of any dividend or distribution reinvestment plans in operation Refer to Note 16 of the Annual Financial Report of GPT Management Holdings Limited and its controlled entities.				
9.0	Net tangible assets per security	31 December 2010		31 December 2009	
		\$0.05		(\$0.28)	
10.0	Details of entities over which control has been gained or lost during the period Nil				

- (1) Profit from operation attributable to security holders of GPT represents Directors' assessment of realised operating income which is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. The adjustments that reconcile the Segment Result to the net loss for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c) in the Annual Report of the GPT Management Holdings and its controlled entities.

11.0 Details of associates and joint ventures entities

The associate and joint ventures' whose contribution to the Group's net profit is considered most significant to understanding the financial statements are detailed below:

Name of associate and joint venture entities	Contribution to the Group's	
	net profit 31-Dec-10	net loss 31-Dec-09
	\$	\$
Joint Ventures		
Entities incorporated in the United States		
B-VII Operations Holding Co LLC 2	(3,100,000)	(7,725,000)
Associates		
Entity incorporated in Australia		
Lend Lease GPT (Rouse Hill) Pty Limited 3	0.0	(12,156,000)
Entities incorporated in The Netherlands		
Dutch Active Fund Propco BV	(9,621,000)	(28,395,770)

Refer to Note 9 of the Annual Financial Report of GPT Management Holdings and its controlled entities for names and percentage holdings of each joint venture and associate.



The GPT Group

**GPT Management Holdings Limited
ABN: 67 113 510 188**

**Annual Financial Report
31 December 2010**

This financial report covers both GPT Management Holdings Limited as an individual entity and the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities. The financial report is presented in Australian currency.

GPT Management Holdings Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 52, MLC Centre, 19 Martin Place, Sydney NSW 2000.

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

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GPT Management Holdings Limited and its controlled entities
DIRECTORS' REPORT
For the year ended 31 December 2010

The Directors of GPT Management Holdings Limited (the Company) present their report on the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities for the year ended 31 December 2010. The consolidated entity forms part of the stapled entity, the GPT Group (GPT or the Group).

1. OPERATIONS AND ACTIVITIES

1.1 Principal Activities

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is MLC Centre, Level 52, 19 Martin Place, Sydney NSW 2000.

During the financial year, the Company continued its strategy to simplify the business and focus on high quality Australian retail, office and industrial/business park assets.

The principal activities of GPT Management Holdings Limited remain unchanged from 31 December 2009 and are:

- management of funds holding income-producing retail, office, industrial and business parks and senior housing properties;
- development of office properties;
- management and administration of the General Property Trust; and
- property management.

The Company predominately operates in Australia but also in the United States of America through an investment in a Senior Housing Portfolio.

1.2 Review of Operations

The net gain of the Company for the financial year ended 31 December 2010 should be read in conjunction with the financial statements of the GPT Group.

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Profit/(loss) from continued operations before income tax expenses	429,996	(37,700)
Income tax expenses	(2,575)	(5,900)
Profit/(loss) from discontinued operations	188,256	(90,012)
Net profit/(loss) for the financial year	615,677	(133,612)

Financial results – portfolio/operational highlights

The financial performance and total assets by portfolio are summarised below along with commentary on each portfolio's operational performance.

Portfolio/Segment	Realised	Realised	Total	Total
	Operating	Operating	Assets	Assets
	Income	Income	2010	2009
	2010	2009	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000
Core				
Funds Management - Australia	7,742	6,662	10,747	11,526
Property Management	(1,617)	2,886	40,518	22,998
Non-core				
Discontinued operation - US Senior Housing	(7,764)	(9,175)	1,099	3,561
Discontinued operation - Funds Management - Europe	(2,290)	(35,769)	13,487	49,499
Discontinued operation - Joint Venture	-	(1,007)	-	-
Discontinued operation - Hotel / Tourism	(12,046)	(19,112)	20,632	37,871
Financing and corporate overheads				
Corporate	(18,333)	(9,409)	132,557	88,631
Total	(34,308)	(64,924)	219,040	214,086

(a) Funds Management

GPT Wholesale Office Fund (GWOFF) has ownership interests in 14 assets with a value of \$3.1 billion. GPT Wholesale Shopping Centre Fund (GWSCF) has ownership interests in 9 assets with a value of \$2.1 billion.

The performance across the Funds' assets continues to be stable, reflecting resilient retail performance and solid office occupancy of 95.7% across the Fund owned assets.

(b) Property Management

The property management division made a profit of \$24,820,000 (Dec 2009: Loss of \$1,164,000). Assets include management rights for Highpoint Shopping Centre and Norton Street Plaza.

(c) Developments

GPT currently has three major developments underway; One One One Eagle Street in Brisbane, Melbourne Central and 5 Murray Rose. All developments are anticipated to be completed on time and on budget.

GPT retains a \$3.5 billion pipeline of future development opportunities for the medium term, subject to approvals and pre-commitments.

(d) Capital Management

Credit rating

GPT's credit rating was upgraded by Standard & Poor's from BBB+ to A- in May 2010 and by Moody's to A3 in November 2010. This reflected the progress made throughout the year in extending the debt maturing, flattening the maturing profile and reducing debt costs.

Borrowings - Loan Variation

During the year the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial modification to each of the loan terms and accordingly the loans have been remeasured under the varied contractual terms and conditions, resulting in a revaluation to the Statement of Comprehensive Income of \$678,035,000 for both continuing and discontinued operations.

Additionally, loans to foreign subsidiaries with a value of \$21.7m were assigned from the Trust to GPT Management Holdings Limited. These loans are eliminated upon consolidation within the GPT Management Holdings Group.

1.3 Dividends

No dividends were declared in the current year.

1.4 Significant Changes in State of Affairs

Significant changes in the state of the affairs of the Company during the financial year were as follows:

▪ **Consolidation of stapled securities**

At the AGM held on 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole stapled security. The consolidation took effect and was complete on 19 May 2010. Upon completion, GPT had 1,855,529,431 stapled securities on issue (Dec 09: 9,277,584,743).

• **Changes in the Board of Directors**

During the year, two additional non-executive directors have been appointed. Ms Eileen Doyle and Mr Gene Tilbrook were appointed on 1 March and 11 May 2010 respectively.

Mr Rob Ferguson was appointed Chairman on 10 May 2010. Mr Ken Moss and Mr Ian Martin retired on 10 May 2010.

• **Capital Management**

As discussed in section 1.2 of this Report

1.5 Likely Developments and Expected Results of Operations

Likely developments and commentary on the expected results of operations are included in Section 1.2 of this Report.

Further information on likely developments and expected results of operations have not been included in this annual financial report because the Directors believe it would likely result in unreasonable prejudice to the Company.

1.6 Environmental Regulation

The Company has policies and procedures in place that are designed to ensure that where operations are subject to any particular and significant environmental regulation under a law of Australia (for example property development and property management), those obligations are identified and appropriately addressed. This includes obtaining and complying with conditions of relevant authority consents and approvals and obtaining necessary licences. The Company is not aware of any breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

The Company is also subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007. The Energy Efficiency Opportunities Act 2006 requires the Company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Company intends to take as a result. As required under this Act, the Company has registered with the Department of Resources, Energy and Tourism as a participant entity and reported the results from its initial assessments within the legislative deadline of 31 December 2010.

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The National Greenhouse and Energy Reporting Act 2007 requires the Company to report its annual greenhouse gas emissions and energy use. The first measurement period for this Act ran from 1 July 2009 to 30 June 2010. The Company has implemented systems and processes for the collection and calculation of the data required and submitted its report to the Greenhouse and Energy data Officer within the legislative deadline of 31 October 2010.

More information about the Company's participation in the Energy Efficiency Opportunities program is available at www.gpt.com.au

1.7 Events Subsequent to Reporting Date

The Directors are not aware of any matter or circumstance occurring since 31 December 2010 not otherwise dealt with in the financial report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

2. DIRECTORS AND SECRETARY

2.1 Directors

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

(i) Chairman - Non-Executive Director

Ken Moss (retired 10 May 2010)

Rob Ferguson (an existing director, was appointed Chairman on 10 May 2010)

(ii) Non-Executive Directors

Brendan Crotty

Eileen Doyle (appointed 1 March 2010)

Eric Goodwin

Lim Swe Guan

Anne McDonald

Ian Martin (retired 10 May 2010)

Gene Tilbrook (appointed 11 May 2010)

(iii) Executive Director

Michael Cameron

2.2 Information on Directors

Rob Ferguson – Chairman

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust Australia for 15 years. During his 30 year career with Bankers Trust Mr Ferguson held a number of senior executive positions including Head of Corporate Finance and Investment Management. Mr Ferguson was also an independent non executive director of Westfield for 10 years.

Mr Ferguson is currently the Non Executive Chairman of IMF (Australia) Limited; Non Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited. Prior Board positions include Chairman of Vodafone Australia, Nexgen Limited and Bankers Trust Australia Ltd.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson joined the Board on 25 May 2009 and is a member of the Nomination and Remuneration Committee.

Brendan Crotty

Mr Crotty was appointed to the Board on 22 December 2009. He brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Mr Crotty is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific, a director of the Barangaroo Delivery Authority and one of the NSW Government's representatives on the Central Sydney Planning Committee.

Mr Crotty holds tertiary qualifications in Surveying, Town Planning and Business Administration and is a Fellow of the Royal Institute of Chartered Surveyors, the Australian Institute of Company Directors, and the Australian Property Institute as well being a member of the Planning Institute of Australia.

Mr Crotty is a member of the Nomination and Remuneration Committee and the Sustainability Committee.

GPT Management Holdings Limited and its controlled entities
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Eileen Doyle

Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non-Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Boral Limited, Hunter Valley Research Foundation (Chairman) and CSIRO.

Dr Doyle holds tertiary qualifications in mathematics, applied statistics (PhD) and business administration. She is a Fellow of the Australian Institute of Company Directors.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

Eric Goodwin

Mr Goodwin was appointed to the Board in November 2004. He brings to the board extensive experience in design construction and project management, general management and funds management. His experience includes fund management of the MLC Property Portfolio during the 1980s and he was the founding Fund Manager of the Australian Prime Property Fund.

Mr Goodwin is a Non-Executive Director of Eureka Funds Management Limited, Lend Lease Global Properties SICAF and AMPCI Macquarie Infrastructure Management No 2 Limited (responsible entity of Diversified Utility and Energy Trust No. 2).

Mr Goodwin joined Lend Lease in 1963 as a cadet engineer and during his 42 year career with Lend Lease held a number of senior executive and subsidiary board positions in the Australian operation, the US and he was the inaugural manager of the Group's Asian operations.

Mr Goodwin is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

Lim Swe Guan

After graduating with an honours degree in Estate Management in 1979, Mr Lim was employed as Lands Officer for the Urban Redevelopment Authority of Singapore.

He left URA in 1980 to work as a securities analyst, initially for Kim Eng Securities (1980-1982) and later for Alfa-Pacific Securities (1982-1983).

Mr Lim obtained an MBA from the Colgate Darden Graduate School of Business, The University of Virginia in 1985 and returned to Singapore where he worked as a property consultant with Knight Frank, Cheong Hock Chye & Bailieu. In June 1986, Mr Lim was recruited by Jones Lang Wootton in Sydney, Australia to the position of Senior Research Analyst. He was appointed Manager in October 1987 and Director in 1989. Mr Lim obtained the Chartered Financial Analyst (CFA) certification in 1991. In November 1995, Mr Lim joined SUNCORP Investments in Brisbane, Australia as Portfolio Manager, Property Funds.

Mr Lim returned to Singapore in December 1997 to join the Government of Singapore Investment Corporation, most recently as Managing Director of GIC Real Estate.

Mr Lim sits on the boards of Land & Houses in Thailand, Thakral Holdings Group in Australia, Sunway City Berhad in Malaysia and Global Logistic Properties in Singapore.

Mr Lim is a member of the Audit and Risk Management Committee.

Anne McDonald

Ms McDonald was appointed to the Board on 2 August 2006. Ms McDonald is currently a Non Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non-Executive Director of Westpac's Life and General Insurance business and Health Super.

Ms McDonald holds a Bachelor of Economics, is a fellow of the Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors.

Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for fifteen years specialising as a company auditor and advising multinational and Australian companies on governance, risk management and accounting issues. Previous roles include Board Member of Ernst & Young Australia and a Director of the Private Health Insurance Administration Council and St Vincent's and Mater Health Sydney.

Ms McDonald is Chair of the Audit and Risk Management Committee.

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DIRECTORS' REPORT
For the year ended 31 December 2010

Gene Tilbrook

Mr Tilbrook spent the majority of his executive career at Wesfarmers Limited, most recently as Finance Director and Director of Business Development. During his time at Wesfarmers, Mr Tilbrook was involved in many of the transactions that made Wesfarmers a successful diversified group; as well as corporate strategy, finance, investments and capital management. From 2001 to 2005 he was a director of Bunnings Property Management Limited, the responsible entity for the ASX listed Bunnings Warehouse Property Trust.

Mr Tilbrook's current directorships include Transpacific Industries Group Ltd (Chairman), Fletcher Building Ltd, NBN Co Limited and QR National Limited. Mr. Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and also a member of the boards of the UWA Perth International Arts Festival and Curtin University. Mr Tilbrook has also held directorship roles in the private equity, infrastructure and rail sectors.

Mr Tilbrook holds tertiary qualifications in science, computing science and business administration (MBA) and has completed the Advanced Management Program at the Harvard Business School. He is a Fellow of the Australian Institute of Company Directors.

Mr Tilbrook joined the Board on 11 May 2010 and is Chair of the Nomination and Remuneration Committee.

Michael Cameron

Mr Cameron joined The GPT Group as CEO and Managing Director in May 2009 and has over 30 years' experience in Finance and Business.

His past experience includes 10 years with Lend Lease where he was Group Chief Accountant then Financial Controller for MLC Limited before moving to the US in 1994 in the role of Chief Financial Officer/Director of The Yarmouth Group, Lend Lease's US property business. On returning to Sydney in 1996 Michael was appointed to the role of Chief Financial Officer, MLC Limited before moving to the role of Chief Financial Officer, then Chief Operating Officer of the NAB Wealth Management Division following the sale of MLC.

Mr Cameron joined the Commonwealth Bank of Australia in 2002 as Deputy Chief Financial Officer and was appointed to the role of Group Chief Financial Officer soon after in early 2003.

In 2006, Mr Cameron was appointed to the position of Group Executive of the Retail Bank Division of the Commonwealth Bank of Australia, leading a team of 20,000 staff servicing eight million customers.

Mr Cameron was Chief Financial Officer at St.George Bank Limited from mid 2007 until the sale to Westpac in December 2008.

Mr Cameron is a fellow of the Australian Institute of Chartered Accountants, a fellow of CPA Australia and a fellow of the Australian Institute of Company Directors.

James Coyne - Company Secretary

Mr Coyne is responsible for the legal, compliance, risk management and company secretarial activities of GPT. He was appointed the General Counsel/Company Secretary of GPT in 2004. Previous experience includes company secretarial and legal roles in construction, infrastructure and the real estate funds management industry (listed and wholesale).

Mr Coyne holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Sydney.

2.3 Attendance of Directors at Board Meetings and Board Committee Meetings

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

	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Chairman	Rob Ferguson		Anne McDonald		Gene Tilbrook		Eileen Doyle	
Rob Ferguson	9	9	-	-	6	6	-	-
Michael Cameron	9	9	-	-	-	-	-	-
Brendan Crotty	9	9	-	-	5	5	2	2
Eileen Doyle	7	8	-	-	2	3	2	2
Eric Goodwin	9	9	6	6	-	-	2	2
Lim Swe Guan	9	9	6	6	-	-	-	-
Ian Martin	3	3	-	-	3	3	-	-
Anne McDonald	9	9	6	6	-	-	-	-
Ken Moss	3	3	-	-	3	3	-	-
Gene Tilbrook	6	6	-	-	3	3	-	-

2.4 Directors' Relevant Interests

The relevant interests of each Director in GPT stapled securities as at the date of this Report are shown below:

	Number of GPT Stapled Securities
Rob Ferguson	204,082
Michael Cameron	163,742 Stapled Securities 1,118,891 Performance Rights
Brendan Crotty	30,000
Eileen Doyle	1,600
Eric Goodwin	15,584
Lim Swe Guan	Nil
Anne McDonald	9,450
Gene Tilbrook	20,000

2.5 Directors' Directorships of Other Listed Companies

Details of all directorships of other listed entities held by each Director during the 3 years preceding 31 December 2009 and the period for which each directorship has been held are set out below:

Rob Ferguson	IMF (Australia) Limited (since 2004) Primary Health Care Limited (since 2009)
Brendan Crotty	Brickworks Limited (since 2008) Trafalgar Corporate Group (from 2007 to 2009)
Eileen Doyle	One Steel Limited (from 2000 until 2010) Boral Limited (since 2010) Ross Human Directions Limited (from 2005 until 2010)
Eric Goodwin	AMPCI Macquarie Infrastructure Management No. 2 Limited as Responsible Entity of the Diversified Utility and Energy Trust No. 2 (one of the stapled entities within the DUET Group) (since 2004)
Lim Swe Guan	Thakral Holdings Limited (since 2004)
Anne McDonald	Speciality Fashion Group Limited (since 2007) Spark Infrastructure Group (since 2009)
Gene Tilbrook	Transpacific Industries Limited (since 2009) Fletcher Buildings Limited (since 2009) QR National Limited (since 2010) Westfarmers Limited (from 2002 to 2009)

3. 2010 REMUNERATION IN BRIEF

The Remuneration Report below is the report for the Group. As the Directors and Senior Executives are remunerated by the Company, the report for the Group has been included in full.

The Board is committed to clear and transparent communication of GPT's remuneration arrangements. This section, the 2010 Remuneration In Brief, outlines the key remuneration decisions taken by GPT during the year, and discloses the actual value of remuneration paid to GPT's senior executives. The full Remuneration Report for 2010, starting on page 10, provides more detail regarding the remuneration strategy, structures, decisions and outcomes at GPT in 2010 in accordance with statutory obligations and accounting standards.

In 2010 the Board continued to maintain restraint on executive base salaries commensurate with a prudent approach to managing GPT's cost base during what continues to be uncertain economic conditions. The Board also continued an active role overseeing additional changes to the management team to ensure GPT is well positioned to continue to build on the financial performance delivered during the year.

Each of these actions is outlined below and in greater detail in the Remuneration Report.

Key remuneration drivers and actions in 2010

Base (Fixed) Pay

The initial progress in implementing GPT's new corporate strategy in 2009 gained significant momentum in 2010, and the Board is pleased with the financial performance delivered by management. However, the Board is mindful that economic conditions remain challenging. Growth in executive remuneration has moderated. Against this background, the Board has continued to adopt a restrained approach to executive remuneration. Specifically the Board decided in late 2009 to:

- Implement only a modest review of base pay for 2010 of 3%; and
- Maintain the freeze on Non-Executive Director fees for 2010

Short Term Incentives

The Board also reduced the maximum or stretch potential Short Term Incentive (STI) opportunity for all employees from double their target opportunity down to only 25% more than target opportunity. The Board believes this is consistent with GPT's new corporate strategy, the reduced gearing in the business, and a more conservative approach to both risk and cost management.

Within these constraints, and in line with the financial performance delivered by the management team in 2010, actual STI's received represent an increase on recent years.

Long Term Incentives

As foreshadowed in 2009, and with the confirmation of GPT's new corporate strategy and the stabilisation of the business, the Board sought and received approval from GPT security holders at the 2010 Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme with the addition of two further performance measures with the result that the scheme now has three of equal weight:

- Relative TSR;
- Adjusted Earnings per security growth (EPS) in excess of inflation (as measured by the Consumer Price Index); and
- Total Return in excess of Weighted Average Cost of Capital (WACC)

These measures will be continued in the 2011 LTI scheme and detailed in the Notice of Meeting for GPT's forthcoming Annual General Meeting in May 2011, and will be subject to security holder approval.

Separately, the legacy loan-based LTI scheme was concluded at the end of 2010, which was the final year of the 2008-2010 long term incentive plan. No LTI awards have ever been realised by employees since the inception of this scheme.

Employee Ownership

In addition to the base (fixed) pay, STI and LTI, the Board believes in creating ways for employees to build an ownership stake in the business, and the benefits that this 'culture of ownership' bring in terms of loyalty, commitment and discretionary effort. In March 2010 the Board introduced a basic General Employee Security Ownership Plan (GESOP) for individuals who do not participate in the LTI.

Under the plan individuals who participated received an additional benefit equivalent to 10% of their STI which was - after the deduction of income tax - invested in GPT securities to be held for a minimum of 1 year. The plan resulted in 277 GPT employees receiving 156,536 GPT securities at a cost to GPT of \$435,210.

External environment

In setting and reviewing its remuneration arrangements, GPT has regard to the external environment, and is actively monitoring the tax, regulatory and governance activities impacting remuneration. In 2010, the Board sought external advice on market practice and prevailing regulatory and governance standards from Ernst & Young and Freehills.

Board & Management Transition

At the Board level, Rob Ferguson became Chairman at the May 2010 AGM following the retirement of previous Chairman Ken Moss. Eileen Doyle and Gene Tilbrook joined the Board during 2010, continuing the process of Board renewal commenced in 2009. At the management level, there were also changes associated with a reorganisation of the Group along functional lines, while still retaining the sector focus. Details on the new appointments, departures and retirements in 2010 may be found on page 11.

Remuneration outcomes for the CEO and Senior Executives

The disclosed remuneration of the CEO and Leadership Team (page 21) is calculated in accordance with statutory obligations and accounting standards. As a result, it is theoretical and includes accounting values for current and prior years' LTI grants which have not been (and may never be) realised as they are dependent on performance measures being met.

The following table discloses the actual cash and other benefits received by GPT's CEO and Leadership Team during 2010, as distinct from theoretical and accounting values.

	<i>Position</i>	<i>Base (Fixed) Pay</i> (\$'000)	<i>STI</i> (\$'000)	<i>LTI</i> (\$'000)	<i>Other</i> ¹ (\$'000)	<i>Total</i> (\$'000)
Senior Executive						
Michael Cameron	Managing Director and Chief Executive Officer	1,200.0	1,415.6	0.0	5.4	2,621.0
Tony Cope	Head of Office	575.0	437.0	0.0	2.9	1,014.9
James Coyne	General Counsel/Secretary	470.0	281.6	0.0	3.4	755.0
Mark Fookes	Head of Investment Management	758.3	672.3	0.0	2.7	1,433.3
Victor Georos	Head of Industrial & Business Parks	475.0	437.8	0.0	2.5	915.3
Nicholas Harris	Head of Wholesale	610.0	455.0	0.0	3.1	1,068.1
Jonathan Johnstone	Head of Transactions	575.0	512.1	0.0	46.3	1,133.4
Anthony McNulty	Head of Development	547.3	273.1	0.0	2.1	822.5
Michael O'Brien	Chief Financial Officer	825.0	801.3	0.0	112.7	1,739.0
Michelle Tierney	Head of Retail Property & Asset Management	493.3	274.0	0.0	2.0	769.3
Former Executives						
Donna Byrne ²	Head of Corporate Affairs & Communications	275.8	135.2	0.0	699.6	1,110.6

¹ Other includes Death & Total/Permanent disablement insurance premiums, superannuation administration fees, FBT on discounted Voyages holidays, tax equalisation on a UK assignment (J. Johnstone only), equity vesting (M. O'Brien) and termination payments (D. Byrne only - these include notice and severance pay as well as the paid out value of accumulated but untaken annual and long service leave accruals, as applicable).

² Donna Byrne resigned on 10 September 2010.

3.1 Introduction

The Board presents the Remuneration Report for GPT for the year ended 31 December 2010, which forms part of the Directors Report and has been prepared in accordance with section 300A of the Corporations Act for the Group for the year ended 31 December 2010.

This Remuneration Report outlines GPT's remuneration philosophy and practices together with details of the specific remuneration arrangements that apply to GPT's key management personnel (KMP) who are the individuals responsible for planning, controlling and managing the GPT Group (including the non-executive Directors, the CEO and other key Senior Executives), and the five highest paid executives in 2010. The data provided in the Remuneration Report was audited as required under section 308(3C) of the Corporations Act.

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GPT's KMP and other Executives are listed in the tables below.

Senior Executive	
<i>Name</i>	<i>Position</i>
Michael Cameron	Managing Director and Chief Executive Officer
Tony Cope	Head of Office
James Coyne	General Counsel/Secretary
Mark Fookes	Head of Investment Management
Victor Georos	Head of Industrial & Business Parks
Nicholas Harris	Head of Wholesale
Jonathan Johnstone	Head of Transactions
Anthony McNulty	Head of Development
Michael O'Brien	Chief Financial Officer
Michelle Tierney	Head of Retail Property & Asset Management
Former Executive	
Donna Byrne	Head of Corporate Affairs & Communications (resigned 10 September 2010)

Non-executive Director	
<i>Name</i>	<i>Position</i>
Rob Ferguson	Chairman (appointed Chairman 10 May 2010)
Brendan Crotty	Director
Eileen Doyle	Director (appointed 1 March 2010)
Eric Goodwin	Director
Lim Swe Guan	Director
Anne McDonald	Director
Gene Tilbrook	Director (appointed 11 May 2010)
Former Non-Executive Director	
Ken Moss	Chairman (retired 10 May 2010)
Ian Martin	Director (retired 10 May 2009)

At the start of 2010 the Nomination & Remuneration Committee (the Committee) consisted of 4 Non-Executive Directors:

- Ian Martin (Chairman)
- Brendan Crotty
- Rob Ferguson
- Ken Moss

During 2010, the Committee composition changed with the retirement of Ian Martin and Ken Moss at GPT's Annual General Meeting on 10 May 2010. Eileen Doyle joined the committee after her commencement on 1 March 2010 and the role of Chairman of the Committee was filled after the appointment of Gene Tilbrook on 11 May 2010. At the end of 2010 the Committee once again comprised 4 Non-Executive Directors:

- Gene Tilbrook (Chairman)
- Brendan Crotty
- Eileen Doyle
- Rob Ferguson

The Committee provides advice and recommendations to the Board on:

- criteria for selection of Directors;
- nominations for appointment as Directors (either between AGMs or to stand for election);
- criteria for reviewing the performance of Directors individually and the GPT Board collectively;
- remuneration policies for Directors and Committee members;
- remuneration policy for senior executives;
- incentive plans for employees; and
- any other related matters regarding executives or the Board.

Further information about the role and responsibility of the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).

3.2 Key Issues and Changes for 2010

Remuneration Management driving GPT's Performance

2010 saw GPT gain further momentum in the implementation of the new Group strategy, a strengthened balance sheet and improved investor confidence in the business. However, market conditions remained challenging.

Against that background the Board continued to exercise restraint and prudence with regard to executive remuneration.

The main areas of activity in 2010 are outlined in the table below:

Issue	Who is affected?	Explanation
Maintain restraint on executive salaries	Leadership Team and other employees	Base remuneration increases for 2010 were capped at 3% across the business, a cost increase of \$1.7 million. Michael Cameron's base (fixed) pay for 2010 was maintained at the 2009 level.
Freeze on Directors' fees	Non-Executive Directors	There were no increases in fees in 2010 for Non Executive Directors.
Reduction in 2010 STI Opportunity	All employees	To match GPT's simpler business model and reduced leverage, the Board & Management decided to reduce the maximum STI levels for all employees, substantially reducing 'upside' STI potential in 2010 and managing costs.
Additional LTI Performance Measures	Leadership Team and other executives (limited to the top 25 in total)	In 2010 the Board sought and received approval from GPT security holders at the May Annual General Meeting to continue the existing Performance Rights based long-term incentive (LTI) scheme with the addition of two further performance measures.
Wind up of legacy loan based LTI	Legacy LTI scheme participants	The three year period 1/1/08 to 31/12/10 was the final period of operation of the legacy loan based LTI. The minimum performance measures for the LTI were not satisfied in any 3 year period since inception and as a result no LTI awards were made to participants.
Initiative to build culture of ownership	All employees excluding the LTI participants	Under the General Employee Security Ownership Plan (GESOP) an amount equivalent to 10% of an individual's STI was (after the deduction of income tax) invested in GPT securities to be held for a minimum of 1 year. Under this plan 277 GPT employees received 156,536 GPT securities.

CEO Remuneration Structure and Contract Terms

On 1 May 2009, Mr Michael Cameron was appointed as GPT's Managing Director and Chief Executive Officer.

The Board sought advice from Ernst & Young with regard to benchmarking the quantum of Mr Cameron's package to ensure that it was:

- fair in the context of market circumstances
- sufficient to ensure market competitiveness; and
- effectively structured between fixed and at risk remuneration components.

The Board also sought advice from Freehills to ensure Mr Cameron's contract terms were consistent with best practice. The key terms of Mr Cameron's remuneration arrangements and contract include the following:

Details	Comments
Benchmark group for setting/reviewing remuneration	The Board benchmarks the remuneration of the CEO against: <ul style="list-style-type: none"> • CEOs in businesses with comparable market capitalisation; and • CEOs in comparable roles within the ASX A-REIT index.
Remuneration mix	In 2010, Mr Cameron's remuneration mix was as follows: <p>Base (Fixed) Pay: \$1,200,000 (remaining unchanged since his commencement on 1 May 2009)</p> <p>STI: \$0 to \$1,500,000 based on performance. Half of any STI received is deferred into equity, half of which vests 2 years after receipt, and the other half three years after receipt, subject to ongoing employment. Further details on STI terms (including performance measures) are set out on pages 15 and 16.</p> <p>LTI: \$0 to \$1,800,000 based on performance and continued service. Mr Cameron's LTI potential was increased in the remuneration review at the start of 2010 from 100% to 150% of base pay.</p> <p>In the Board's view this adjustment to the LTI potential would result in a more optimal overall mix of rewards and provide greater incentive for sustained performance over the longer term.</p> <p>Further details on LTI terms (including performance measures) are set out on pages 16 to 18.</p>
Contract duration	A rolling 12 month contract
Termination entitlements	Termination entitlements vary depending on the circumstances, however any separation payment is capped at 12 months of base (fixed) remuneration

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On 8 December 2010, as part of the review of remuneration for 2011, the Board made the following adjustments to Mr Cameron's package:

- Discontinuation of deferral of STI to equity – For the 2011 calendar year onwards, any STI that becomes payable to Mr Cameron will be awarded in cash payable in March of the year following the STI performance period. The Board took this decision for several reasons. Firstly, it brought Mr Cameron into alignment with the other executives in the Group, all of whom receive their STI in cash. Secondly, it was the view of the Board that the existing GPT equity positions established for Mr Cameron through his sign on and the deferrals of half of his 2009 and 2010 STI's were of a sufficient quantum to ensure strong alignment with investors. Lastly, the Board sought to simplify reward delivery and rely on the LTI as the primary delivery vehicle for equity based rewards, subject to performance.
- Additional grants of performance rights - The GPT Board recognised that the one for one rights issue (the rights issue) that GPT undertook in the May-June 2009 period following the appointment of Mr Cameron had the effect of reducing the inherent value of the performance rights in the employment package that was negotiated in good faith with him in April 2009 and formalised in his executive employment agreement dated 20 April 2009 (the agreement). The Board engaged Ernst & Young to quantify the impact of the rights issue on Mr Cameron's sign on incentive and 2009 Long Term Incentive performance right grants. As a result, and in order to preserve the value that was negotiated with Mr Cameron at the time of his employment, the committee determined to make additional grants of rights to him as follows:

- (i) Sign on incentive – an additional 16,843 rights, with 8,422 vesting on 30 June 2011 and 8,421 vesting on 30 June 2012; and
- (ii) 2009 Long Term Incentive – an additional 50,529 performance rights

The additional grants are governed by the same terms and conditions that apply to the existing performance rights previously granted under the applicable plans.

Key terms of employment agreements of other members of the Leadership Team are contained under section 3.3 of the Remuneration Report.

Enhancement of LTI Performance Measures

At the 2009 AGM, security holders approved the introduction of a new LTI scheme (the scheme). The new scheme was a Performance Rights based LTI consistent with current market practice.

At the end of 2008, the Board determined to launch the 2009 LTI plan subject to a single performance measure, Total Shareholder Return (TSR). The Board noted that the use of a single performance measure was a transitory step and that when market conditions stabilised, and GPT's revised strategy was fully implemented, additional performance measures would be introduced.

In August 2009, Michael Cameron announced GPT's new strategy and, in his presentation to the market, set out a comprehensive vision of GPT's business. Mr Cameron articulated a number of measures by which GPT - and real estate assets more broadly - should be measured, including:

- Growth of funds from operations in excess of CPI
- Total return in excess of through the cycle weighted average cost of capital (WACC).

As a result, to ensure that GPT's 2010 LTI was aligned to the new strategy, two new performance measures (ie in addition to the relative TSR measure) were proposed to security holders at the 2010 AGM:

- Earnings per security (EPS) in excess of inflation (as measured by the Consumer Price Index); and
- Total Return in excess of WACC.

Pages 16-18 contain details of the LTI scheme.

3.3 Remuneration – CEO and Senior Executives

GPT's Remuneration Strategy

The Board is conscious of the need to set a remuneration strategy that not only supports but drives the achievement of the strategic objectives of the business. By establishing a remuneration structure that attracts, retains, motivates and rewards executives for achieving targets linked to GPT's strategy and business objectives, the Board is confident that its remuneration strategy focuses GPT employees on delivering sustainable, superior shareholder returns in line with the Group's strategic intent.

The diagram below shows the key objectives of GPT's remuneration policy for Executives and how these are implemented through our remuneration structures.

Goals of GPT's Core Strategy			
<ul style="list-style-type: none"> Leading relative Total Shareholder Return (TSR) 	<ul style="list-style-type: none"> Average EPS Growth equal to the CPI plus 1% over 3 years 	<ul style="list-style-type: none"> In the long term, deliver Total Returns > 9% per annum 	<ul style="list-style-type: none"> Create and sustain environments that enrich people's lives



Total Remuneration Components		
Base (Fixed) Pay <ul style="list-style-type: none"> Base level of reward Set around Australian market median using external benchmark data Varies based on employee's experience, skills and performance External & internal relativities considered 	Short Term Incentive <ul style="list-style-type: none"> Set around market median for Target performance with potential to approach top quartile for Stretch outcomes Determined by performance against a mix of Financial & Non-Financial measures Financials include Group (Realised Operating Income) and (if applicable) Portfolio (Net Return to Owner) Non-Financial objectives focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives Delivered in cash annually 	Long Term Incentive <ul style="list-style-type: none"> Set at market median for Target performance with potential to achieve top quartile for Stretch outcomes Determined by GPT performance against Financial performance measures Tested over a 3 year performance period – no re-test No value derived unless GPT meets or exceeds performance measures Delivered in equity to align shareholder and executive interests



Attract, retain, motivate and reward high calibre executives to deliver superior performance by: <ul style="list-style-type: none"> Providing competitive rewards Opportunity to achieve further incentives based on performance 	Align executive rewards to GPT's performance and security holder interests by: <ul style="list-style-type: none"> Assessing incentives against multiple financial and non-financial business measures that are aligned with GPT strategy, with an equity component Putting significant components of Total Remuneration at risk
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Total Remuneration Mix

As depicted above, GPT's Executive remuneration is structured as a mixture of Base (fixed) pay and variable "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the Base pay is designed to provide a predictable base level of remuneration, the STI and LTI components reward executives when certain pre-determined performance measures are met or exceeded.

The Total Remuneration mix of components for those Executives with ongoing employment at the end of 2010 are set out in the following table.

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Senior Executive	Position	Fixed Remuneration	Variable or "At Risk" Remuneration ¹	
		Base Pay	STI	LTI
Michael Cameron	Managing Director and Chief Executive Officer	36%	36%	28%
Tony Cope	Head of Office	44%	33%	23%
James Coyne	General Counsel/Secretary	50%	25%	25%
Mark Fookes	Head of Investment Management	44%	35%	21%
Victor Georos	Head of Industrial & Business Parks	44%	33%	23%
Nicholas Harris	Head of Wholesale	44%	34%	22%
Jonathan Johnstone	Head of Transactions	44%	33%	23%
Anthony McNulty	Head of Development	51%	30%	19%
Michael O'Brien	Chief Financial Officer	43%	35%	22%
Michelle Tierney	Head of Property & Asset Management	51%	30%	19%

¹ The percentage of each component of Total Remuneration is calculated with reference to "Target" performance outcomes in both STI and LTI – for more information on performance measurement levels see the following sections on STI and LTI.

Base (Fixed) Pay

Base remuneration is reviewed annually through a process that ensures an executive's fixed remuneration remains competitive in the market place and reflects their skills, knowledge, responsibility and general performance. This process involves market-based reviews conducted by independent experts benchmarking GPT executives against comparable peers in companies in the A-REIT and - where relevant - broader ASX 200 sectors. GPT generally aims to pay around market median base salary.

What is included in Base (Fixed) Pay?	Base pay includes cash, compulsory superannuation, and any salary sacrifice items (including Fringe Benefits Tax).
When and how is Base Pay reviewed?	Base pay is reviewed annually effective 1 January. The Committee oversees the review process to ensure that all employees are paid fairly and competitively in relation to their skills, experience, responsibilities and performance. The Committee also ensures that overall review outcomes are appropriate and affordable.
What market benchmark is applied?	The Committee commissions external benchmarking of the CEO and Leadership Team salaries annually by Ernst & Young, much of it focussed on publicly available data from annual reports. More broadly, the business relies on benchmarking relevant to the property sector including the Avdjev Property Industry Remuneration Report. For more specialist functional roles management will source multiple benchmarks from reputable recruitment agencies and other informed sources.

Short Term Incentives (STI) (variable component)

GPT employees have an opportunity to receive an STI based on calendar year performance. STI levels are set as part of the process of benchmarking the Total Remuneration opportunity for each role. GPT generally aims to set STI opportunity at market median for Target performance with potential to approach top quartile for Stretch outcomes.

What is the STI plan?	The STI is an 'at-risk' incentive awarded annually in the form of cash (or a mixture of cash & GPT securities in the case of the CEO in 2010) subject to performance against agreed financial and non-financial Key Performance Indicators (KPIs).												
Who participates in the STI plan?	All permanent GPT employees with greater than 3 months service at the end of the applicable calendar year are eligible – subject to performance – to receive an STI.												
Why does the Board consider the STI an appropriate incentive?	Having a component of the Total Remuneration at risk in the form of an STI creates the ability for the Board and management to align and focus employees on desired objectives and behaviours, co-ordinating effort in pursuit of the overall business strategy.												
Are both target and stretch performance measures set?	Yes. Stretch performance measures can reward exceptional performance beyond the acceptable Target outcomes, and can motivate individuals to strive for the mutual benefit of themselves and the business.												
What is the value of the STI opportunity?	The STI opportunity is expressed as a percentage of Base (fixed) pay, and varies depending on the overall Total Remuneration levels for particular roles, but the following table can be considered indicative of the possible ranges: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Level</th> <th>Target Incentive Range</th> <th>Stretch Incentive Range</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>100%</td> <td>125%</td> </tr> <tr> <td>Executives</td> <td>50-80%</td> <td>62.5-100%</td> </tr> <tr> <td>General employees</td> <td>12-30%</td> <td>15-37.5%</td> </tr> </tbody> </table> <p>If a minimum or Threshold level of objective achievement is not delivered the STI could be of zero value.</p>	Level	Target Incentive Range	Stretch Incentive Range	CEO	100%	125%	Executives	50-80%	62.5-100%	General employees	12-30%	15-37.5%
Level	Target Incentive Range	Stretch Incentive Range											
CEO	100%	125%											
Executives	50-80%	62.5-100%											
General employees	12-30%	15-37.5%											

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What are the performance measures?	While all employees have a common Group financial performance condition, whether there are other additional performance measures depends on the individual role, as does the (indicative) mix between Financial and Non Financial measures:		
	Level	Financial Measures	Non-Financial Measures
	CEO	70%	30%
	Executives	60%	40%
	General employees	20%	80%
	Financial measures are applied at the Group, Portfolio, and even Asset level. Non-Financial measures focus on execution of strategy, delivery of projects, corporate responsibility and innovation objectives		
How is performance measured?	Financial and non-financial KPIs are determined at the start of each calendar year and set out in a formal Performance Agreement. This agreement is reviewed at the end of each calendar year for every eligible employee to determine what (if any) STI they may receive.		
Who assesses performance against targets?	The Board assesses the performance of the CEO, who in turn assesses the performance of his direct reports among the Leadership Team.		

Short-term incentive outcomes

In 2010 GPT exceeded our forecast Realised Operating Income targets. This performance was the result of disciplined execution of the Reinvigorating GPT strategy announced to the market in August 2009 which has moved rapidly through the clean up and stabilisation phases.

Ensuring that GPT employees are retained and incentivised to perform is critical to driving further performance in the business as GPT moves through the optimisation phase of the strategy towards the objective of being Australia's 'best performing' property group. In recognition of the performance of the Leadership Team in 2010 STI awards have improved on previous years. This is evident in the following table, which depicts not only the actual STI awarded in 2010 but what this amount represents as a proportion of the individual's maximum STI potential:

Senior Executive	<i>Position</i>	<i>Actual STI Awarded (\$'000)</i>	<i>Actual STI Awarded as a % of Maximum STI</i>	<i>% of Maximum STI Award Forfeited</i>
Michael Cameron	Managing Director and Chief Executive Officer	1,415.6	94.4%	5.6%
Tony Cope	Head of Office	437.0	81%	19%
James Coyne	General Counsel/Secretary	281.6	95.9%	4.1%
Mark Fookes	Head of Investment Management	672.3	92.5%	7.5%
Victor Georos	Head of Industrial & Business Parks	437.8	98.3%	1.7%
Nicholas Harris	Head of Wholesale	455.0	79.6%	20.4%
Jonathan Johnstone	Head of Transactions	512.1	95%	5%
Anthony McNulty	Head of Development	273.1	85.5%	14.5%
Michael O'Brien	Chief Financial Officer	801.3	97.1%	2.9%
Michelle Tierney	Head of Retail Property & Asset Management	274.0	95%	5%

Long Term Incentives (LTI) (variable component)

GPT Executives who have the most ability to influence the long term commercial performance of the Group are invited by the Board to participate in an equity-based LTI scheme under which awards may vest if specified performance measures are achieved over a 3 year performance period. Combined with the Base pay and STI potential, the LTI provides a further opportunity to achieve Total Remuneration around market median for Target performance, with potential to approach top quartile for Stretch performance outcomes.

LTI Scheme

At the May 2009 Annual General Meeting GPT security holders approved the introduction of a new Performance Rights LTI Plan (the LTI scheme) which was subsequently implemented. The plan was then continued in 2010 with a further grant of Performance Rights to participants.

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What is the purpose of the LTI plan?	The purpose of the LTI plan is to align Senior Executive rewards with sustained improvement in security holder value over time.
Who participates in the LTI plan?	The CEO, his direct reports, and a small number of other senior executives with the greatest ability to impact on the long term performance of GPT. In 2010, 24 individuals participated.
Is there a limit on the number of LTIs issued?	Employee equity holdings under the LTI cannot exceed 5% of the total number of issued securities.
What is the value of the LTI opportunity?	The size of grants under the 2010 LTI is based on a percentage of the participants' Base pay with the maximum (Stretch) opportunity in 2010 as follows: <ul style="list-style-type: none"> • for the CEO it was equivalent to 1.5 times base pay (= \$1,800,000). • for Leadership Team members it was 1 times base pay • for all other participants it was equivalent to 75% of base pay
How is reward delivered under the LTI program?	Each grant consists of Performance Rights (Rights) to receive GPT securities for no cost. The number of Rights granted was determined by dividing GPT's last quarter 2009 volume weighted average security price (VWAP) of 61.01cps into the grant value. The number of performance rights was subsequently adjusted (reduced) in line with the 1 for 5 consolidation of GPT stapled securities. Rights vest subject to satisfaction of performance and service conditions.
Do executives pay for the LTI instruments?	No. Rights that vest convert to GPT securities at no cost to the executive.
What rights are attached to LTIs?	Rights do not carry any voting rights or receive dividends, however GPT securities allocated on the vesting of Rights carry the same rights as any other GPT security.
Are there restrictions on dealing with securities allocated under the LTI plan?	Yes, all GPT employees sign a policy on personal dealing (Policy) which, in addition to restrictions on insider trading, restricts dealing in GPT securities to certain trading windows. The Policy also precludes hedging or entering into any other financial derivatives in relation to unvested Rights.
What happens when an executive leaves the Company?	Broadly, unvested Rights will lapse, unless the Board in its discretion decides otherwise.
What are the performance hurdles?	See the table below.
Are Rights subject to retesting if they do not vest on initial testing?	No. there is no retesting of Rights that do not vest after being first tested for satisfaction against the performance measures at the end of the 3 year period.

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The performance measures are summarised in the tables below, with the LTI Award Accrued converted into a dollar amount per employee in the Senior Executive Remuneration disclosures on page 21.

LTI	LTI Measurement Period	Performance Condition	Performance Condition Hurdle	Weighting
2009	2009-2011	Relative TSR versus ASX 200 Property Index (excluding GPT)	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	100%
2010	2010-2012	Relative TSR versus the top 80% of ASX 200 Property Index	50% of rights vest at 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between).	One third each
		Earnings per security growth (EPS) vs the CPI ¹	50% of rights vest if EPS growth = CPI, up to 100% if EPS growth = CPI plus 1% percentile (pro rata vesting in between).	
		Total Return (TR) versus the Weighted Average Cost of Capital (WACC).	0% of rights vest at 8% TR, up to 100% at 9% TR (pro-rata vesting in between).	

¹ The EPS growth calculation for 2010 relies on a rebased 2009 EPS figure of 21.30cps versus the 2010 result of 20.74cps. The rebasing of 2009 was required to adjust the 2009 EPS result of 23.83cps (4.77 cps on a pre 5:1 consolidation basis) to take into account the dilutive effect of the capital raising undertaken in June 2009. The approach is to assume the raising happened on 1 January 2009, that is, the interest saving from reducing debt starts on 1 January 2009 rather than 17 June 2009, with the adjusted earnings for the 2009 year divided by the greater number of average shares.

Senior Executive	Position	LTI Scheme	Performance Rights Granted	Grant Date	Fair Value per Performance Right	Vesting Date ¹	Maximum Value Recognised in Future Years ²
Executives							
Michael Cameron	Managing Director and Chief Executive Officer	2009	396,617	30-Jun-09	\$0.85	31-Dec-11	\$108,720
		2010	580,068	19-May-10	\$2.06	31-Dec-12	\$927,214
Tony Cope	Head of Office	2009	207,653	30-Jun-09	\$1.00	31-Dec-11	\$81,266
		2010	188,494	19-May-10	\$2.06	31-Dec-12	\$296,194
James Coyne	General Counsel/Secretary	2009	180,735	30-Jun-09	\$1.00	31-Dec-11	\$70,732
		2010	154,074	19-May-10	\$2.06	31-Dec-12	\$242,107
Mark Fookes	Head of Investment Management	2009	269,179	30-Jun-09	\$1.00	31-Dec-11	\$105,345
		2010	245,862	19-May-10	\$2.06	31-Dec-12	\$386,340
Victor Georos	Head of Industrial & Business Parks	2009	173,044	30-Jun-09	\$1.00	31-Dec-11	\$67,722
		2010	155,713	19-May-10	\$2.06	31-Dec-12	\$244,663
Nicholas Harris	Head of Wholesale	2009	230,725	30-Jun-09	\$1.00	31-Dec-11	\$90,296
		2010	199,968	19-May-10	\$2.06	31-Dec-12	\$314,223
Jonathan Johnstone	Head of Transactions	2009	192,271	30-Jun-09	\$1.00	31-Dec-11	\$75,246
		2010	188,494	19-May-10	\$2.06	31-Dec-12	\$296,194
Anthony McNulty	Head of Development	2009	152,856	30-Jun-09	\$1.00	31-Dec-11	\$59,621
		2010	134,241	19-May-10	\$2.06	31-Dec-12	\$210,842
Michael O'Brien	Chief Financial Officer	2009	307,634	30-Jun-09	\$1.00	31-Dec-11	\$120,394
		2010	270,448	19-May-10	\$2.06	31-Dec-12	\$424,974
Michelle Tierney	Head of Retail Property & Asset Management	2009	137,714	30-Jun-09	\$1.00	31-Dec-11	\$53,695
		2010	120,473	19-May-10	\$2.06	31-Dec-12	\$189,308
Former Executives ³							
Donna Byrne	Head of Corporate Affairs & Communications	2009	142,281	30-Jun-09	\$1.00	N/A	50
		2010	127,848	19-May-10	\$2.06	N/A	50

¹ Vesting date notes the date that marks the end of the 3-year LTI period. At this point the Performance Condition will be assessed against the performance hurdle to see if any Performance Rights vest.

² This represents the fair value of rights as at grant date that are yet to be expensed.

³ The Performance Rights of former executives lapse at the end of their employment.

Pre 2009 Legacy LTI Schemes

GPT's 2008 Remuneration Report described significant changes that were made to the 2006, 2007 and 2008 LTI schemes (collectively, the legacy LTI schemes). Broadly, grants under the LTI legacy scheme consisted of limited recourse loans provided to certain executives to acquire GPT securities. The 2008 LTI scheme concluded at the end of 2010 and no performance measures were satisfied, hence no LTI awards were made under the scheme. The 2008 LTI scheme is the last of the legacy LTI schemes and will be wound up in 2011 with the sale of participant security holdings under the scheme and the return of these funds to GPT in satisfaction of the limited recourse loans used to purchase them.

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The performance measures and participant positions at the end of calendar year 2010 are summarised in the tables below:

LTI Scheme	LTI Measurement Period	Performance Condition	Performance Condition Hurdle	Weighting
2008	2008-2010	Growth in Earnings per GPT stapled security (EPS) measured as the percentage increase in the base earnings per GPT stapled security. EPS is the base earnings per security adjusted for significant items and other items determined by the Board and as disclosed in GPT's Income Statement for the financial years ended 31 December 2008, 2009 and 2010.	If EPS growth is below 4% on average over the three year period, no part of LTI available for this performance measure will be awarded. If EPS growth is above 4%, pro-rated awards will occur up to a stretch outcome of 6%.	50%
		Return on contributed equity measures the total return on equity employed and takes into account both capital appreciation of the assets of GPT and cash distributions of income.	If RoE is below 8.5% on average over the three year period, no part of the LTI available for this performance measure will be awarded. If RoE is above 8.5%, pro-rated awards will occur up to a stretch outcome of 12.5%.	30%
		Performance relative to Listed Property Trust Index (LPT Index). A LPT Index award may be granted if GPT outperforms against the S&P ASX 200 Listed Property Trust Index. Due to the size of GPT within this Index, GPT and its performance is excluded for the purpose of calculating the LPT Index and its performance.	Below Index performance, no part of the total LTI available for this performance measure will be awarded. Above Index performance, pro-rated awards will occur up to the stretch outcome of 2% out performance. The Board may substitute another Index if there is a material change in the composition of the LPT Index during the measurement period.	20%

Senior Executives	Year of LTI Loan ¹	Loans granted under LTI scheme	GPT stapled security purchase price	Number of securities acquired under LTI scheme	2010 Opening Loan Balance ²	Interest Costs ³	GPT stapled security price at	Total net value of employee equity ⁴ at	2008 LTI Scheme award ⁵	2010 Closing Loan Balance
					1-Jan-10	31 Dec 2010	31 Dec 2010	31 Dec 2010	31 Dec 2010	31 Dec 2010
T. Cope	2007	\$165,568	\$5.11	6,477	\$1,025,453	\$7,519	\$2.94	(\$893,079)	\$0	\$1,025,453
Head of Office	2006	\$809,998	\$4.20	38,548						
J. Coyne	2007	\$209,302	\$5.11	8,188	\$817,910	\$5,889	\$2.94	(\$714,241)	\$0	\$817,910
General Counsel/ Co. Secretary	2006	\$568,888	\$4.20	27,074						
M. Fookes	2007	\$484,347	\$5.11	18,947	\$1,595,071	\$11,377	\$2.94	(\$1,394,766)	\$0	\$1,595,071
Head of Investment Management	2006	\$1,033,331	\$4.20	49,177						
V. Georos	2007	\$166,519	\$5.11	6,514	\$973,885	\$7,128	\$2.94	(\$848,398)	\$0	\$973,885
Head of Industrial & Business Parks	2006	\$759,997	\$4.20	36,169						
N. Harris	2007	\$256,742	\$5.11	10,043	\$1,211,868	\$8,044	\$2.94	(\$1,070,252)	\$0	\$1,211,868
Head of Wholesale	2006	\$888,887	\$4.66	38,125						
J. Johnstone	2007	\$218,453	\$5.11	8,546	\$1,023,764	\$7,432	\$2.94	(\$882,925)	\$0	\$1,023,764
Head of Transactions	2006	\$755,555	\$4.20	35,957						
A. McNulty	2007	\$283,215	\$5.11	11,079	\$1,021,699	\$7,325	\$2.94	(\$892,739)	\$0	\$1,021,699
Head of Development	2006	\$688,886	\$4.20	32,785						
M. O'Brien	2007	\$1,301,977	\$5.11	50,932	\$2,664,129	\$18,308	\$2.94	(\$2,341,826)	\$0	\$2,664,129
CFO	2006	\$1,233,333	\$4.20	58,695						
M. Tierney	2007	\$554,937	\$5.11	14,806	\$909,948	\$6,098	\$2.94	(\$802,594)	\$0	\$909,948
Head of Retail Property & Asset Management	2006	\$311,111	\$4.20	21,709						
Total		\$10,691,045		473,771	\$11,243,727	\$78,120		(\$860,840)	\$0	\$11,243,727

¹ Year of LTI loan means the year in which a loan was made to the individual to acquire GPT stapled securities under the LTI scheme. No additional loans were made to any of the key management personnel from calendar year 2008 onwards.

² 2010 Opening Loan Balance reflects the balance of the loan less net distributions for the period 2006-2009 plus capitalised interest costs for the period 2006-2008.

³ Interest costs for 2010 continued to be set at a level equivalent to the net distributions received arising from the change in scheme design in 2009 which recognised that with employee equity positions substantially 'underwater' and with the loans converted to limited recourse there was no sense charging a commercial rate of interest which would further exacerbate the negative equity position.

⁴ As a result of GPT's performance in the 2008 LTI (covering the three year period 2008-2010) no LTI award was applicable.

Service Agreements

All employees have service agreements in place that set out the basic terms and conditions of employment. In 2009 the Board took steps to increase the notice periods for all Senior Executives to a minimum of 3 months. No notice provisions apply where termination occurs as a result of misconduct or serious or persistent breach of the agreement.

Remuneration arrangements for early termination of an Executive's contract for reasons outside the control of the individual or where the Executive is made redundant may give rise to a severance payment at law. In the absence of any express entitlement, these payments would vary between individuals.

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The Board has approved a policy with respect to severance entitlements specifically capping the maximum severance payment that would be made to twelve months base remuneration. In addition the executive may be entitled to any STI and LTI at the end of the relevant period subject to the achievement of key performance indicators that had been set.

The terms of Mr Cameron's contract were outlined on pages 12 and 13. The material terms of the service agreements for the Leadership Team (other than the CEO) who were employed by the Group at 31 December 2010 are set out below:

Term	Conditions
Duration	Open ended.
Termination by Executive	3 months notice. GPT may elect to make a payment in lieu of notice.
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).
Termination by Company (other)	3 months notice. Severance payments may be made subject to GPT policy. Treatment of unvested STI and LTI will be at Board and management discretion under the terms of the relevant plans.
Post employment restraints	Non-solicitation of GPT employees for 12 months post employment.

GPT Performance Outcomes

The table below shows GPT's performance against a number of key metrics over the last 5 years, with GPT's TSR performance versus the ASX 200A-REIT index depicted in the following chart.

		2006	2007	2008	2009	2010
Realised operating income	\$m	558.6	605.1	468.8	375.8	410.0
Total securityholder return (TSR)	%	45.2%	-23.4%	-74.9%	-14.4%	2.9%
Underlying earnings per security (EPS) ¹	cents	27.5	29.4	18.5	4.8	20.7
EPS growth	%	12.7%	7.0%	-37.1%	-74.2%	-13.0%
Distributions per security (DPS) ¹	cents	27.5	28.9	17.7	4.5	16.3
NTA (per security) ¹	\$	\$3.60	\$3.86	\$1.43	\$0.69	\$3.60
Security price at end of calendar year	\$	\$5.60	\$4.04	\$0.92	\$0.61	\$2.94

¹ Unadjusted per security figures

**GPT Management Holdings Limited and its controlled entities
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Senior Executive Remuneration Disclosures

The following table provides a breakdown of GPT's Leadership Team remuneration in accordance with statutory requirements and accounting standards. The Board considers that the table on page 10 of the 2010 Remuneration in Brief is more meaningful because it shows cash remuneration actually received by GPT's executives.

	Fixed Pay			Variable or "At Risk"	Variable or "At Risk Pay" -		Cash Payment on Termination	Total
	Base	Superannuation	Non-Monetary ¹	STI Bonus	LTI Award Accrual ²	Grant or vesting of Performance Rights ^{3,4}		
Executives								
M. Cameron ⁵								
Managing Director and Chief Executive Officer								
31 December 2010	\$1,245,889	\$14,830	\$5,445	\$1,415,592	\$397,045	\$74,701	-	\$3,153,502
31 December 2009	\$837,569	\$9,521	\$5,445	\$933,333	\$73,274	\$50,346	-	\$1,909,508
T. Cops								
Head of Office								
31 December 2010	\$554,975	\$14,830	\$2,945	\$437,040	\$173,370	-	-	\$1,183,160
31 December 2009	\$510,811	\$14,103	\$2,805	\$294,657	\$40,967	-	-	\$863,343
J. Coyne								
General Counsel/Co. Secretary								
31 December 2010	\$422,283	\$14,830	\$3,427	\$281,627	\$146,017	-	-	\$868,184
31 December 2009	\$461,519	\$14,103	\$6,329	\$89,347	\$35,656	-	-	\$606,954
M. Fookes								
Head of Investment Management								
31 December 2010	\$786,601	\$14,830	\$2,710	\$672,287	\$225,481	-	-	\$1,701,909
31 December 2009	\$665,314	\$14,103	\$4,421	\$310,000	\$53,105	-	-	\$1,046,943
V. Georos								
Head of Industrial & Business Parks								
31 December 2010	\$471,978	\$14,830	\$2,545	\$437,831	\$143,808	-	-	\$1,070,992
31 December 2009	\$434,557	\$14,103	\$2,445	\$173,016	\$34,139	-	-	\$658,260
N. Harris								
Head of Wholesale								
31 December 2010	\$617,570	\$14,830	\$3,085	\$454,968	\$188,006	-	-	\$1,278,459
31 December 2009	\$593,323	\$14,103	\$3,045	\$405,180	\$45,519	-	-	\$1,081,170
J. Johnstone								
Head of Transactions								
31 December 2010	\$602,161	\$14,830	\$46,315	\$512,109	\$167,350	-	-	\$1,342,765
31 December 2009	\$852,900	\$14,103	\$2,645	\$625,000	\$5,932	-	-	\$1,500,580
A. McNulty ⁶								
Head of Development								
31 December 2010	\$520,697	\$14,830	\$2,147	\$273,147	\$125,415	-	-	\$936,236
31 December 2009								
M. O'Brien								
Chief Financial Officer								
31 December 2010	\$850,290	\$14,830	\$3,945	\$801,264	\$252,544	\$91,670	-	\$2,014,543
31 December 2009	\$813,689	\$14,103	\$3,845	\$465,000	\$36,692	\$64,450	-	\$1,397,779
M. Tierney ⁸								
Head of Retail Property & Asset Management								
31 December 2010	\$519,749	\$14,830	\$1,993	\$273,969	\$112,762	-	-	\$923,303
31 December 2009								
Former Executives								
D. Byrne ⁷								
Head of Corporate Affairs & Communications								
31 December 2010	\$261,768	\$14,031	\$2,205	\$135,184	-	-	\$697,374	\$1,110,542
31 December 2009	\$355,684	\$14,103	\$2,125	\$72,150	-	-	-	\$444,062
R. Croft ⁹								
CEO GPT Halverton								
31 December 2010								
31 December 2009	\$169,442	\$8,472	\$606	-	-	-	\$171,112	\$349,632
K. Pryke ⁹								
Chief Financial Officer								
31 December 2010								
31 December 2009	\$533,630	\$10,488	\$5,866	\$125,342	-	-	\$770,000	\$1,445,326
H. Stephens ¹⁰								
Head of Corporate Transactions								
31 December 2010								
31 December 2009	\$483,388	\$14,103	\$7,629	\$500,000	-	-	\$539,231	\$1,544,351
N. Tobin ¹¹								
General Manager - JV								
31 December 2010								
31 December 2009	\$492,588	\$9,283	\$3,445	\$116,507	-	-	\$720,000	\$1,341,823
Total								
31 December 2010	\$6,853,961	\$162,331	\$76,762	\$5,694,998	\$1,931,798	\$166,371	\$697,374	\$15,583,595
31 December 2009	\$7,204,434	\$164,691	\$50,651	\$4,109,532	\$325,284	\$114,796	\$2,200,343	\$14,189,731

¹ The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums, the taxable value of the benefit of discounted staff rates at Voyages Hotels & Resorts, tax equalisation on a UK assignment (J. Johnstone only) and termination payments (D. Byrne only - these include notice and severance pay as well as the paid out value of accumulated but untaken annual and long service leave accruals, as applicable).

² The purpose of the LTI Award Accrual column is to record the status of accruals for LTI awards under the 2008, 2009 and/or 2010 LTI plans based on GPT performance against the respective award measures.

³ One off grants of Performance Rights were made in 2009 as follows:

Name	Reason for the Grant	Initial Value of the Grant	Number of Performance Rights	Vesting Condition
Michael Cameron	A sign on package on appointment to the role of Managing Director and CEO on 1 May 2009	\$300,000	115,363	Service; 50% of performance rights will convert to GPT securities for nil consideration on 30 June 2011, with the remaining 50% converting to GPT securities on 30 June 2012
Michael O'Brien	Recognition of 7 month's service as Acting CEO	\$200,000	76,909	Service; 50% of performance rights will convert to GPT securities for nil consideration on 1 July 2010, with the remaining 50% converting to GPT securities on 1 July 2011

⁴ Additional grants of Performance Rights were made in 2010 as follows:

Name	Reason for the Grant	Initial Value of the Grant (based on fair value)	Number of Performance Rights	Vesting Condition
Michael Cameron	To address the impact of the May 2009 one for one rights issue on Mr Cameron's sign on grant of rights (see detailed explanation above on page 13)	\$34,697	16,843	Service; 50% of performance rights will convert to GPT securities for nil consideration on 30 June 2011, with the remaining 50% converting to GPT securities on 30 June 2012

⁵ M. Cameron joined GPT on 1 May 2009.

⁶ A. McNulty and M. Tierney were not KMP in 2009.

⁷ D. Byrne's employment ended on 10 September 2010.

⁸ R. Croft's employment ended on 14 April 2009.

⁹ K. Pryke's employment ended on 1 September 2009.

¹⁰ H. Stephen's employment ended on 31 December 2009.

¹¹ N. Tobin's employment ended on 31 August 2009.

3.4 Remuneration – Non-Executive Directors

Remuneration Policy

The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Nomination and Remuneration Committee. The principal features of this policy are as follows:

- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
 - Main Board fees
 - Committee fees
 - Superannuation contributions at the statutory Superannuation Guarantee Levy (SGL) rate.
- Differences in workloads of Non-Executive Directors arise mainly because of differing involvement in Board Committees, which is in addition to main Board work. This additional workload is remunerated via Committee fees in addition to main Board fees.
- Non-Executive Directors do not participate in any short or long term incentive arrangements.
- Non-Executive Directors are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the Australian Securities Exchange (based on GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought on an annual basis. In the event that a review is conducted, the new Board and Committee fees are effective from the 1st of January in the applicable year and advised in the ensuing Remuneration Report.

Remuneration arrangements

As noted earlier in the Remuneration Report, the Board determined that there would be no increase in Non-Executive Director fees for 2010, continuing the freeze on Non-Executive Director fees that commenced in 2008.

The Chairman is paid a main board fee which is 2.5 times the standard Board member fee to reflect the additional workload and responsibilities associated with the role. The Chairman does not receive fees for any Committees on which he serves.

Fees (including superannuation) paid to Non-Executive Directors are drawn from a remuneration pool of \$1,500,000 per annum which was approved by GPT securityholders at the Annual General Meeting on 9 May 2007. As an executive director, Michael Cameron did not receive fees from this pool but was remunerated as one of GPT's Senior Executives.

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Annual Board and Board Committees fees (excluding compulsory superannuation) for the year ended 31 December 2010 are as follows:

		Board	Audit and Risk Management Committee	Sustainability Committee	Nomination and Remuneration Committee
Chairman ¹	2010	\$346,500	\$34,650	\$11,000	\$23,100
	2009	\$346,500	\$34,650	-	\$23,100
Members	2010	\$138,600	\$17,325	\$8,000	\$11,550
	2009	\$138,600	\$17,325	-	\$11,550

¹ 'Chairman' used in this sense may refer to the Chairman of the Board or the Chairman of a particular committee.

In addition to the above fees, all Non-Executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

The nature and amount of each element of remuneration paid to GPT's Non-Executive Directors for the 2010 and 2009 calendar years is as follows:

	Fixed Pay			Total
	Salary & Fees	Superannuation ¹	Non-Monetary ²	
Directors				
R. Ferguson³				
Chairman				
31 December 2010	\$276,771	\$14,494	-	\$291,264
31 December 2009	\$90,475	\$8,143	-	\$98,618
B. Crotty⁴				
31 December 2010	\$158,770	\$14,081	-	\$172,851
31 December 2009	\$3,038	\$273	-	\$3,311
E. Doyle⁵				
31 December 2010	\$130,625	\$11,756	-	\$142,381
31 December 2009				
E. Goodwin				
31 December 2010	\$154,150	\$14,179	-	\$168,329
31 December 2009	\$167,475	\$14,103	-	\$181,578
S.G. Lim⁶				
31 December 2010	\$156,925	-	-	\$156,925
31 December 2009	\$117,497	-	-	\$117,497
A. McDonald				
31 December 2010	\$173,250	\$14,830	\$1,271	\$189,351
31 December 2009	\$173,250	\$14,103	\$1,393	\$188,746
G. Tillbrook⁷				
31 December 2010	\$100,396	\$9,036	\$1,246	\$110,678
31 December 2009				
Former Directors				
P. Joseph⁸				
31 December 2010	-	-	-	-
31 December 2009	\$138,156	\$5,480	-	\$143,636
M. Latham⁹				
31 December 2010	-	-	-	-
31 December 2009	\$69,078	\$5,480	\$650	\$75,208
I. Martin¹⁰				
31 December 2010	\$57,632	\$5,154	-	\$62,786
31 December 2009	\$161,700	\$14,103	-	\$175,803
K. Moss¹¹				
31 December 2010	\$123,496	\$5,154	-	\$128,650
31 December 2009	\$270,834	\$14,103	-	\$284,937
Total				
31 December 2010	\$1,332,015	\$88,684	\$2,517	\$1,423,215
31 December 2009	\$1,191,503	\$75,788	\$2,043	\$1,269,334

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No termination benefits were paid during the financial year.

- ¹ Refers to compulsory superannuation only; non-compulsory superannuation salary sacrifices are included in Salary & Fees.
- ² The amount set out under 'Non-monetary' may include administration fees associated with membership of the GPT Superannuation Plan, Death & Total/Permanent Disability Insurance Premiums (A. McDonald and G. Tilbrook), travel expenses (L.S. Guan and G. Tilbrook) or Parking (M. Latham).
- ³ R. Ferguson joined the Board as deputy Chairman on 25 May 2009 and was appointed Chairman effective 10 May 2010.
- ⁴ B. Crotty was appointed to the Board on 22 December 2009.
- ⁵ E. Doyle was appointed to the Board on 1 March 2010.
- ⁶ L.S. Guan was appointed to the Board on 21 April 2009.
- ⁷ G. Tilbrook was appointed to the Board on 11 May 2010.
- ⁸ P. Joseph retired from the role of Chairman of the Board on 25 May 2009.
- ⁹ M. Latham retired as a Director on 25 May 2009.
- ¹⁰ J. Martin retired as a Director on 10 May 2010.
- ¹¹ K. Moss retired from the role of Chairman of the Board on 10 May 2010.

4. OTHER DISCLOSURES

4.1 Indemnification and Insurance of Directors and Officers

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

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

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

4.2 Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

4.3 Non-Audit Services

During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amount paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 27 to the financial statements.

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

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

4.4 Rounding of Amounts

The Company (consistent with note 1(ad)) is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the Directors' Report have been rounded to the nearest tenth of a million dollars in accordance with the Class Order, unless stated otherwise.

4.5 Auditor

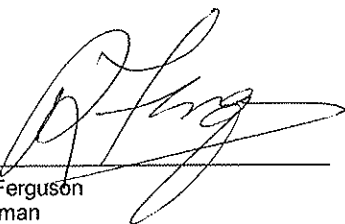
PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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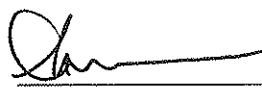
4.6 Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

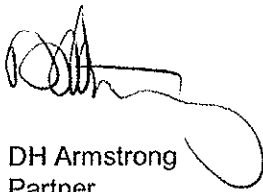
Sydney
24 February 2011

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

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

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



DH Armstrong
Partner
PricewaterhouseCoopers

Sydney
24 February 2011

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Note	Consolidated entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
Revenue			
Fund management fees		63,315	55,355
Property management fees		24,316	23,945
Development management fees		18,839	18,511
		<u>106,470</u>	<u>97,811</u>
Other income			
Share of after tax profit / (loss) of equity accounted investments	9(c)	3	(12,154)
Management costs recharged		6,606	6,859
Interest revenue		814	2,182
Revaluation on borrowings		454,075	-
Net foreign exchange gain		622	1,131
		<u>462,120</u>	<u>(1,982)</u>
Total revenue and other income		<u>568,590</u>	<u>95,829</u>
Expenses			
Remuneration expenses		88,776	75,410
Property rent and outgoings		7,081	5,994
Repairs and maintenance		2,755	1,673
Professional fees		7,599	8,126
Advertising and promotion		-	8
Depreciation and amortisation expense	5(a)	7,276	6,230
Net loss on disposal of assets		176	-
Impairment expense - loan and receivable		-	8,701
Impairment (reversal) / expense	5(b)	(992)	-
Finance costs	5(c)	21,331	11,786
Other expenses		4,592	6,084
Total expenses		<u>138,594</u>	<u>124,012</u>
Profit / (loss) before income tax expense		<u>429,996</u>	<u>(28,183)</u>
Income tax benefit / (expense)	6(a)	(2,575)	(5,853)
Profit / (loss) after income tax expense		<u>427,421</u>	<u>(34,036)</u>
Gain / (loss) from discontinued operations	8(d)	188,256	(99,576)
Net profit/ (loss) for the year		<u>615,677</u>	<u>(133,612)</u>
Other comprehensive income			
Net foreign exchange translation adjustments, net of tax		17,328	31,053
Total comprehensive profit/ (loss) for the year		<u>633,005</u>	<u>(102,559)</u>
Net profit / (loss) attributable to:			
- Members of the Company		616,325	(119,122)
- External non-controlling interest		(648)	(14,490)
Total comprehensive (loss) / income attributable to:			
- Members of the Company		633,653	(88,057)
- External non-controlling interest		(648)	(14,502)
Basic and diluted earnings per ordinary equity holders of the Company			
Basic earnings / (loss) per share (cents per share) from continuing operations	4	23.07	(1.33)
Basic earnings / (loss) per share (cents per share)	4	33.22	(8.09)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 as at 31 December 2010

	Note	Consolidated entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	23(b)	15,084	16,430
Loans and receivables	7(a)	59,575	20,261
Tax receivables		-	3,229
Prepayments		940	2,305
		<u>75,599</u>	<u>42,225</u>
Assets classified as held for sale	8(c)	35,218	87,370
Total Current Assets		<u>110,817</u>	<u>129,595</u>
Non-Current Assets			
Investments in associates and joint ventures	9	78	2,944
Loans and receivables	7(b)	19,122	15,241
Property, plant & equipment	10	5,661	5,036
Intangible assets	11	51,758	32,480
Deferred tax assets	6(c)	27,791	24,509
Other assets		3,813	4,281
		<u>108,223</u>	<u>84,491</u>
Total Non-Current Assets		<u>108,223</u>	<u>84,491</u>
Total Assets		<u>219,040</u>	<u>214,086</u>
LIABILITIES			
Current Liabilities			
Payables	12	46,173	61,218
Provisions	14	11,348	8,226
Current tax liabilities		257	-
Borrowings	15	-	160,971
		<u>57,778</u>	<u>230,415</u>
Non-current liabilities classified as held for sale	8(c)	9,288	18,380
Total Current Liabilities		<u>67,066</u>	<u>248,795</u>
Non-Current Liabilities			
Provisions	14	4,207	3,847
Deferred tax liabilities	6(d)	495	1,017
Borrowings	15	-	449,166
		<u>4,702</u>	<u>454,030</u>
Total Non-Current Liabilities		<u>4,702</u>	<u>454,030</u>
Total Liabilities		<u>71,768</u>	<u>702,825</u>
Net Assets		<u>147,272</u>	<u>(488,739)</u>
EQUITY			
Contributed equity	16	324,771	324,771
Reserves	17	35,004	14,631
Retained profits/(accumulated losses)	18	(220,028)	(836,353)
Total equity attributable to Company members		<u>139,747</u>	<u>(496,951)</u>
Non-controlling interests		7,525	8,212
Total Equity		<u>147,272</u>	<u>(488,739)</u>

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

GPT Management Holdings Limited and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

	Attributable to Company members				Attributable to non-controlling interests - external			
	Contributed equity	Reserves	Retained earnings	Total	Contributed equity	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	324,755	(17,305)	(717,215)	(409,765)	-	12	22,663	22,675
Movement in foreign currency translation reserve	-	31,065	-	31,065	-	(12)	-	(12)
Net income / (loss) recognised directly in equity	-	31,065	-	31,065	-	(12)	-	(12)
Profit / (loss) for the financial year	-	-	(119,122)	(119,122)	-	-	(14,490)	(14,490)
Total comprehensive income / (loss) for the financial year	-	31,065	(119,122)	(88,057)	-	(12)	(14,490)	(14,502)
Transactions with Securityholders in their capacity as Securityholders:								
Issue of share capital	16	-	-	16	-	-	-	-
Movement in employee incentive security scheme reserve	-	871	-	871	-	-	-	-
Distribution paid or payable	-	-	(16)	(16)	-	-	-	-
Balance at 31 December 2009	324,771	14,631	(836,353)	(496,951)	-	-	8,173	8,173
Balance at 1 January 2010	324,771	14,631	(836,353)	(496,951)	-	-	8,173	8,173
Movement in asset revaluation reserve	-	-	-	-	-	-	-	-
Movement in foreign currency translation reserve	-	17,328	-	17,328	-	-	-	-
Net income / (loss) recognised directly in equity	-	17,328	-	17,328	-	-	-	-
Profit / (loss) for the financial year	-	-	616,325	616,325	-	-	(648)	(648)
Total comprehensive income / (loss) for the financial year	-	17,328	616,325	633,653	-	-	(648)	(648)
Transactions with Securityholders in their capacity as Securityholders:								
Movement in employee incentive security scheme reserve	-	3,045	-	3,045	-	-	-	-
Balance at 31 December 2010	324,771	35,004	(220,028)	139,747	-	-	7,525	7,525

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

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 December 2010

	Note	Consolidated entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		164,563	344,870
Cash payments in the course of operations (inclusive of GST)		(246,182)	(402,866)
Dividends received		300	4,950
Income tax received / (paid)		3,443	(22,739)
Interest received		1,372	3,297
Payments for derivatives		-	(2,310)
		(76,504)	(74,798)
Finance costs		(7,062)	(10,089)
Net cash inflow/(outflow) from operating activities	23(a)	(83,566)	(84,887)
Cash flows from investing activities			
Payments for property, plant and equipment		(2,991)	(15,226)
Payments for intangibles		(27,125)	-
Proceeds from the sale of property, plant and equipment		-	154
Payments for warehoused property investments		-	25,921
Cash at bank of the disposed entities		-	(28,722)
Proceeds from the disposal of controlled entities		-	(17,221)
Capital repayment from associate		-	4,235
Related party loans		-	(1,610)
Net cash inflow/(outflow) from investing activities		(30,116)	(32,469)
Cash flows from financing activities			
Repayment of employee incentive scheme loans, net of distributions		1,095	1,895
Loan repayment		(1,854)	-
Proceeds from related party borrowings		106,134	83,523
Repayment of net banking facilities		-	(1,020)
Net cash inflow/(outflow) from financing activities		105,375	84,398
Net (decrease) / increase in cash and cash equivalents		(8,307)	(32,958)
Cash and cash equivalents at the beginning of the financial year		27,102	60,060
Cash and cash equivalents at the end of the financial year	23(b)	18,795	27,102

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of GPT Management Holdings Limited and its controlled entities.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Australian equivalents to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Going Concern

As at 31 December 2010, the Company reported a net profit of \$615,677,000 (2009 loss: \$133,612,000) and a positive net asset position of \$147,272,000 (2009: (\$488,739,000)). The Company has reported operating cash outflows during the period of \$83,566,000 (2009: \$84,887,000).

During the year the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial modification to each of the loan terms and accordingly the loans have been remeasured under the varied contractual terms and conditions, resulting in a revaluation to the Statement of Comprehensive Income of \$678,035,000 (2009: nil) for both continuing and discontinued operations.

Additionally, loans to foreign subsidiaries with a market value of \$21.7m were assigned from the Trust to GPT Management Holdings Limited. These loans are eliminated upon consolidation within the GPT Management Holdings Group.

The financial report has been prepared on a going concern basis in the belief that the Company will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

New accounting standards and interpretations

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures, which amongst other things, simplifies the definition of a related party. This standard is mandatory for GPT from 1 January 2011 at which time GPT will be required to include additional disclosure by disclosing all transactions between its subsidiaries and associates.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. GPT is a disclosing entity and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial statements of GPT.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 July 2010/1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. GPT will apply the amendments from 1 January 2011 and does not expect that any adjustments will be necessary as the result of applying the revised rules.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 January 2010)

In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. GPT will apply the revised standards from 1 January 2011 and does not expect that any adjustments will be necessary as the result of applying the revised rules.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation for financial assets and liabilities (including derivatives) at fair value through profit and loss, certain classes of property, plant and equipment and investment property.

The financial statements were approved by the Board of Directors on 24 February 2011.

(b) Accounting for the GPT Management Holdings Limited

The shares of GPT Management Holdings Limited are quoted on the Australian Stock Exchange under the stapled entity code 'GPT' and comprise one unit in General Property Trust (Trust) and one share in GPT Management Holdings Limited. The unit and share are stapled together and cannot be traded separately. Each entity forming part of GPT continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(c) Parent entity financial information

On 28 June 2010 the Corporations Amendment (Corporate Reporting Reform) Act 2010 (the Act) received Royal Assent. As a result of the amendments, annual reports for financial years ending on or after 30 June 2010 no longer need to include separate columns and associated note disclosures for the parent entity. Instead, the Corporations Regulations now prescribe limited disclosures that will need to be made in the notes to the financial statements, which includes disclosure of key financial information for the parent entity and details of any guarantees, contingent liabilities and commitments.

The financial information for the parent entity, GPT Management Holdings Limited, disclosed in note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

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

Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(d) Principles of consolidation

(i) Controlled entities

The consolidated financial statements comprise the assets and liabilities of all controlled entities and the results of all controlled entities for the financial year then ended. The Company and its controlled entities are collectively referred to in this financial report as the consolidated entity or Company.

Controlled entities are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Controlled entities are fully consolidated from the date control commenced and de-consolidated from the date that control ceased.

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Company. All inter-entity transactions, balances and unrealised gains on transactions between the Company's entities have been eliminated in full. Unrealised losses are eliminated.

Non-controlling interests (previously referred to as Minority interest) not held by the Company are allocated their share of net profit after income tax expense in the Statements of Comprehensive Income and are presented within equity in the Statement of Financial Position, separately from the Company's equity.

(ii) Associates

Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, the Company's share of the associates' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from associates are recognised in the consolidated financial statements as a reduction of the carrying amount of the investment. The Company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 9).

Where the Company's share of losses in associates equals or exceeds its interest in the associate, including any other long term unsecured receivables, the Company does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

All balances and effects of transactions between each associate and the Company have been eliminated to the extent of the Company's interest in the associate.

(iii) Joint Ventures

Joint venture assets

The Company has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Company's proportionate share of revenues, expenses, assets and liabilities in property interests held as tenants in common are included in their respective items of the Consolidated Statement of Financial Position and Statement of Comprehensive Income.

Joint venture entities

Investments in joint venture entities are accounted for in the Consolidated Statement of Financial Position using the equity method. Under this method, the Company's share of the joint ventures' post acquisition net profits after income tax expense is recognised in the Consolidated Statement of Comprehensive Income and its share of post acquisition movements in reserves is recognised in reserves in the Consolidated Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends received from joint ventures are recognised in the consolidated financial statements as a reduction of the carrying amount of the investment.

All balances and effects of transactions between joint ventures and the Company have been eliminated to the extent of Company's interest in the joint venture.

Where controlled entities, associates or joint ventures adopt accounting policies which differ from the parent entity, adjustments have been made so as to ensure consistency within the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which they operate ('the functional currency'). The consolidated financial statements are presented in Australian Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

(iii) Foreign operations

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

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken to the foreign currency translation reserve on consolidation. Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint venture entities, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Statement of Comprehensive Income.

(f) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation – Australia

GPT Management Holdings Limited (the head entity) and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 January 2006. Each member in the tax consolidated group continues to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default of the head entity, GPT Management Holdings Limited.

The Company has also entered into a tax funding agreement under which the wholly owned entities fully compensate GPT Management Holdings Limited for any current tax payable assumed and are compensated by GPT Management Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to GPT Management Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the financial statements.

Assets and liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable or payable and these amounts are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments and the funding amounts are recognised as intercompany receivables or payables. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(g) Goods and Services Tax (GST)

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

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

(h) Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other segments. Each segment is reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, investment properties, inventory, property, plant and equipment and intangible

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

assets, net of related provisions. Assets used jointly by two or more different segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade creditors and accruals. Segment assets and liabilities do not include income taxes.

Operating segments are identified based on the information provided to the chief operating decision makers – being the Chief Executive Officer (CEO) and also with consideration to other factors including the existence of a Portfolio Head/Manager and the level of segment information presented to the Board of Directors.

Operating segments that meet the quantitative criteria prescribed by AASB 8 are reported separately. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(i) Revenue recognition

Rental revenue from hotel operations is recognised on an accruals basis. Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale. Acquisition fee revenue is recognised once external equity raisings are complete or substantially complete and the sale of the fund is unconditional.

Property and fund management fee revenue is recognised on an accruals basis, in accordance with the terms of the relevant contracts. Revenue from development projects is recognised on settlement of an unconditional contract for sale.

Revenue from dividends and distributions are recognised when they are declared. Interest income is recognised on an accruals basis using the effective interest method.

Gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statement of Comprehensive Income in the year of disposal. Where revenue is obtained from the sale of properties or assets, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts.

If not received at reporting date, revenue is included in the Statement of Financial Position as a receivable and carried at amortised cost.

(j) Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of and ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, financing costs incurred for the construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete and prepare the asset for its intended use or sale. All funds are borrowed from GPT Trust. The capitalisation rate used to determine the amount of finance costs capitalised is the weighted average interest applicable to the Company's outstanding borrowings during the year.

(k) Expenses

Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Company and are recognised on an accruals basis.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, at bank and short term money market deposits with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(m) Receivables

Trade and sundry debtors are recognised at amortised cost, which in the case of the Company is the original invoice amount less a provision for doubtful debts. Trade debtors are due within thirty days. Collectability of trade debtors is reviewed regularly and bad debts are written off when identified. A specific provision for doubtful debts is made when there is objective evidence that the Company will not be able to collect the amounts due according to the original terms of the receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Other loans and receivables

Loans and receivables are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans and receivables are recognised in the Statement of Comprehensive Income over the expected life of the loans and receivables. All loans and receivables with maturities greater than 12 months after balance date are classified as non-current assets.

(n) Inventory

Inventory is stated at the lower of cost and net realisable value. Hotel merchandise costs are assigned on the basis of weighted average costs and net realisable value is the estimated selling price in the ordinary course of business. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the inventory.

(o) Non-current assets held for sale and discontinued operations

Non current assets are classified as held for sale and, except for investment properties, measured at the lower of their carrying amount or fair value less costs to sell. They will also be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for use, it must be available for immediate use in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a part of the Company's business that:

- it has disposed or has classified as held for sale and that represents a major line of its business or geographical area of operations,
- or
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Statement of Financial Position.

(p) Property, plant and equipment

Property under development is carried at historical cost until development is complete. All costs of development are capitalised against the property and are not depreciated. Upon completion of development, the assets are classified as investment property.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to its acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation and amortisation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their expected useful lives, as follows:

- Motor Vehicles 4 – 7 years
- Office fixtures, fittings and operating equipment 5 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in Statement of Comprehensive Income. When revalued assets are sold, any amount in the asset revaluation reserve in respect of those assets is transferred to retained earnings.

(q) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Net rental payments, excluding contingent payments, are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the period of the lease.

(r) Lease incentives

Incentives such as cash, rent free periods, lessee or lessor owned fitouts may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised on a straight line basis over the term of the lease as a reduction of rental revenue. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(s) Intangible assets

(i) Management rights

The management rights include asset, property and development management rights of retail shopping centres. The useful life of the rights range between 7.5 to 10 years and are amortised over the life of the rights.

(ii) IT development and software

Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the periods generally ranging from 3 to 10 years.

Intangible assets are tested for impairment annually.

(t) Impairment

Goodwill, which has an indefinite useful life, is not subject to amortisation and is tested annually for impairment. All other assets, including financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator of impairment or objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

(u) Financial assets and liabilities

Classification of financial assets and liabilities depends on the purpose for which the assets and liabilities were acquired.

The Company's classification is set out below:

Financial asset/liability	Classification	Valuation basis	
Cash	Fair value	Fair value	Refer to note 1(l)
Receivables	Loans and receivables	Amortised cost	Refer to note 1(m)
Derivative assets	Fair value through profit and loss	Fair value	Refer to note 1(v)
Payables	Financial liability at amortised cost	Amortised cost	Refer to note 1(w)
Borrowings	Financial liability at amortised cost	Amortised cost	Refer to note 1(y)
Derivative liabilities	Fair value through profit and loss	Fair value	Refer to note 1(v)

Derecognition of financial instruments

Financial assets are recognised on the date the Consolidated Entity commits to purchase or sell the asset and derecognised when the Company no longer controls the contractual rights that comprise the financial instrument which is normally the case when the instrument is sold or all risks and rewards of ownership have transferred to an independent third party.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(v) Derivatives

The Company uses derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign currency rates and the volatility of financial outcomes that arise as part of normal business operations. The GPT Group's treasury and risk management policy sets out the policies, limits, monitoring and reporting requirements on the use of financial instruments, including derivatives, to hedge the exposures and these are discussed in detail at note 26.

Derivatives (including those embedded in other contractual arrangements) are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value.

The Company is exposed to changes in interest rates and foreign exchange rates and uses interest rate swaps, forward interest rate swaps, options, and forward foreign exchange contracts to hedge these risks. Such derivative financial instruments are carried in the Statement of Financial Position at fair value and classified according to their contractual maturity. Changes in the fair value of any derivative instruments are recognised immediately in the Statement of Comprehensive Income. All derivatives are disclosed as assets when fair value is positive and disclosed as liabilities when fair value is negative.

Gains and losses on maturity or close-out of derivatives are recognised in the Statement of Comprehensive Income.

(w) Payables

Trade payables are unsecured liabilities for goods and services provided to the Company prior to the end of the financial year but which remain unpaid at reporting date. They are recognised at amortised cost, which in the case of the Company, is the fair value of consideration to be paid in the future for the goods and services received.

Loans payable to related parties are recognised at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the loans are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. Interest payable is recognised on an accruals basis. All loans payable with maturities greater than 12 months after reporting date are classified as non-current liabilities.

(x) Provisions

Provisions are recognised when the Company has a present legal, equitable or constructive obligation as a result of past transactions or events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Refer to note 1(ab) for provisions for dividends.

(y) Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method or at their fair value at the time of acquisition in the case of assumed liabilities in a business combination. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. All loans and receivables with maturities greater than twelve months after reporting date are classified as non-current liabilities. Refer to note 1(j) on finance costs.

(z) Employee benefits

(i) Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are recognised in the provisions for employee benefits and measured at the amounts to be expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when leave is taken and measured at the rates paid or payable.

The employee benefit liability expected to be settled within 12 months from balance date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from balance date and are measured as the present value of expected future payments to be made in respect of services provided by employees up to balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(ii) Retirement benefit obligations

All employees of the Company are entitled to benefits on retirement, disability or death from the GPT Group Superannuation Plan. The GPT Group Superannuation Plan has a defined contribution section within its plan. The defined contribution section receives fixed contributions and the Company's legal and constructive obligation is limited to these contributions. The employees of the Company are all members of the defined contribution section of the GPT Group Superannuation Plan.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Profit sharing and bonus plans

The Company recognises a liability and expense for profit sharing and bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. A provision is recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

Share based payments

Information relating to the Employee Incentive Scheme (EIS) is set out in note 21.

Employee incentive scheme

Security based compensation benefits are provided to employees via the schemes comprising the Employee Incentive Scheme.

(1) Stapled Security Rights Plan

Performance rights (rights) are issued to employees under the Stapled Security Rights Plan ("Plan"). Under the Plan, each participating employee will be granted a certain number of rights which will vest into GPT stapled securities at no cost, if all vesting conditions are satisfied. The fair value of the rights is recognised as an employee benefit expense with a corresponding increase/decrease in the employee incentive

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

Fair value is independently determined using Monte Carlo and Binomial tree pricing models. These models take into account the expected life of the rights, the security price at grant date, expected price volatility of the underlying security, expected distribution yield and the risk free interest rate for the term of the rights.

(aa) Contributed equity

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

(ab) Dividends

A provision for dividend is made for the amount of any dividend declared on or before the end of the financial year but not paid at reporting date.

(ac) Earnings per share (EPS)

Basic earnings per share is calculated as net profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year. Diluted earnings per share is calculated as net profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue. Where there is no difference between basic earnings per share and diluted earnings per share, the term basic and diluted earnings per share is used.

(ad) Rounding of amounts

The Company is of a kind referred to in the Australian Securities & Investments Commission Class Order 98/0100. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the Class Order, unless stated otherwise.

(ae) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgments and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which form the basis of the carrying values of assets and liabilities. The resulting accounting estimates may differ from the actual results under different assumptions and conditions.

The key estimates and assumptions that have a significant risk of causing a material adjustment within the next financial period to the carrying amounts of assets and liabilities recognised in these financial statements are:

(i) Valuation of property investments

Critical judgements are made by the Company in respect of the fair values of investments in associates and joint ventures and property under development. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations and market conditions existing at reporting date, using generally accepted market practices. The critical assumptions underlying management's estimates of fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, discount rates that reflect current market uncertainties and current and recent property investment prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of property investments may differ.

(ii) Valuation of indemnities and guarantees included in contracts of sale

Fair value of indemnities and guarantees provided by entities in the Group are estimated based on future events which are reasonably likely, but which may not occur. The critical assumptions underlying management's estimates of the disclosure and/or recognition of the indemnities and guarantees relate to the likelihood of the whether the guarantee or indemnity will be drawn on. The amount of the liability recognised in the Statement of Financial Position may differ if the assumptions or the market conditions used differ over the time period when the indemnity or guarantee are applicable.

(iii) Impairment of loans and receivables

Assets are assessed for impairment each reporting date by evaluating whether any impairment triggers exist. Where impairment triggers exist, management assess the expected cash flows of those assets discounted using the original effective interest rates. Critical judgements are made by the Company in setting appropriate impairment triggers for its assets and the assumptions used when determining fair values for assets where triggers exist.

(iv) Share based payment transactions

The Group measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo method which includes a number of assumptions. The related assumptions are detailed in note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact, the share based payment expense and equity.

(v) Repayment fund of loan assignment

The determination of the repayment fund relating to the loan assignment from the Trust to the Company is based on a ten year forecast cash flow for amounts payable. At 31 December 2010, there is no forecast repayment amount.

(af) Other Comprehensive Income

Other comprehensive income in the Statement of Comprehensive Income reflects the re-measurements of certain assets or balances as a result of movements in price or valuation. In the case of GPT, these items will mainly include foreign exchange translation adjustments on foreign subsidiaries. Where the underlying item giving rise to the foreign currency translation adjustments is sold or realised, the foreign currency translation adjustments recognised in other comprehensive income are then recognised again in earnings (or comprehensive income) in the Statement of Comprehensive Income.

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2. Segment reporting
(a) Financial Performance by Segment

The segment information provided to the CEO for the reportable segments (discussed at note 2(c)) for the year ended 31 December 2010 is below:

31 December 2010

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
Revenue from hotel operations	-	-	-	-	-	-	-	109,054	109,054
Fund management fees	22,749	-	40,566	63,315	-	-	-	866	64,181
Property management fees	-	24,316	-	24,316	-	-	-	(23)	24,293
Development management fees	-	13,143	5,696	18,839	-	-	-	-	18,839
Total segment revenue	22,749	37,459	46,262	106,470	-	-	-	109,897	216,367
Other income									
Share of after tax (losses) / profit of associates and joint ventures	-	-	3	3	(4,588)	4,542	-	-	(43)
Management costs recharged	-	4,670	1,936	6,606	-	-	-	-	6,606
Interest revenue	188	6	620	814	28	267	-	263	1,372
Dividend revenue	-	-	-	-	-	-	-	300	300
	188	4,676	2,559	7,423	(4,560)	4,809	-	563	8,235
Total segment revenue and other income	22,937	42,135	48,821	113,893	(4,560)	4,809	-	110,460	224,602
Expenses									
Remuneration expenses	(4,070)	(35,762)	(45,559)	(85,391)	-	-	-	(40,527)	(125,918)
Rental expenses attributable to hotel operations	-	-	-	-	-	-	-	(37,759)	(37,759)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(21,193)	(21,193)
Property rent and outgoings	(173)	(2,899)	(4,009)	(7,081)	-	-	-	(14,662)	(21,743)
Repairs and maintenance	(229)	(3,579)	1,053	(2,755)	-	-	-	(6,214)	(8,969)
Professional fees	(35)	(853)	(6,711)	(7,599)	-	(132)	-	(384)	(8,115)
Advertising and promotion	-	-	-	-	-	-	-	1,924	1,924
Depreciation and amortisation expense	-	-	(2,366)	(2,366)	-	-	-	-	(2,366)
Finance costs	-	(2,138)	(19,193)	(21,331)	-	(8,133)	-	(3,984)	(33,448)
Other expenses - internal recharges	(6,833)	1,151	9,328	3,646	(3,151)	-	-	(495)	(0)
Other expenses	(151)	737	(6,483)	(6,897)	-	1,093	-	(4,375)	(9,178)
Income tax (expense) / benefit	(3,704)	(409)	6,786	2,673	(53)	73	-	5,163	7,856
Segment result for the year	7,742	(1,617)	(18,333)	(12,208)	(7,764)	(2,290)	-	(12,046)	(34,308)
Fair value and other adjustments to investments in joint ventures and associates	-	-	-	-	1,803	(14,163)	-	-	(12,360)
Net loss on fair value of derivatives	-	-	-	-	-	-	-	-	-
Net foreign exchange gain / (loss)	-	-	622	622	(180)	(633)	-	-	(191)
Net (gain) / loss on disposal of assets - non-operating	-	-	(176)	(176)	(125)	3,954	(125)	(500)	3,028
Revaluation on borrowings	-	29,994	424,081	454,075	-	105,203	-	118,757	678,035
Cost of sale attributed to assets held for sale	-	-	-	-	-	-	-	-	-
Impairment expenses	-	-	992	992	-	3,568	-	(4,321)	239
Finance costs	-	-	-	-	-	-	-	(3,078)	(3,078)
Depreciation and amortisation expense	-	(4,152)	(758)	(4,910)	-	-	-	(531)	(5,441)
Tax impact on reconciling items from segment result to net loss for the year	-	595	(5,843)	(5,248)	-	-	-	385	(4,863)
ESAP Reserve non deductible	-	-	-	-	-	-	-	-	-
People costs	-	-	(3,385)	(3,385)	-	-	-	368	(3,017)
Surplus lease provision	-	-	-	-	-	-	-	-	-
Other non-operating	-	-	(2,341)	(2,341)	(26)	-	-	-	(2,367)
Net profit / (loss) for the financial year	7,742	24,820	394,859	427,421	(6,292)	95,639	(125)	99,034	615,677

The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standard. The adjustments that reconcile the Segment Result to the Net profit / (loss) for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

GPT Management Holdings Limited and its controlled entities

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for the year ended 31 December 2010

The segment information provided to the CEO for the reportable segments (discussed at note 2(c)) for the year ended 31 December 2009 is below:

31 December 2009

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue									
Revenue from hotel operations	-	-	-	-	-	-	-	181,392	181,392
Revenue from property investments	-	-	-	-	-	24,770	-	-	24,770
Fund management fees	23,235	-	32,120	55,355	-	2,991	10	-	68,366
Property management fees	-	23,945	-	23,945	-	23,034	-	-	46,979
Development management fees	-	13,428	5,083	18,511	-	-	-	-	18,511
Total segment revenue	23,235	37,373	37,203	97,811	-	50,795	10	181,392	330,008
Other income									
Share of after tax (losses) / profit of associates and joint ventures	-	-	-	-	(6,710)	4,787	-	520	(1,403)
Management costs recharged	-	4,814	2,045	6,869	-	-	-	-	6,869
Interest revenue	324	9	1,849	2,182	64	1,809	-	319	4,374
	324	4,823	3,894	9,041	(6,646)	6,596	-	839	9,830
Total segment revenue and other income	23,559	42,196	41,097	106,852	(6,646)	57,391	10	182,231	339,838
Expenses									
Remuneration expenses	(3,531)	(33,754)	(32,137)	(69,422)	-	(31,814)	(657)	(72,073)	(173,966)
Rental expenses attributable to hotel operations	-	-	-	-	-	-	-	(52,946)	(62,946)
Cost of sales attributable to hotel operations	-	-	-	-	-	-	-	(36,365)	(36,365)
Property rent and outgoings	(165)	(2,963)	(2,876)	(6,994)	-	(16,170)	(33)	(31,375)	(63,672)
Repairs and maintenance	(141)	(2,205)	673	(1,673)	-	-	(38)	(7,096)	(8,807)
Professional fees	(49)	(835)	(7,242)	(8,126)	-	(11,334)	(153)	(2,578)	(22,191)
Advertising and promotion	-	-	(8)	(8)	-	(282)	-	(2,093)	(2,383)
Depreciation and amortisation expense	-	-	(2,078)	(2,078)	-	(955)	-	-	(3,033)
Finance costs	-	-	(11,786)	(11,786)	-	(26,674)	-	(3,875)	(42,335)
Other expenses - internal recharges	(9,507)	3,008	8,981	2,482	(2,482)	-	-	-	-
Other expenses	(143)	(1,180)	(7,243)	(8,566)	-	(4,860)	(136)	(1,343)	(14,905)
Income tax (expense) / benefit	(3,361)	(1,391)	3,210	(1,542)	(47)	(1,071)	-	8,401	6,741
Segment result for the year	6,662	2,886	(9,409)	139	(9,175)	(35,769)	(1,007)	(19,112)	(64,924)
Fair value and other adjustments to investments in joint ventures and associates	-	-	(12,155)	(12,155)	(970)	(20,901)	-	(592)	(34,618)
Net loss on fair value of derivatives	-	-	-	-	-	(6,787)	-	-	(6,787)
Net foreign exchange gain / (loss)	-	-	1,132	1,132	-	3,628	-	-	4,760
Net (gain) / loss on disposal of assets - non-operating	-	-	-	-	-	(42,822)	(556)	(55)	(43,433)
Gain on loan forgiveness	-	-	-	-	-	131,907	-	-	131,907
Impairment expenses	-	-	(8,701)	(8,701)	-	(63,369)	(33,120)	(118)	(106,308)
Depreciation and amortisation expense	-	(4,152)	-	(4,152)	-	(190)	-	(924)	(6,266)
Redundancy	-	-	(2,088)	(2,088)	-	-	(2,080)	-	(4,168)
Tax impact on reconciling items from segment result to net loss for the year	13	102	(4,426)	(4,311)	-	2,584	(422)	458	(1,691)
Share based payment expense	-	-	(3,900)	(3,900)	-	-	-	-	(3,900)
Other non-operating	-	-	-	-	581	391	(1,156)	-	(184)
Net profit / (loss) for the financial year	6,675	(1,164)	(39,547)	(34,036)	(9,564)	(31,328)	(38,341)	(20,343)	(133,612)

The segment result is based on Realised Operating Income (ROI). ROI is a financial measure that is based on the profit under Australian Accounting Standards adjusted for certain unrealised items, non-cash items, gains or losses on investments or other items the Directors determine to be non-recurring or capital in nature. ROI is not prescribed by any Australian Accounting Standard. The adjustments that reconcile the Segment Result to the Net profit/ (loss) for the year may change from time to time, depending on changes in accounting standards and/or the Directors' assessment of items that are non-recurring or capital in nature. A description of the material adjustments are included in note 2(b) and (c).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(b) Reconciliation of Segment Revenue and Result to the Statement of Comprehensive Income

This reconciliation relates only to revenue and expense items from continuing operations and excludes any amounts comprising the net gain / (loss) from discontinued operations.

31 December 2010

	Core operations	Corporate	Total continuing operations	ROI adjustments	Total Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Fund management fees	22,749	40,566	63,315	-	63,315
Property management fees	24,316	-	24,316	-	24,316
Development management fees	13,143	5,696	18,839	-	18,839
Total segment revenue	60,208	46,262	106,470	-	106,470
Other income					
Share of after tax (losses) / profit of associates and joint ventures	-	3	3	-	3
Less: Fair value adjustments to investments in associates and joint ventures	-	-	-	-	-
Management costs recharged	4,670	1,936	6,606	-	6,606
Interest revenue	194	620	814	-	814
Revaluation on borrowings	-	-	-	454,075	454,075
Add: Net foreign exchange gain	-	-	-	622	622
	4,864	2,559	7,423	454,697	462,120
Total segment revenue and other income	65,072	48,821	113,893	454,697	568,590
Expenses					
Remuneration expenses	(39,832)	(45,559)	(85,391)	(3,385)	(88,776)
Property rent and outgoings	(3,072)	(4,009)	(7,081)	-	(7,081)
Repairs and maintenance	(3,808)	1,053	(2,755)	-	(2,755)
Professional fees	(888)	(6,711)	(7,599)	-	(7,599)
Depreciation and amortisation expense	-	(2,366)	(2,366)	-	(2,366)
Add: Amortisation expense - intangibles	-	-	-	(4,910)	(4,910)
Add: Net loss on disposal of assets	-	-	-	(176)	(176)
Finance costs	(2,138)	(19,193)	(21,331)	-	(21,331)
Other expenses - internal recharges	(5,682)	9,328	3,646	-	3,646
Other expenses	586	(6,483)	(5,897)	(2,341)	(8,238)
Income tax (expense) / benefit	(4,113)	6,786	2,673	-	2,673
Add: Tax impact on reconciling items from segment result to net loss for the year	-	-	-	(5,248)	(5,248)
Segment result for the year	6,125	(18,333)	(12,208)	438,637	426,429
Impairment expense	-	-	-	992	992
Net profit/(loss) for the year	6,125	(18,333)	(12,208)	439,629	427,421

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 for the year ended 31 December 2010

31 December 2009

	Core operations	Corporate	Total continuing operations	ROI adjustments	Total Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Fund management fees	23,235	32,120	55,355	-	55,355
Property management fees	23,945	-	23,945	-	23,945
Development management fees	13,428	5,083	18,511	-	18,511
Total segment revenue	60,608	37,203	97,811	-	97,811
Other income					
Share of after tax (losses) / profit of associates and joint ventures	-	-	-	-	-
Less: Fair value adjustments to investments in associates and joint ventures	-	-	-	(12,155)	(12,155)
Management costs recharged	4,814	2,045	6,859	-	6,859
Interest revenue	333	1,849	2,182	-	2,182
Add: Net foreign exchange gain	-	-	-	1,132	1,132
Total segment revenue and other income	65,755	41,097	106,852	(11,023)	95,829
Expenses					
Remuneration expenses	(37,285)	(32,137)	(69,422)	(5,988)	(75,410)
Property rent and outgoings	(3,118)	(2,876)	(5,994)	-	(5,994)
Repairs and maintenance	(2,346)	673	(1,673)	-	(1,673)
Professional fees	(884)	(7,242)	(8,126)	-	(8,126)
Add: Other	-	-	-	-	-
Advertising and promotion	-	(8)	(8)	-	(8)
Depreciation and amortisation expense	-	(2,078)	(2,078)	-	(2,078)
Add: Amortisation expense - intangibles	-	-	-	(4,152)	(4,152)
Add: Net loss on disposal of assets	-	-	-	-	-
Finance costs	-	(11,786)	(11,786)	-	(11,786)
Other expenses - internal recharges	(6,499)	8,981	2,482	-	2,482
Other expenses	(1,323)	(7,243)	(8,566)	-	(8,566)
Income tax (expense) / benefit	(4,752)	3,210	(1,542)	-	(1,542)
Add: Tax impact on reconciling items from segment result to net loss for the year	-	-	-	(4,311)	(4,311)
Segment result for the year	9,548	(9,409)	139	(25,474)	(25,335)
Impairment expense	-	-	-	(8,701)	(8,701)
Net profit/(loss) for the year	9,548	(9,409)	139	(34,175)	(34,036)

(c) Description of adjustments from the Segment Result ("ROI") to Net Profit / (Loss) for the financial year

The CEO assesses the performance of the operating segments on a ROI basis. The material adjustments to the Segment Result to arrive at Net Profit / (Loss) shown in the financial statements are set out below:

- (i) **Fair value and other adjustments to investments in associates and joint ventures** comprise the movements in the value of the Company's investments in joint ventures and associates as required by Australian Accounting Standards but do not reflect the cash distributions received from these investments. As such, the Company has excluded these amounts from the ROI to better reflect a cash basis in ROI.
- (ii) **Share based payment expense** comprises of a notional cost arising from the GPT Employee Incentive Scheme. In October 2009, the General Scheme was terminated. As this is a notional cost required by Australian Accounting Standards, GPT has excluded this amount from ROI.
- (iii) **Redundancy costs** comprise the redundancy payments for senior executives. For the 2009 financial year, these costs relate to Kieran Pryke and Neil Tobin who departed the Company as a result of the simplification of the business. As these costs are one-off and non-recurring in nature, the Company has excluded this amount from ROI.
- (iv) **Amortisation expense** is required for Australian Accounting Standards and is a non-cash transaction. The Company has therefore excluded this amount from the ROI to better reflect a cash basis in ROI.

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for the year ended 31 December 2010

The accounting policies used by the Company in reporting segments internally are the same as those in note 1 to the financial statements and in the prior period.

(d) Reconciliation of Segment Assets and Liabilities to the Statements of Financial Position

The amounts provided to the CEO in respect of total assets are measured in a manner consistent with that of the financial statements and allocated based on the operations of the segment and physical location of the assets. Given some of the assets and liabilities relate mainly to Corporate activities and have not been allocated to a reportable segment, a reconciliation of the reportable segments' assets to total assets for the years ended 31 December 2009 and 31 December 2010 is set out below:

31 December 2010

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		Discontinued operation - US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets									
Other current assets	10,221	25,079	40,299	75,599	-	-	-	-	75,599
Assets classified as held for sale	-	-	-	-	1,099	13,487	-	20,632	35,218
Total Current Assets	10,221	25,079	40,299	75,599	1,099	13,487	-	20,632	110,817
Non-Current Assets									
Investments in associates and joint ventures	-	-	78	78	-	-	-	-	78
Property, plant and equipment	-	-	5,661	5,661	-	-	-	-	5,661
Loans and receivables	-	-	19,122	19,122	-	-	-	-	19,122
Intangible assets	-	12,091	39,667	51,758	-	-	-	-	51,758
Other non-current assets	526	3,348	27,730	31,604	-	-	-	-	31,604
Total Non-Current Assets	526	15,439	92,258	108,223	-	-	-	-	108,223
Total assets	10,747	40,518	132,557	183,822	1,099	13,487	-	20,632	219,040
Other current and non-current liabilities	8,936	14,337	39,207	62,480	-	-	-	-	62,480
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	9,288	9,288
Total liabilities	8,936	14,337	39,207	62,480	-	-	-	9,288	71,768
Net assets	1,811	26,181	93,350	121,342	1,099	13,487	-	11,344	147,272

31 December 2009

	Core operations			Total continuing operations	Non-core operations				Total
	Funds Management Australia	Property Management	All other segments		US Senior Housing	Discontinued operation - Funds Management Europe	Discontinued operation - Joint venture	Discontinued operation - Hotels/ Tourism	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets									
Other current assets	11,151	4,886	26,187	42,224	1	-	-	-	42,225
Assets classified as held for sale	-	-	-	-	-	49,499	-	37,871	87,370
Total Current Assets	11,151	4,886	26,187	42,224	1	49,499	-	37,871	129,595
Non-Current Assets									
Investments in associates and joint ventures	-	-	75	75	2,869	-	-	-	2,944
Property, plant and equipment	-	-	5,036	5,036	-	-	-	-	5,036
Loans and receivables	-	-	14,550	14,550	691	-	-	-	15,241
Intangible assets	-	16,244	16,236	32,480	-	-	-	-	32,480
Other non-current assets	375	1,868	26,547	28,790	-	-	-	-	28,790
Total Non-Current Assets	375	18,112	62,444	80,931	3,560	-	-	-	84,491
Total assets	11,526	22,998	88,631	123,155	3,561	49,499	-	37,871	214,086
Other current and non-current liabilities	10,886	37,667	635,892	684,445	-	-	-	-	684,445
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	-	18,380	18,380
Total liabilities	10,886	37,667	635,892	684,445	-	-	-	18,380	702,825
Net assets	640	(14,669)	(547,261)	(561,290)	3,561	49,499	-	19,491	(488,739)

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS
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(e) Identification of Reportable Segments

The Company's operating segments as described in note 1(h) and which are based on internal reports reviewed by the Chief Executive Officer are:

Segment	Types of products and services which generate segment revenues
Funds Management Australia	Asset and funds management of Australian wholesale fund vehicles, GPT Wholesale Shopping Centre Fund and GPT Wholesale Office Fund.
Property Management	Property management of Australian retail assets including the retail assets in the GPT Wholesale Shopping Centre Fund.
All other segments	Costs associated with the funds management of the General Property Trust, foreign exchange gains and losses, finance costs and Company operating costs.
Discontinued operation – US Senior Housing	Investments in a portfolio of established seniors housing assets in the United States of America as well as an interest in the manager of these assets.
Discontinued operation - Funds Management Europe	Asset and fund management in Europe through a number of small funds and also GPT Halverton and Hamburg Trust up until their sale in 2009.
Discontinued operation - Joint Venture	Investments in the Babcock & Brown Joint Venture in Europe, the United States of America, New Zealand and Australia. GPT has divested its interest in the Joint Venture.
Discontinued operation – Hotel/ Tourism	Investments in nature-based resorts and hotel assets. GPT has divested all resorts with the exception of Ayers Rock Resort which sales contract was exchanged on 15 October 2010 and will be settled during March 2011.

(f) Segment Revenues and Assets by geographic location

The Company now operates predominantly in Australia but also in the United States of America through the US Senior Housing portfolio. Revenues from external customers by geographical location along with an analysis of the location of total assets is as follows:

	Segment revenues		Segment assets	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	\$'000	\$'000	\$'000	\$'000
Australia	216,367	279,213	204,454	161,026
Europe	-	50,795	13,487	49,499
United States of America	-	-	1,099	3,561
Total	216,367	330,008	219,040	214,086

Location	Products and services by location
Australia	Retail, office, industrial and hotel operations of the main operating entity, General Property Trust and the hotel & tourism business, urban communities as well as the Australian funds management operations of GPT Management Holdings Limited.
Europe	The segment consists of a preferred loan in a residential portfolio.
United States of America	Senior Housing and up until the sale of the Joint Venture in 2009, retail and residential businesses.

3. Dividends paid and payable

No dividends have been paid or declared for the financial year. In the prior year, the Company declared an In Specie Dividend of BGP Holdings Limited (formerly GPT MaltaCo 1 Limited) for €10,000 (AUD \$16,000) out of current year profits (refer to note 16(b) for further details).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

4. Earnings / (loss) per share

	Consolidated Entity	
	31 Dec 10	31 Dec 09
	Cents	Cents
(a) Basic loss per share		
Basic and diluted earnings per share - loss from continuing operations	23.07	(1.33)
Basic and diluted earnings per share - loss from discontinued operations	10.15	(6.76)
Total basic and diluted earnings per share	<u>33.22</u>	<u>(8.09)</u>
	Number of	Number of
	shares	shares
	'000s	'000s
(b) Weighted average number of ordinary/stapled securities		
Weighted average number of ordinary shares used calculating basic and diluted loss per share	1,855,529	1,472,108
Securities used in the denominator in calculating diluted earnings per ordinary stapled	<u>1,855,529</u>	<u>1,472,108</u>
(c) The losses used in the calculation s of the basic loss per share are as follows:		
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Losses reconciliation - basic and diluted		
Profit/(loss) from continuing operations	428,069	(19,546)
Profit/(loss) from discontinued operations	188,256	(99,576)
Loss attributed to external non-controlling interest	(648)	(14,490)
	<u>615,677</u>	<u>(133,612)</u>

* Prior period weighted average number of securities and EPSs have been adjusted for the consolidation of securities that occurred on 19 May 2010 and for the bonus factor effect of the securities issued during the year at a price lower than the market value as required by AASB 133 *Earnings per Share*.

(d) Information concerning the classification of securities**Performance Rights**

3,818,257 (restated for the 5 to 1 consolidation of the stapled securities) Performance Rights were granted to certain Senior Executives under the Stapled Security Rights Plan during 2010. Details relating to these Rights are set out in note 21(a)(ii)(2). Only 243,571 Rights have met the vesting conditions and are considered dilutive. As such, only 243,571 Rights have been included in the determination of diluted earnings per security. The remaining 8,131,463 Performance Rights have not been included in the calculation of diluted earnings per security because their vesting conditions are not satisfied for the financial year ended 31 December 2010. These Rights could potentially dilute basic earnings per share in the future. No Performance Rights have been included in the determination of basic earnings per share.

5. Expenses

	Consolidated Entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
(a) Depreciation and amortisation		
Amortisation of management rights & operating rights	4,152	4,152
Amortisation of intangibles	757	-
Depreciation of plant and equipment	2,898	4,146
Less: Depreciation and amortisation - Discontinued operations	(531)	(2,068)
Total depreciation and amortisation	<u>7,276</u>	<u>6,230</u>
(b) Impairment expense - other		
Other- loans receivable	(992)	-
Total impairment expense	<u>(992)</u>	<u>-</u>
(c) Finance costs		
Related parties	21,331	11,786
Total finance costs	<u>21,331</u>	<u>11,786</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

6. Tax

	Consolidated entity	
	31 Dec 2010	31 Dec 2009
	\$'000	\$'000
(a) Income tax expense		
Current income tax expense/(benefit)	(148)	(2,074)
Deferred income tax expense/(benefit)	(2,843)	(1,976)
Income tax expense/(benefit) in the Statements of Comprehensive Income	(2,991)	(4,050)
Income tax expense/(benefit) attributable to:		
Profit/(loss) from continuing operations	2,575	5,853
Loss from discontinued operations	(5,566)	(9,903)
Aggregate income tax expense/(benefit)	(2,991)	(4,050)
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from continuing operations before income tax expense	429,996	(28,183)
Profit/(loss) from discontinued operations before income tax expense	182,688	(109,479)
	612,684	(137,662)
Prima facie income tax expense/(benefit) at 30% tax rate	183,805	(41,299)
Tax effect of amounts which are not deductible in calculating income tax expense:		
Share of after tax losses of associates and joint ventures	3,713	10,785
Controlled Foreign Company Attribution tax	42	850
Amortisation of intangibles	1,247	1,246
Impairment expense	(72)	32,736
Revaluation on borrowings	(203,803)	-
Gain on loan forgiveness	-	(39,572)
Dividend income	39	-
Foreign subsidiary losses not deductible for tax	3,293	2,668
Deferred tax losses not recognised	-	14,353
Expenses and losses arising on disposal of foreign assets	-	7,843
Other	8,745	6,340
Income tax expense/(benefit)	(2,991)	(4,050)
(c) Deferred tax asset		
The balance comprises temporary differences attributable to:		
Employee benefits	10,932	10,705
Overhead costs	10,642	7,853
Other accruals and provisions	960	1,332
Other	1,228	1,551
Tax losses	4,029	3,068
Total deferred tax assets	27,791	24,509
Movement in temporary differences during the financial year:		
Opening balance at the beginning of the financial year	24,509	18,448
Credited to the Statement of Comprehensive Income	2,321	2,993
Unutilised tax losses	961	3,068
Closing balance at the end of the financial year	27,791	24,509
(d) Deferred tax liability		
The balance comprises temporary differences attributable to:		
Depreciation	472	785
Other	23	232
Total deferred tax liabilities	495	1,017
Movement in temporary differences during the financial year:		
Opening balance at beginning of the financial year	1,017	-
Charged to the Statement of Comprehensive Income	(522)	1,017
Closing balance at the end of the financial year	495	1,017

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

7. Loans and receivables

	Note	Consolidated entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
(a) Current assets			
Trade receivables		6,999	10,865
Other debtors		10,152	9,396
Related party receivables		42,424	-
Total current loans and receivables		59,575	20,261
(b) Non-Current assets			
GPT's investment in joint ventures and associates comprise equity investments (refer note 9) and also the following loans set out below.			
Loan to Benchmark Assisted Living LLC	(i)	-	691
Loan to Lend Lease GPT (Rouse Hill) Pty Limited	(ii)	13,174	14,550
Loans to related parties		5,948	-
Total non-current loans and receivables		19,122	15,241

- (i) The loan was provided to Benchmark entities as part of the funding of the Benchmark joint venture arrangement. Interest payable quarterly at 8%.
- (ii) The loan is provided to Lend Lease GPT (Rouse Hill) Pty Limited as apart of the funding of the joint venture agreement. The loan has been impaired by \$15,872,000 as at 31 December 2010 (Dec 2009: \$14,496,000). The loan is interest free with a term of 10 years.

8. Non-current assets held for sale and discontinued operations**(a) Details of discontinued operations**

At 31 December 2010, there are four discontinued operations: Hotel / Tourism Portfolio, Joint Venture, Funds Management – Europe and US Senior Housing portfolios.

As part of GPT's refined strategic direction to focus on Australian assets, management has continued with its plans and further disposals have occurred in the 2010. These disposals and the remaining investments for each discontinued operation at 31 December 2010, along with their impact on the Statement of Comprehensive Income and Statement of Financial Position, are discussed in detail below.

(i) Hotel / Tourism

On 18 July 2008, GPT announced its intention to sell the Hotel/Tourism Portfolio consisting of the Voyages Hotels & Resorts, the Voyages hotel management business and the Four Points by Sheraton Hotel.

The Voyages hotel management business remains unsold as at 31 December 2010 and has been included as non-current assets classified as held for sale in the Statement of Financial Position.

(ii) Joint Venture**(1) BGA Real Estate Finance Trust**

BGA Real Estate Finance Trust provided mezzanine loan financing over an Australian and New Zealand property portfolio and formed part of the Joint Venture.

On 15 June 2010,

- GPT International Pty Limited (GPTI) sold 100% of its ordinary units for a cash consideration of \$10; and
- GPT Funds Management No.2 Pty Limited (GPTFM2) (as trustee of GPT Investment Trust No.1) sold 100% of its ordinary and preferred units for a cash consideration of \$10.

The sales resulted in a nominal net gain, as both the BGA joint venture investment and loans to BGA had a carrying value of nil prior to the sales.

(2) Babcock & Brown GPT REIT Inc

The following developments have occurred since 31 December 2009 on the US retail property assets held in the Joint Venture via the Babcock & Brown GPT REIT Inc:

Marelda Assets

In February 2010, discussions commenced with lenders of each of the eight properties held in the Marelda Retail Holdings LLC structure (referred to as Marelda Assets). At the date of this report, lender consents have been granted and as a result the ownership of the Marelda Assets has been transferred to the buyer. Subsequently, the Babcock & Brown GPT REIT Inc has been sold prior to 31 December 2010.

GPT Management Holdings Limited and its controlled entities

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for the year ended 31 December 2010

(3) Babcock & Brown Residential Operating Partnership LP Loan

During the year, GPT entered into a sale agreement to sell its Series D Preferred units (classified as Loans and receivables - asset) in Babcock & Brown Residential Operating Partnership LP (the Partnership) for cash consideration of USD\$20m. The sale was completed on 1 November 2010.

(iii) Funds Management - Europe

(1) Dutch Active Fund Propco BV (DAF)

The following developments have occurred since 31 December 2009 in relation to the legal sale of GPT Europe 2 Sarl's 38.04% shareholding in DAF:

- regulatory consent of the sale transaction has been provided by the Dutch Tax Authority with effect from 8 August 2009, resulting in REIT status for DAF; and
- regulatory consent of the sale transaction by HM Revenue and Customs (Charity Commission), was received on 6 July 2010, with the consent confirming that the purchasers' investment in DAF is a qualifying investment under Schedule 20 ICTA 1988 and income arising from the transaction will be exempt for UK income tax purposes.

The consents above result in an unconditional legal sale of the DAF investment effective from 6 July 2010. However, until the 38.04% shareholding in DAF is on-sold to a third party by the new owners or GPT, the risks and benefit of owning this investment still remain with GPT and does not qualify as a sale under Australian Accounting Standards. As a result, at 31 December 2010, GPT Europe 2 Sarl, continues to recognise the 38.04% investment in DAF for \$13.5 million.

(iv) US Senior Housing

On 16 February 2011 GPT announced the sale of the portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011.

(b) Assets classified as Held for Sale

There are no other assets held for sale other than those assets disclosed below.

(c) Details of Assets and Liabilities of Discontinued Operations

The table below sets out the assets and liabilities that continue to be owned by the Company at 31 December 2010, as discussed in note 8(a)(i), 8(a)(ii), 8(a)(iii) and 8(a)(iv). Note 2(d) shows these assets and liabilities as an aggregate amount on the lines "non-current assets and liabilities held for sale" in the Statement of Financial Position.

	US Senior Housing	Funds Management Europe	Hotel/ Tourism	Joint Venture	Total	Total
	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 10	31 Dec 09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets classified as held for sale						
Cash at bank and at call	-	-	3,711	-	3,711	10,672
Loans and receivables	608	23	12,636	-	13,267	35,913
Inventories	-	-	3,759	-	3,759	4,405
Investments in associates and joint ventures	491	13,464	503	-	14,458	31,141
Property, plant and equipment	-	-	-	-	-	5,200
Other assets	-	-	23	-	23	39
Total Assets classified as held for sale	1,099	13,487	20,632	-	35,218	87,370
Liabilities classified as held for sale						
Trade payables and accruals	-	-	6,142	-	6,142	15,972
Other liabilities	-	-	3,146	-	3,146	2,408
Total Liabilities classified as held for sale	-	-	9,288	-	9,288	18,380

(d) Financial performance and cashflow information relating to discontinued operations

The financial performance and cash flow information up to the date of disposal and for the financial year ended 31 December 2010 (where the operations remain at year end) is set out below. These results are shown at note 2(a) within the Discontinued Operations segments.

Prior year comparatives have been restated and are also included.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Financial performance and cash flow information:		
Revenue	334,669	368,521
Expenses	(151,981)	(478,000)
Profit/(loss) before income tax	182,688	(109,479)
Income tax credit	5,568	9,903
Profit/(loss) after income tax of discontinued operations	188,256	(99,576)
Net cash outflow from operating activities	(16,258)	(25,446)
Net cash outflow from investing activities	(2,943)	11,371
Net cash outflow from financing activities	(1,885)	(1,020)
Net decrease in cash generated by the discontinued operation	(21,086)	(15,095)

(e) Details of all disposals in the Statement of Comprehensive Income and Statements of Financial Position

The net loss on sale of disposals in the discontinued operations and in the general course of business during the financial year were:

	Consolidated Entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Details of disposals during the year:		
Consideration (net of transaction costs)	20,239	8,700
Total consideration	20,239	8,700
Carrying amount of net assets sold	(20,791)	(51,522)
Foreign exchange gain realised on disposal	3,580	-
Gain / (Loss) on sale before income tax	3,028	(42,822)
Income tax expense	-	-
Gain / (Loss) on sale after income tax	3,028	(42,822)
Cash at bank and at call	-	28,722
Trade receivables	21,806	8,777
Inventories	-	380,337
Property, plant and equipment	1,535	-
Other assets	-	1,467
Total assets	23,341	419,303
Trade payables and accruals	-	30,013
Derivative liabilities	-	20,891
Borrowings	-	316,877
Other liabilities	2,550	-
Total liabilities	2,550	367,781
Net assets	20,791	51,522

Disposals happened throughout the financial year and the table above shows the carrying value of assets and liabilities as at the date of disposals.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

9. Investments in associates and joint ventures

	Note	Consolidated entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
Investments in joint ventures	(a)(i)	78	2,659
Investments in associates	(a)(ii)	-	285
Total investments in associates and joint ventures		78	2,944

(a) Details of equity accounted investments

Name	Principal Activity	Ownership interest		31 Dec 10 \$'000	31 Dec 09 \$'000
		2010 %	2009 %		
(i) Joint Ventures					
Entities incorporated in Australia					
DPT Operator Pty Limited ¹	Managing property	50.00	50.00	78	75
Entities incorporated in the United States					
B-VII Operations Holding Co LLC ²	Property investment	95.00	95.00	-	2,584
Total investment in joint ventures				78	2,659
(ii) Associates					
Entities incorporated in Australia					
Lend Lease GPT (Rouse Hill) Pty Limited ³	Investment property	26.00	26.00	-	-
Entities incorporated in the United States					
Benchmark Assisted Living LLC ²	Property management	20.00	20.00	-	285
Total investments in associates				-	285

- The entity has a 30 June balance date.
- The Company has a 95% economic interest in B-VII Operations Holding Co LLC and a 20% interest in the manager of the portfolio, Benchmark Assisted Living LLC. The Company has equal representation and voting rights on the Board of B-VII Operations Holding Co LLC with all major decisions regarding the joint venture requiring unanimous approval from both parties, resulting in joint control with BE Capital LLC. Accordingly, B-VII Operations Holding Co LLC has been accounted for as a joint venture. These assets have been classified as "Non-current assets held for sale" (refer to note 8(a)(iv)).
- The Company has consolidated 50% of Lend Lease GPT (Rouse Hill) Pty Limited as it owns a 52% controlling interest in GPT Residential (Rouse Hill) Trust. Economically it owns 26% of the entity after taking into account the non-controlling interest.

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for the year ended 31 December 2010

(b) Reconciliation of the carrying amount of equity accounted investments

Reconciliations of the carrying amount of equity accounted investments at the beginning and end of the current financial year by the geographic segment they operate in are set out below:

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated entity								
(i) Joint ventures								
Carrying amount at beginning of the financial year	75	73	-	-	2,584	12,610	2,659	12,683
Foreign exchange rate differences on translation	-	-	-	-	-	(1,470)	-	(1,470)
Share net operating profit	3	2	-	-	-	(7,725)	3	(7,723)
Reversal of negative net assets	-	-	-	-	-	-	-	-
Distributions received/receivable from joint ventures	-	-	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	(2,584)	(831)	-	(831)
Carrying amount at end of the financial year	78	75	-	-	(2,584)	-	78	2,659
(ii) Associates								
Carrying amount at beginning of the financial year	-	15,174	-	58,949	285	414	285	74,537
Foreign exchange rate differences on translation	-	-	-	-	-	(173)	-	(173)
Share net operating profit	-	(12,154)	-	-	-	44	-	(12,110)
Reversal of negative net assets	-	-	-	-	-	-	-	-
Distributions received/receivable from joint ventures	-	-	-	-	-	-	-	-
Additions	-	1,875	-	-	-	-	-	1,875
Transfer to assets held for sale	-	(4,895)	-	(58,949)	(285)	-	(285)	(63,844)
Carrying amount at end of the financial year	-	-	-	-	-	285	-	285

(c) Share of joint ventures and associates' net profits

The Company's share of net profits after income tax from its equity accounted investments is set out below by the geographic segment they operate in:

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	6,530	6,495	-	-	-	231,053	6,530	237,548
Expenses	9,387	29,554	-	-	-	239,276	9,387	268,830
Profit/(loss) before income tax expense	(2,857)	(23,059)	-	-	-	(8,223)	(2,857)	(31,282)
Income tax expense/(benefit)	(461)	(121)	-	-	-	-	(461)	(121)
Negative net assets not recognised	(2,396)	(22,938)	-	-	-	(8,223)	(2,396)	(31,161)
Share of net profits of joint ventures and associated interests	2,399	10,784	-	-	-	542	2,399	11,326
	3	(12,154)	-	-	-	(7,681)	3	(19,835)

* The Company has not reduced its equity interest below zero as there is no recourse back to the Company for its equity interest in these entities

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(d) Share of joint ventures and associates' assets and liabilities

The Company's share of the balance sheet of its equity accounted investments by the geographic location they operate in are:

	Australia		Europe		United States		Total	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	2,728	2,137	-	-	-	4,609	2,728	6,746
Other assets	6,536	21,994	-	-	-	13,954	6,536	35,948
Property investments and loans	13,972	21,212	-	-	-	21,424	13,972	42,636
Total assets	23,236	45,343	-	-	-	39,987	23,236	85,330
Other liabilities	13,303	3,628	-	-	-	47,344	13,303	50,972
Borrowings	-	29,928	-	-	-	13,193	-	43,121
- The GPT Group	-	-	-	-	-	-	-	-
- External - current	-	-	-	-	-	-	-	-
- External- non current	-	-	-	-	-	-	-	-
Total liabilities	15,758	22,496	-	-	-	60,537	15,758	22,496
Net assets	29,061	56,052	-	-	-	(20,550)	29,061	116,589
Negative net assets not recognised	(5,825)	(10,709)	-	-	-	(20,550)	(5,825)	(31,259)
Net assets recognised	5,903	10,784	-	-	-	23,419	5,903	34,203
	78	75	-	-	-	2,869	78	2,944

* The Company has not reduced its equity interest below zero as there is no recourse back to the Company for its equity interest in these entities.

(e) Share of joint ventures and associates' commitments

The Company's share of its equity accounted investments' capital expenditure commitments for the purchase of property, plant and equipment which have been approved but not provided for at 31 December 2010 and operating lease commitments are set out below:

Capital expenditure commitments	-	-	-	-	198	302	198	302
Operating lease commitments	-	-	-	-	253	73,808	253	73,808
Other commitments	-	-	-	-	653	-	653	-
Total joint venture and associates' commitments	-	-	-	-	1,104	74,110	1,104	74,110

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

10. Property, plant and equipment

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Computers		
At cost	5,785	4,979
less: accumulated depreciation and impairment	(3,545)	(1,831)
Total computers	2,240	3,148
Office, fixtures and fittings		
At cost	4,716	2,531
less: accumulated depreciation and impairment	(1,295)	(643)
Total office, fixtures and fittings	3,421	1,888
Total property, plant and equipment	5,661	5,036

Reconciliations

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

	Computers \$'000	Office fixtures & fittings \$'000	Total \$'000
Year ended 31 December 2010			
Opening carrying value	3,148	1,888	5,036
Additions	806	2,185	2,991
Disposals	-	-	-
Depreciation charge	(1,714)	(652)	(2,366)
Assets held for sale	-	-	-
Foreign exchange movement	-	-	-
Closing carrying value	2,240	3,421	5,661
Year ended 31 December 2009			
Opening carrying value	6,631	2,236	8,867
Additions	14,735	381	15,116
Disposals	(17)	(112)	(129)
Depreciation charge	(1,965)	(617)	(2,582)
Transfer to intangibles	(16,236)	-	(16,236)
Closing carrying value	3,148	1,888	5,036

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

11. Intangibles

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Management rights		
At cost	54,200	54,200
less: accumulated amortisation and impairment	(42,109)	(37,956)
Total management rights	12,091	16,244
Software		
At cost	43,948	17,383
less: accumulated amortisation and impairment	(4,281)	(1,147)
Total software	39,667	16,236
Total intangible assets	51,758	32,480

Reconciliations

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

	Management rights \$'000	Computer software \$'000	Total \$'000
Year ended 31 December 2010			
Opening carrying value	16,244	16,236	32,480
Additions	-	27,799	27,799
Amortisation	(4,153)	(756)	(4,909)
Disposals	-	(1,038)	(1,038)
Impairment	-	(2,574)	(2,574)
Closing carrying value	12,091	39,667	51,758
Year ended 31 December 2009			
Opening carrying value	20,396	-	20,396
Amortisation	(4,152)	-	(4,152)
Transfer from property, plant and equipment	-	16,236	16,236
Closing carrying value	16,244	16,236	32,480

Management rights

The management rights include asset, property and development management rights of retail shopping centres. The useful life of the rights range between 7.5 to 10 years. The rights are amortised over the useful life.

IT development and software

Costs incurred in developing systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the periods generally ranging from 3 to 10 years.

12. Payables

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Current		
Trade payables	2,739	6,228
Accruals	41,553	52,405
Other payables	1,881	2,585
Total payables	46,173	61,218

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

13. Derivative financial instruments

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Current liabilities		
Interest rate swaps	-	16,414
Total current derivative liabilities	-	16,414

GPT does not speculatively trade in derivative financial instruments and the terms and conditions of the derivative financial instruments are similar to the terms and conditions of the underlying items being economically hedged. Refer to note 26 for further details.

14. Provisions

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Current Provisions		
Employee benefits	4,383	4,092
Other	6,965	4,134
Total Current Provisions	11,348	8,226
Non Current Provisions		
Employee benefits	4,207	3,847
Total Non Current Provisions	4,207	3,847

15. Borrowings

	Note	Consolidated entity	
		31 Dec 2010	31 Dec 2009
		\$'000	\$'000
Current - unsecured			
Related party borrowings	(i)	-	160,971
Total current borrowings - unsecured		-	160,971
Current - secured			
Total current borrowings - secured		-	-
Total current borrowings		-	160,971
Non-Current - unsecured			
Related party borrowings	(ii)	-	449,166
Total non-current borrowings		-	449,166
Total borrowings		-	610,137
Due within one year		-	161,483
Due between one and five years		-	-
Due after five years		-	866,198
Total financing facilities		-	1,027,681

GPT Management Holdings Limited and its controlled entities**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2010

A summary of the Company's financing facilities is below.

	31 Dec 2010		
	Total facility \$'000	Used facility \$'000	Unused facility \$'000
Bank borrowings			
Overdraft facility - euro	-	-	-
Overdraft	-	-	-
Bank facilities	-	-	-
Related party	1,027,681	735,004	292,678
Total financing resources available at end of financial year	1,027,681	735,004	292,678

Loan assignment - variation

During the year the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date.

Loans to foreign subsidiaries with a value of \$21.7m were assigned from the Trust to the Company. These loans are eliminated upon consolidation within the GPT Management Holdings Group.

Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial modification to each of the loan terms and accordingly the loans have been remeasured under the varied contractual terms and conditions (refer to note 1(a) for further details).

(i) Related party borrowings - current

The following current unsecured borrowings were drawn in the period at 31 December 2010 from the Trust and its subsidiaries;

- A EUR €60,811,653 (AUD \$97,112,189) loan to GPT Europe 2 S.a.r.l. is at call with no fixed maturity. At 31 December this facility is fully drawn.
- A SEK 37,650,417 (AUD \$5,862,725) loan to GPT Europe 2 S.a.r.l. is at call with no fixed maturity. At 31 December this facility is fully drawn.
- A USD \$52,500,000 (AUD \$58,508,860) loan to GPT USA 3 GmbH & Co.KG which expires in December 2011. At 31 December 2010 this facility is drawn to USD \$52,040,000 (AUD \$57,996,211).

As noted above, during the year these borrowings have been assigned from the Trust to the Company and are eliminated on consolidation resulting in a nil balance as at 31 December 2010.

(ii) Related party borrowings – non current

The following non current unsecured borrowings were drawn in the period at 31 December 2010 from Trust and its subsidiaries;

- A loan facility to the Company of AUD \$600,000,000 was reduced to \$550,000,000 and is drawn to \$325,405,723 at 31 December 2010. This facility expires on 31 December 2015 and ensures the Company is able to pay its debts on and when they fall due.
- An AUD \$50,000,000 loan facility to GPT Property Management Ltd has been provide following the reduction in loan facility to the Company and is drawn to \$29,994,123 at 31 December 2010.
- A loan facility of AUD \$120,000,000 to GPT International Pty Limited was drawn to AUD \$98,678,136 at 31 December 2010. This facility expires June 2017.
- An AUD \$75,000,000 loan facility to Voyages Hotels & Resorts Pty Limited was drawn to \$58,454,084. A additional AUD \$70,000,000 loan facility has also been made available and was drawn to \$60,302,948 at 31 December 2010.
- A EUR €750,000 loan (AUD \$1,197,700) has been made to GPT UK Limited and is fully drawn at 31 December 2010.

As noted above, during the year these borrowings have been varied and are eliminated on consolidation resulting in a nil balance as at 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

16. Contributed equity

	Note	Shares Number	Company \$'000	Total \$'000
(i) Ordinary stapled securities				
1 Jan 2009		4,467,363,800	324,755	324,755
27 May 2009	(a)	4,091,926,477	-	-
16 June 2009	(a)	718,294,466	-	-
12 August 2009	(b)	-	16	16
31 Dec 2009		9,277,584,743	324,771	324,771
1 Jan 2010		9,277,584,743	324,771	324,771
19 May 2010		(7,422,055,312)	-	-
31 Dec 2010		1,855,529,431	324,771	324,771

(a) Equity raising - 2009

In order to further strengthen GPT's Statement of Financial Position, improve the liquidity position and allow GPT to seek to accelerate its exit from the Babcock & Brown Joint Venture, GPT announced a capital raising on 7 May 2009 at an offer price of 35 cents per stapled security. The capital raising comprised a \$120 million institutional placement and a non-renounceable 1 for 1 pro-rata entitlement offer to eligible securityholders which had an institutional component of \$1,270.8 million and a retail component of \$292.8 million. A total of \$1.7 billion was raised with total transaction costs of \$53.9 million. Total proceeds were split between General Property Trust and the Company on a net asset basis. Due to the Company having negative net assets, no proceeds were allocated to the Company relating to this issue.

(b) In specie dividend

An in specie dividend of ordinary shares at a value of €10,000 (AUD \$16,000) in BGP Holdings Limited (formerly MaltaCo 1 Ltd) to GPT Securityholders was made on 12 August 2009, which was equal to the value of the ordinary equity in BGP Holdings Limited. This dividend was paid out of the current year profits of GPT Management Holdings Limited and the value of shares issued to shareholders in specie represented 94.7% of the total capital, voting and dividend rights of BGP Holdings Limited. Refer to note 8(a) for further details.

This dividend provides GPT securityholders from 12 August 2009 with a beneficial interest in BGP Holdings Limited on a 1 to 1 basis. The beneficial interest will be held through a bare trustee, Trust Company Ltd. BGP Holdings Limited is an unlisted, public limited company incorporated in Malta, which owns GPT's interest in the European Joint Venture.

This dividend provided the Company with the opportunity to exit the European component of its Joint Venture with Babcock & Brown.

(c) Consolidation of ordinary stapled securities

On 10 May 2010, the GPT securityholders approved the consolidation of every 5 stapled securities into 1 stapled security. Where the consolidation resulted in a fraction of a security being held by a securityholder, the fraction was rounded up to the nearest whole stapled security. The consolidation took effect and was complete on 19 May 2010. The effect of the consolidation was to reduce the number of stapled securities on issue by 7,422,055,312 on 19 May 2010 to 1,855,529,431.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

17. Reserves

	Note	Company \$'000	Non-controlling Interest \$'000	Total \$'000
Employee incentive scheme reserve	(a)	3,916	-	3,916
Foreign currency translation reserve	(b)	31,088	-	31,088
Total reserves		35,004	-	35,004

Reconciliations

Reconciliations of each type of reserve at the beginning and end of the current financial year are set out below:

(a) Employee incentive scheme reserve				
Balance at 1 January 2009		-	-	-
Employee incentive schemes expense, net of tax		871	-	871
Balance at 31 December 2009		871	-	871
Balance at 1 January 2010		871	-	871
Employee incentive scheme expenses, net of tax		3,045	-	3,045
Balance at 31 December 2010		3,916	-	3,916
(b) Foreign currency translation reserve				
Balance at 1 January 2009		(17,305)	12	(17,293)
Net foreign exchange translation adjustments, net of tax		31,065	(12)	31,053
Balance at 31 December 2009		13,760	-	13,760
Balance at 1 January 2010		13,760	-	13,760
Net foreign exchange translation adjustments, net of tax		17,328	-	17,328
Balance at 31 December 2010		31,088	-	31,088

Nature and purpose of reserves:

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities as described in note 1(e). The movement in the foreign currency reserve is recognised in the Statement of Comprehensive Income when the net investment in the foreign controlled entity is disposed.

Employee incentive scheme reserve

The employee incentive scheme reserve is used to recognise the notional fair value of the implied option in respect of performance rights issued under the GPT Group Stapled Security Rights Plan (refer to New Performance Rights LTI Plan in this report as described in note 21(a)(ii)).

18. Retained profits/(accumulated losses)

	Company \$'000	Non-controlling interest \$'000	Total \$'000
Consolidated entity			
Balance at 1 January 2009	(717,215)	22,663	(694,552)
Net loss for the financial year	(119,122)	(14,490)	(133,612)
less: in specie dividend	(16)	-	(16)
Balance at 31 December 2009	(836,353)	8,173	(828,180)
Balance at 1 January 2010	(836,353)	8,173	(828,180)
Net profit/(loss) for the financial year	616,325	(648)	615,677
less: in specie dividend	-	-	-
Balance at 31 December 2010	(220,028)	7,525	(212,503)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

19. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Balance Sheet

	Note	Parent entity	
		31 Dec 10 \$'000	31 Dec 09 \$'000
ASSETS			
Total Current Assets		164,203	10,308
Total Non-Current Assets		107,623	83,795
Total Assets		271,826	94,103
LIABILITIES			
Total Current Liabilities		139,674	27,799
Total Non-Current Liabilities		54,114	263,487
Total Liabilities		193,788	291,286
Net Assets		78,038	(197,183)
EQUITY			
Contributed equity		324,771	324,771
Reserves		794	871
Retained profits/(accumulated losses)		(247,527)	(522,825)
Total equity attributable to Company members		78,038	(197,183)
Profit and Loss			
Net profit / (loss) for the year		277,112	5,804
Total comprehensive income for the year		277,112	5,804

(b) Commitments

	Consolidated entity		Parent entity	
	31 Dec 10 \$'000	31 Dec 09 \$'000	31 Dec 10 \$'000	31 Dec 09 \$'000
Due within 1 year	28,500	66,680	3,822	1,857
Due between 1 and 5 years	117,930	154,060	13,319	-
Due between 5 years and expiry date of leases	63,272	65,793	22,636	-
Total operating lease commitments	209,702	286,533	39,777	1,857

There are nil contractual capital commitments at 31 December 2010 (2009: nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

20. Key management personnel disclosures

(a) Details of Key Management Personnel

(i) Directors

The Directors of GPT Management Holdings Limited during the financial year and up to the date of this report were:

Chairman - Non-Executive Director

Ken Moss (retired 10 May 2010)
 Rob Ferguson (an existing director, was appointed Chairman on 10 May 2010)

Non-Executive Directors

Brendan Crotty
 Eileen Doyle (appointed 1 March 2010)
 Eric Goodwin
 Lim Swe Guan
 Anne McDonald
 Ian Martin (retired 10 May 2010)
 Gene Tilbrook (appointed 11 May 2010)

Executive Director

Michael Cameron

(ii) Other key management personnel

In addition to the Directors, the following persons also had the greatest authority for the strategic direction and management of the Company, directly or indirectly, during the financial year:

Michael O'Brien Chief Financial Officer
 Nicholas Harris Head of Wholesale
 Mark Fookes Head of Retail
 Michelle Tierney Head of Retail Property & Asset Management
 Anthony McNulty Head of Development
 James Coyne General Counsel and Secretary

(b) Key management personnel compensation

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Short term employee benefits	10,493.2	9,539.1
Post employment benefits	192.5	185.3
Long term incentive award accrual	1,447.3	250.2
Other long term benefits	166.4	114.8
Termination benefits	-	1,490.0
Total key management personnel compensation	12,299.4	11,579.4

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report on page 10 to 24 of the Directors' Report.

(c) Equity instrument disclosures relating to key management personnel

(i) The number of GPT stapled securities held during the financial year by each key management personnel, including their personally-related parties is set out below:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

	Balance 1 Jan 2009	Purchases/ (Sales)	Balance 31 Dec 2009	Purchases/ (Sales)	Balance 31 Dec 2010
Directors					
Ken Moss ⁽³⁾	10,496	13,121	23,617	-	-
Rob Ferguson	-	204,082	204,082	-	204,082
Brendan Crotty	-	-	-	30,000	30,000
Eileen Doyle	-	-	-	1,600	1,600
Eric Goodwin	2,526	13,058	15,584	-	15,584
Lim Swe Guan	-	-	-	-	-
Anne McDonald	4,200	5,250	9,450	-	9,450
Ian Martin ⁽³⁾	20,496	25,621	46,117	-	-
Gene Tilbrook	-	-	-	20,000	20,000
Michael Cameron	-	-	-	163,742	163,742
Peter Joseph ⁽²⁾	20,000	-	-	-	-
Malcolm Latham ⁽²⁾	5,278	-	-	-	-
Senior Executives					
Michael O'Brien	111,627	2,500	114,127	38,454	152,581
James Coyne	35,261	-	35,261	-	35,261
Mark Fookes	138,648	9,476	148,124	-	148,124
Nicholas Harris	48,169	-	48,169	-	48,169
Anthony McNulty	-	-	-	-	-
Michelle Tierney	-	-	-	-	-
Jonathan Johnstone	89,006	(44,503)	44,503	-	44,503
Kieran Pryke ⁽¹⁾	118,064	-	-	-	-
Neil Tobin ⁽¹⁾	68,520	-	-	-	-

(1) Kieran Pryke and Neil Tobin's employment ended on 1 September 2009 and 31 August 2009 respectively.

(2) Peter Joseph and Malcolm Latham retired on 25 May 2009.

(3) Ken Moss and Ian McDonald retired on 10 May 2010.

- (ii) During the current financial year, certain Senior Executives of The GPT Group were granted Performance Rights (refer to note 21(a)(ii) for further details). The number of GPT performance rights held by the GPT Group Stapled Securities Rights Plan during the financial year by each key management personnel, including their personally-related parties, are set out below:

	Grant date	Vesting date	Exercise price	Granted*	Lapsed	Balance 31 Dec 2010	Vested at 31 Dec 2010
Director			\$				
		From 30 June 2011 to					
Michael Cameron	29 April 2009	30 June 2012	-	528,823	-	528,823	-
	19 May 2010	31 December 2012	-	590,068	-	590,068	-
Senior Executives							
Michael O'Brien	30 June 2009	31 December 2011	-	307,634	-	307,634	-
	16 July 2009	1 July 2011	-	76,908	-	38,454	38,454
	19 May 2010	31 December 2012	-	270,448	-	270,448	-
James Coyne	30 June 2009	31 December 2011	-	180,735	-	180,735	-
	19 May 2010	31 December 2012	-	154,074	-	154,074	-
Mark Fookes	30 June 2009	31 December 2011	-	269,179	-	269,179	-
	19 May 2010	31 December 2012	-	245,862	-	245,862	-
Nicholas Harris	30 June 2009	31 December 2011	-	230,725	-	230,725	-
	19 May 2010	31 December 2012	-	199,968	-	199,968	-
Anthony McNulty	30 June 2009	31 December 2011	-	152,856	-	152,856	-
	19 May 2010	31 December 2012	-	134,241	-	134,241	-
Michelle Tierney	30 June 2009	31 December 2011	-	137,714	-	137,714	-
	19 May 2010	31 December 2012	-	120,473	-	120,473	-
Jonathan Johnstone	30 June 2009	31 December 2011	-	192,271	-	192,271	-
	19 May 2010	31 December 2012	-	188,494	-	188,494	-

* Restated for the 5 to 1 consolidation of stapled securities effective as at 19 May 2010.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(d) Loans to key management personnel

All loans are pursuant to the Employee Incentive Scheme (EIS) which is discussed in detail at note 21(a).

Details of loans made during the financial year to each key management personnel, including their personally related parties, are set out below:

	Opening balance 1 Jan 2010	Total accumulated interest costs capitalised as part of the loan	Loans made during the year	Interest charged for the year	Interest not charged for the year ⁽¹⁾	Closing Balance 31 Dec 2010	Highest indebtedness during the year
	\$	\$	\$	\$	\$	\$	\$
Michael O'Brien	2,664,129	300,563	-	18,308	254,499	2,664,129	2,664,129
James Coyne	817,910	101,426	-	5,889	77,865	817,910	817,910
Mark Fookes	1,595,071	194,137	-	11,377	151,959	1,595,071	1,595,071
Nicholas Harris	1,211,868	143,178	-	8,044	116,051	1,211,868	1,211,868
Anthony McNulty	1,021,699	125,651	-	7,325	97,297	1,021,699	1,021,699
Michelle Tierney	909,948	97,361	-	6,098	87,081	909,948	909,948
Jonathan Johnstone	1,023,764	129,044	-	7,432	97,401	1,023,764	1,023,764

(1) The amounts shown for interest not accrued represent the difference between the amount paid and payable for the financial year and interest that would have been charged on an arm's length basis.

(e) Other transactions with key management personnel

There have been no transactions with key management personnel other than those transactions outlined above.

21. Share based payments

(a) Employee Incentive Scheme

The Employee Incentive Scheme (EIS) is a scheme under which GPT stapled securities are issued or purchased on-market on behalf of GPT employees for no cash consideration.

The EIS has two qualifying levels – the 'General Scheme' which applies to all GPT employees (other than certain Senior Executives) and the 'Long Term Incentive (LTI) Scheme' where participation is only offered to certain Senior Executives recommended by the GPT Board.

The LTI Scheme may be divided into two broad categories:

1. Legacy LTI plans still operable covering the period 2007 to 2010, and
2. The Performance Rights Plan approved by shareholders at the 2009 AGM in May 2009 revised and approved at the 2010 AGM in May 2010.

(i) The General Employee Security Ownership Plan

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

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

(ii) The Long Term Incentive (LTI) Scheme

(1) Legacy LTI Scheme

As detailed in the 2008 Remuneration Report, the unprecedented dislocation in global financial markets and the A-REIT sector in particular highlighted a number of flaws in the loan based LTI scheme that had significant unintended consequences for GPT. Recognising that the scheme was no longer best practice or operating in the interests of either GPT or participants, the Board decided to convert the existing scheme loans from full recourse to the individual to limited recourse effective 31 December 2008 (the date of conversion), such that while the loan remained in place the participant was committed only to the value of the underlying securities. In addition, for 2009 onwards, the interest charge on the loans to participants was set at a level to approximate the net distributions receivable.

As at 31 December 2010, none of the performance targets have been met since inception and as a result no LTI awards to GPT employees have been made to date. The legacy LTI scheme will be wound up in the first quarter of 2011 at the conclusion of the final 3-year performance period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(2) GPT Group Stapled Security Rights Plan (referred to as New Performance Rights LTI Plan)

At the 2009 Annual General Meeting GPT securityholders approved the introduction of a more contemporary Performance Rights LTI Plan (the 2009 LTI scheme). At the 2010 Annual General Meeting, the Performance Rights LTI Plan was altered with new performance conditions and was approved by the GPT securityholders (the 2010 LTI scheme).

The Performance Rights LTI Plan ('the Plan') covers a period of 3 years. Awards under the plan to eligible participants will be in the form of Performance Rights which convert to GPT stapled securities for nil consideration if specified service / performance conditions for the applicable 3 year period are satisfied. Please refer to Remuneration Report for detail on the service / performance conditions.

The Board determined those executives eligible to participate in the Plan and, for each participating executive, granted a number of Performance Rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP).

Under the requirements of AASB 2, the fair value of these Performance Rights will be amortised over the period starting from the grant date to the vesting date. Fair value at grant date has been independently determined using the Monte Carlo and Binomial tree pricing models that take into account the following inputs:

- (a) Performance conditions
- (b) Grant dates
- (c) Expected vesting dates
- (d) Share price at the grant date
- (e) Dividend yield
- (f) Risk free interest rate

The fair value of these Performance Rights granted during 2010 is \$2.06 per Performance right (Dec 09: ranges from \$0.84 to \$0.98 per performance right depending on the vesting conditions).

Total share based payment expense recognised during the year ended 31 December 2010 was \$3,217,189 (Dec 09: \$870,845).

(b) Other Share-based Incentive Scheme

(i) The GPT Group All Employee Stapled Security Plan (AESSP)

Implemented in March 2008, the AESSP allows eligible participants to salary sacrifice \$1,000 to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the AESSP must be held for a minimum of 3 years (or earlier if employment ceases) during which time they cannot be sold or otherwise dealt with.

(ii) The GPT Group Deferred Stapled Security Plan (DSSP)

Implemented in September 2008, the DSSP allows eligible participants to salary sacrifice amounts to purchase GPT Group stapled securities on market. GPT stapled securities acquired under the DSSP may be held for up to 10 years (or earlier if employment ceases) on an income tax deferred basis during which time they cannot be sold or otherwise dealt with.

The GPT stapled securities issued under all the Incentive Schemes to participating employees are set out below:

	Number of GPT stapled securities issued during the year		Total number of GPT stapled securities issued*	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
GPT stapled securities issued under the General Employee Security Ownership Plan	141,759	-	141,759	-
GPT stapled securities issued under the Long Term Incentive Scheme	-	-	1,010,209	1,222,920
GPT stapled securities issued under the The GPT Group All Employee Stapled Security Plan	-	2,248	5,077	5,482
GPT stapled securities issued under the The GPT Group Deferred Stapled Security Plan	163,743	28,341	166,308	34,630

	Number of GPT share rights issued during the year		Total number of GPT share rights issued*	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
GPT performance rights issued under GPT Group Stapled Securities Rights Plan	3,818,257	4,556,777	8,375,034	4,556,777

* December 2009 comparative has been restated for the 5 to 1 consolidation of stapled securities.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

22. Related party transactions

(a) Ultimate Parent

GPT Management Holdings Limited is the ultimate Australian Parent entity.

(b) Controlled entities, joint ventures and associates

Equity interests in controlled entities, joint ventures and associates are set out in note 9. Loans provided to joint ventures and associates as part of the funding of those arrangements are set out in note 7.

(c) Key management personnel

Disclosures relating to key management personnel and remuneration paid to directors of the ultimate parent entity are set out in note 20.

(d) Transactions with related parties

During the year, the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) were varied under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date (refer to note 1(a)).

	Consolidated entity	
	31 Dec 2010	31 Dec 2009
	\$'000	\$'000
Transactions with General Property Trust (Trust)		
Revenue		
Fund management fees - from Trust	39,402	33,336
Property management fees - from Trust	10,642	10,515
Development management fees - from Trust	11,591	12,654
Management costs recharged - from Trust	5,921	4,119
Expenses		
Property rent and outgoings paid to Trust	(39,341)	(54,415)
Interest paid to Trust	(28,393)	(32,247)
Payables/ Receivables to/from Trust		
Loan payable to Trust	-	(610,137)
Receivables from Trust	42,282	-
Other transaction with Trust		
Revaluation of borrowings to Trust - continued and discontinued operations	572,832	-
Transactions with employees		
Contributions to superannuation funds on behalf of employees	(6,116)	(8,088)
Transactions with GPT Wholesale Office Fund (GWOFF)		
Revenue		
Responsible Entity fees received from GWOFF	13,604	13,974
Development management fees - from GWOFF	2,033	1,417
Directors fees recharged to GWOFF	123	112
GWOFF receivables and other transactions		
Current receivable outstanding from GWOFF	4,197	3,669
Current payable outstanding from GWOFF	-	28
Transactions with GPT Wholesale Shopping Centre Fund (GWSCF)		
Revenue		
Responsible Entity fees received from GWSCF	9,144	9,262
Directors fees recharged to GWSCF	123	112
Property Management fees - from GWSCF	7,792	7,288
Development management fees - from GWSCF	2,505	3,228
Management costs recharged - from GWSCF	3,158	2,740
Payroll costs recharged to GWSCF	4,215	3,151
GWSCF receivables		
Current receivable outstanding from GWSCF	8,577	4,288
Transactions with controlled entities		
Revenue		
Distributions from controlled entities	300	-
Transactions with joint ventures and associates		
Revenue		
Capital repayment from Kings Canyon Unit Trust	-	4,235

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

23. Notes to the Consolidated Statements of Cash Flow

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
(a) Reconciliation of profit after income tax to net cash inflows from operating activities		
Net profit/(loss) for the financial year	615,677	(133,612)
Share of after tax losses of associates and joint ventures	12,424	40,971
Net foreign currency exchange (gains)/losses	190	(4,760)
Net loss/(gain) on disposal of assets	(3,028)	43,433
Net loss on fair value derivatives	-	4,477
Employee incentive security scheme expenses	6,235	10,100
Depreciation and amortisation expense	7,761	8,299
Impairment expense	853	105,308
Revaluation expense	(1,091)	-
Gain on forgiveness of loan	-	(131,907)
Interest capitalised on related party loan	-	31,169
Intercompany finance costs	36,526	-
Revaluation on borrowings	(678,035)	-
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(56,065)	16,289
Increase/(decrease) in payables	(20,181)	(69,610)
(Increase)/decrease in deferred tax asset	(4,832)	(5,044)
Net cash (outflows)/inflows from operating activities	(83,566)	(84,887)

(b) Reconciliation of cash

Cash at bank	18,795	27,102
less: Cash balance classified as Assets held for resale	(3,711)	(10,672)
Total cash at end of the financial year	15,084	16,430

24. Contingent assets and liabilities

Except for the matters below, there are no other material contingent assets or liabilities at reporting date.

Slater and Gordon announced an intention to bring a class action against GPT. This is said to be on behalf of certain persons who purchased GPT securities from 27 February 2008 and held securities on 7 July 2008. The allegations surround the adequacy and timing of disclosures to the market in this period. No proceedings have yet been issued. GPT has been invited to enter into discussions, on a without prejudice basis, with Slater and Gordon. Failing an agreed resolution of the matter, Slater and Gordon have confirmed they intend to commence proceedings.

GPT rejects the allegations and intends to defend the claim if proceedings are commenced. GPT does not expect that any payment it could be required to make would have a material adverse effect on the Group's operational or strategic objectives, or its financial strength.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

25. Commitments

(a) Capital expenditure commitments

At 31 December 2010, the Company has commitments relating to the purchase of property, plant and equipment and other investments, which have been approved but not recognised as liabilities in the Statement of Financial Position, as set out below:

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Due within 1 year	10,524	2,330
Due between 1 and 5 years	-	4,419
Over 5 years	-	-
Total capital expenditure commitments	10,524	6,749

(b) Operating leases commitments

At 31 December 2010 the future minimum rentals payable under non-cancellable operating leases are as follows:

Due within 1 year	28,500	66,680
Due between 1 and 5 years	117,930	154,060
Due between 5 years and expiry date of leases	63,272	65,793
Total operating lease commitments	209,702	286,533

The Company has entered commercial leases on motor vehicles, office equipment and office premises.

(c) Other commitments

Aggregate amounts of other commitments agreed or contracted but not recognised as liabilities in the Statement of Financial Position are as follows:

Due within 1 year	-	451
Due between 1 and 5 years	-	1,148
Over 5 years	-	-
Total other commitments	-	1,599

(d) Commitments relating to associate and joint venture investments

The above commitments include the Company's share of commitments relating to associate and joint venture investments. Refer to note 9(e) for the share of associates and joint venture entities' commitments.

26. Financial and capital risk management disclosures

The GPT Group's Treasury Risk Management Committee (TRMC) oversees the establishment and implementation of the capital and financial risk management system including compliance with GPT treasury and risk policy and reporting to the Audit and Risk Management Committee (ARMC) and, through the ARMC, to the GPT Board. The ARMC and the GPT Board approve GPT's treasury policy which establishes a framework for the management of treasury risks, defines the role of GPT's treasury and details risk management policies for cash, borrowing, liquidity, credit risk, foreign exchange, interest rate and derivative instruments. GPT's treasury policy applies to the GPT Group which is defined as GPT RE Limited in its role as responsible entity of GPT and its controlled entities, including the Company.

(a) Financial risk management

The GPT Group's objective when managing capital is to maximise the availability and minimise the cost of capital having regard to the relevant real estate market in which it is invested.

The financial risks that result from the Company's activities are credit risk, liquidity risk, refinancing risk and market risk (interest rate and foreign exchange). The Company manages its exposures to these key financial risks in accordance with the GPT Group's treasury policy and focuses on mitigating the impact of volatility in financial markets.

The Company uses various methods to measure and manage these types of risks. The main methods include monitoring levels of exposure and conducting sensitivity analysis in the case of interest rate and foreign exchange risks. Aging analysis, monitoring of credit allowances and dealing with financial institutions which have a credit rating of A (or its equivalent) from one of S&P, Moody's or Fitch are methods undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the Company. The Consolidated entity has exposure to credit risk on all financial assets included in its balance sheets.

This risk is managed by:

- establishing credit limits for customers and financial institutions to ensure that the consolidated entity only trades and invests with approved counterparties to enable it to manage its exposure to individual entities;
- investing and transacting derivatives with multiple counterparties that have a long term credit rating of A (or its equivalent) from S&P, Moodys or Fitch;
- providing loans as an investment to joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances on an ongoing basis;
- regularly monitoring the performance of its associates, joint ventures and third parties on an ongoing basis; and
- obtaining collateral as security (where appropriate).

The maximum exposure to credit risk as at 31 December 2010 is the carrying amounts of financial assets recognised in the statement of financial position of the Consolidated entity. There were no significant financial assets that were past due as at 31 December 2010 and 31 December 2009. Additionally, there are no other significant financial assets that would otherwise be past due or impaired if relevant terms have not been renegotiated. The consolidated entity holds no significant collateral as security and consistently monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

Derivative counterparties and cash transactions are limited to financial institutions that meet the treasury risk management policy's minimum credit rating criteria. Credit risk arising on loans and receivables balances is monitored on an ongoing basis. Total impairments of loans and receivables at 31 December 2010 is \$2,193,213 in the Consolidated entity. There are no other significant financial assets that have had renegotiated terms that would otherwise have been past due or impaired. The Company will continue to monitor the credit quality of all financial assets in order to identify any future potential adverse changes in the credit quality.

The table below shows the ageing analysis of loans and receivables with their associated impairments in note 7.

Consolidated entity

	31 December 2010						31 December 2009					
	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total	Not Due	0-30 days	31-60 days	61-90 days	90+ days	Total
	2010	2010	2010	2010	2010	2010	2009	2009	2009	2009	2009	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	-	68,951	426	48	513	69,939	9,449	8,880	382	-	1,550	20,261
impairment of trade receivables	-	(373)	-	-	-	(373)	-	-	-	-	-	-
Current loans	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Non current loans and receivables	50,236	-	-	-	-	50,236	30,137	-	-	-	-	30,137
Impairment	(30,506)	-	-	-	-	(30,506)	(14,896)	-	-	-	-	(14,896)
Total loans and receivables	19,730	68,578	426	48	513	89,296	24,690	8,880	382	-	1,550	35,502

(c) Liquidity risk

Liquidity risk includes the risk that the consolidated entity as a result of its operations:

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

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities (refer to note 15), the ability to close out market positions and the option to raise funds through the issue of new stapled securities or DRP, as discussed in note 16. The timing of cash flows on the borrowings, based on their maturity profile, is set out in note 15.

During the year, the Company varied its Loan Agreements with the Trust with Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial modification to each of the loan terms and accordingly the loans have been remeasured under the varied contractual terms and conditions.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

Additionally, loans to foreign subsidiaries with a market value of \$21.7m were assigned from the Trust to GPT Management Holdings Limited. These loans are eliminated upon consolidation within the GPT Management Holdings Group.

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

	31 December 2010				31 December 2009			
	1 Year or less	Over 1 year to 5 years	Over 5 years	Total	1 Year or less	Over 1 year to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities								
Non-Derivatives								
Payables	46,172	-	-	46,172	62,738	-	-	62,738
Related Party Borrowings	-	-	-	-	160,971	-	449,166	610,137
Capital commitments	10,524	-	-	10,524	2,330	4,419	-	6,749
Total liabilities	56,696	-	-	56,696	226,039	4,419	449,166	679,624
Less Cash	15,084	-	-	15,084	16,430	-	-	16,430
Total	41,612	-	-	41,612	209,609	4,419	449,166	663,194

The Company has unused facilities with the Trust which can fund the borrowings maturing in the current period.

(d) Refinancing risk

Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in the consolidated entity's credit margins and interest cost. Refinancing risk arises when the consolidated entity is required to obtain debt to fund existing and new debt positions.

The Company is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available from the Trust.

During the year, the Company reduced its refinancing risk by varying the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date. This constitutes a substantial variation to each of the loan terms. The loans have been have been remeasured under the varied contractual terms and conditions.

Additionally, loans to foreign subsidiaries with a market value of \$21.7m were assigned from the Trust to GPT Management Holdings Limited. These loans are eliminated upon consolidation within the GPT Management Holdings Group.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(i) Interest rate risk contracts – loan receivables

The income and the associated operating cash flows of the Company's assets are substantially independent of changes in market interest rates. The consolidated entity's loans are provided to employees and investments in joint ventures and associates as a means to obtaining an underlying property exposure. Refer to note 9 for terms and interest rates.

The Company does not undertake any specific hedging of loan receivables except to monitor the loan outstanding to strategies in the underlying investment portfolio and the cash flow at risk as a result of interest rate fluctuations on scheduled interest rate resets for the next reporting period.

(ii) Interest rate risk contracts – borrowings

The Company's primary interest rate risk arises from borrowings with the GPT Trust. Borrowings issued at floating rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

During the year, the Company reduced its refinancing risk by varying the terms of the Australian subsidiaries' intercompany loans with General Property Trust (the Trust) under individual Deeds of Variation. Under the Deeds of Variation, the Trust's rights to full repayment of the intercompany loans will be limited to the surplus cash of the individual companies at their loan maturity date.

(f) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Company's foreign exchange risk arises primarily from:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

- borrowings denominated in foreign currencies;
- firm commitments of highly probably forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign operations.

(i) Foreign currency assets and liabilities

Foreign currency exposure is primarily managed at the Trust level and not in individual controlled entities of the GPT Group. Under the GPT Group Policy, the Trust is responsible for raising the foreign currency borrowings to fund the Company's acquisitions of foreign operations, with the Trust's loan to the Company being denominated in the Australian dollars.

The Trust manages the foreign exchange risk of the cost of funding and the income derived from the investment in foreign operations by entering into forward foreign exchange contracts to convert the amount of foreign currency received by the Trust back to Australian dollars. There is no hedging of the exposure to foreign operations in the Company.

Where there is asset level debt however, the individual controlled entity is responsible for ensuring it manages its foreign exchange risk for its assets and liabilities denominated in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations as well as using forward exchange contracts where funds were borrowed in local currency. The GPT Group's policy was not to hedge unrealised fair value increases/decreases which may have occurred in its foreign currency assets.

The loans to the joint ventures are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in the foreign currency translation reserve. Borrowings are revalued at the end of each reporting period with the fair value movement reflected in the Statement of Comprehensive Income as exchange gains or losses on foreign currency borrowings and net gains or losses on derivative financial instruments held at fair value respectively, refer accounting policy note 1(e)(iii).

The following table shows the Australian dollar equivalents of the Company's investments denominated in foreign currencies.

	Euros		United States Dollars		British Pounds	
	2010	2009	2010	2009	2010	2009
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets						
Cash	468	773	182	218	-	-
Warehoused property	-	-	-	-	-	-
Interests in equity accounted investments	13,487	30,553	491	2,869	-	-
Loans and receivables	-	1,262	608	691	-	-
	13,955	32,588	1,281	3,778	-	-
Liabilities						
Borrowings	-	104,173	-	57,996	-	-
Other Liabilities	914	4,731	4,650	2,828	537	-
	914	108,904	4,650	60,824	537	-
Net assets/(liabilities)	13,041	(76,316)	(3,369)	(57,046)	(537)	-

(f) Fair value

At 31 December 2010, for the Consolidated entity, the carrying value of financial assets and financial liabilities as shown in the balance sheet approximates their fair value.

GPT Management Holdings Limited and its controlled entities

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

27. Auditors remuneration

During the financial year the following amounts were paid or payable for services provided by the auditor of the Company, PricewaterhouseCoopers, or any other entity in the consolidated entity and its related parties:

	Consolidated entity	
	31 Dec 2010	31 Dec 2009
	\$	\$
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	370,000	547,250
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms		
Statutory audit and review of financial reports	308,240	361,073
Total remuneration for audit services	678,240	908,323
Other assurance services		
PricewaterhouseCoopers Australian firm		
Regulatory and contractually required audits	122,500	95,000
Total remuneration for other assurance services	122,500	95,000
Total remuneration for audit and assurance services	800,740	1,003,323
Non audit related services		
PricewaterhouseCoopers Australian firm		
Other Services	3,818	-
Affiliates of PricewaterhouseCoopers Australian firm including overseas firms		
Taxation services	88,283	39,173
Total remuneration for non audit related services	92,101	39,173
Total auditor's remuneration	892,841	1,042,496

28. Net tangible asset backing

	Consolidated entity	
	31 Dec 10	31 Dec 09
	\$'000	\$'000
Net tangible asset backing per security	0.05	(0.28)

Net tangible asset backing per security is calculated by dividing the sum of net assets less intangible assets by the total number of securities on issue set out in note 16.

29. Events subsequent to the reporting date

Other than those listed below, the Directors are not aware of any matter or circumstance occurring since the end of the financial year.

During January 2011, the state of Queensland experienced majoring flooding. Two of GPT Wholesale Office Fund's (GWOF) office buildings, Riverside Centre and One One One Eagle Street experienced flooding of the basement, carpark and waterfront restaurants. The total cost and impact of the damage is currently being assessed; however GWOF has adequate insurance cover and any excess payments made on the insurance claim will be immaterial.

On 16 February 2011 GPT announced the sale of the US Senior Housing portfolio to Healthcare REIT Inc with settlement expected in the first half of 2011.

DIRECTORS' DECLARATION

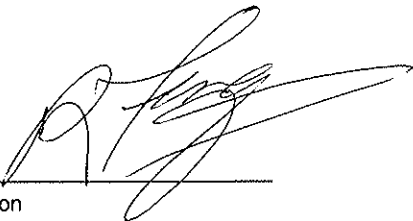
In the Directors of the GPT Management Holdings Limited's opinion for the financial year ended 31 December 2010:

- (a) the financial statements and notes set out on pages 31 to 69 are in accordance with the *Corporations Act 2001*, including:
- complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Consolidated entity's financial position as at 31 December 2010 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

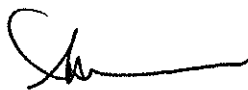
Note 1(a) confirms that the financial report also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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



Rob Ferguson
Chairman



Michael Cameron
Managing Director and Chief Executive Officer

GPT Management Holdings Limited
Sydney
24 February 2011

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

Report on the financial report

We have audited the accompanying financial report of GPT Management Holdings Limited (the company), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for GPT Management Holdings Limited and its controlled entities (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

**Independent auditor's report to the members of
GPT Management Holdings Limited (continued)**

Independence

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

Auditor's opinion

In our opinion:

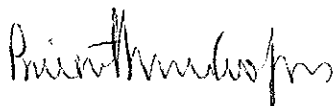
- (a) the financial report of GPT Management Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 24 of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2010, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



DH Armstrong
Partner

Sydney
24 February 2011