



GPT | METRO OFFICE FUND

ARSN: 169 500 476

Interim Financial Report 31 December 2015

The GPT Metro Office Fund (GMF) is a registered scheme, registered and domiciled in Australia.

GPT Platform Limited (ACN 164 839 061; AFSL 442649), a wholly owned subsidiary of GPT Management Holdings Limited, is the Responsible Entity of GMF.

Through the use of our website, we have ensured that corporate reporting is timely, complete and available globally at minimum cost to GMF. Media releases, financial reports and other information are available on our website: www.gptmetroofficefund.com.au.

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GPT METRO OFFICE FUND

DIRECTORS' REPORT

For the half year ended 31 December 2015

The Directors of GPT Platform Limited (GPL) (the Board), the Responsible Entity of the GPT Metro Office Fund (GMF), present their report together with the financial statements for the half year ended 31 December 2015.

Both GMF and the Responsible Entity are domiciled in Australia. The Responsible Entity's registered office and principal place of business is the MLC Centre, Level 51, 19 Martin Place, Sydney NSW, 2000.

1. OPERATING AND FINANCIAL REVIEW

Review of operations

Operating result

The following table sets out the statutory Statement of Comprehensive Income in respect of the half year and provides a comparison to the Product Disclosure Statement (PDS) forecast.

	Actual six months ending 31 Dec 15 \$'000	PDS Forecast six months ending 31 Dec 15 \$'000	Change %
Revenue			
Rent from investment properties	16,843	16,800	0.3%
Straight-lining of leases	(156)	1,200	(113.0)%
Other income			
Interest revenue	222	300	(26.0)%
Fair value gain on investment properties ⁽¹⁾	10,139	-	100.0%
Total revenue and other income	27,048	18,400	47.0%
Expenses			
Property expenses and outgoings	2,918	2,800	4.2%
Management and other administration costs	522	500	4.4%
Responsible Entity fee	1,252	1,100	13.8%
Finance costs	2,878	3,100	(7.2)%
Net loss on fair value of derivatives ⁽¹⁾	1,151	-	100.0%
Total expenses	8,721	7,500	16.3%
Profit and other comprehensive income	18,327	10,900	68.1%

⁽¹⁾ As disclosed in the PDS, the PDS did not forecast any potential fair value adjustments of investment properties and derivative financial instruments on the basis that such amounts could not be reliably determined at the date of the PDS.

GPT METRO OFFICE FUND

DIRECTORS' REPORT

Half year ended 31 December 2015

Distributable earnings/Funds from Operations (FFO)

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

GMF's FFO is distributable earnings as defined in the PDS, including amounts received under the Quad rent receivable guarantee and 3 Murray Rose Avenue adjustments.

The following table sets out GMF's distributable earnings/FFO.

	Actual six months ending 31 Dec 15 \$'000	PDS Forecast six months ending ⁽²⁾ 31 Dec 15 \$'000	Change %
Profit and other comprehensive income	18,327	10,900	68.1%
Valuation increase	(10,139)	-	(100.0)%
Financial instruments mark to market	1,151	-	100.0%
Change in fair value of rent receivables	(180)	(300)	(40.0)%
Cash received and elected to be distributed	895	1,200	(25.4)%
Other items ⁽¹⁾	189	(1,200)	(115.8)%
Distributable earnings/Funds from Operations (FFO)	10,243	10,500	(2.4)%
Distribution	9,833	9,800	0.3%
Distributable earnings/FFO per unit (cents)	7.97	8.23	(3.2)%
Distribution per unit (cents)	7.65	7.65	0.0%

⁽¹⁾ Other items includes straight-lining of leases and amortisation of lease incentives.

⁽²⁾ In GMF's 30 June 2015 Annual Financial Report guidance to 31 December 2015 revised the forecast distributable earnings/FFO per unit for the six months to 31 December 2015 down from 8.23 cents per unit (in the PDS) to 7.84 cents per unit.

The distributable earnings/FFO for the half year of \$10,243,000 is 2.4% below the forecast level of distributable earnings presented in the PDS of \$10,500,000. This decrease was primarily driven by the timing of earnings. Lump sum surrender fees were received in the financial year ended 30 June 2015, including amounts relating to rent and other charges that otherwise would have been received in the six months to 31 December 2015.

Distributable earnings/FFO for the half year is 1.7% above the guidance provided in GMF's 30 June 2015 Annual Financial Report. The principal item contributing to this improved result is also driven by the timing of earnings with GMF receiving lump sum amounts in lieu of tenant make good obligations during the period.

Overall results since Allotment Date

The following table sets out GMF's overall performance for the period from Allotment Date (29 October 2014) to 31 December 2015 and provides a comparison to the PDS forecast.

	Actual Allotment Date to 30 Jun 15 \$'000	Actual six months ending 31 Dec 15 \$'000	Actual Allotment Date to 31 Dec 15 \$'000	PDS Forecast Allotment Date to 30 Jun 15 \$'000	PDS Forecast Allotment Date to 31 Dec 15 \$'000	PDS Forecast Allotment Date to 31 Dec 15 \$'000	Change %
Distributable earnings/Funds from Operations (FFO)	14,390	10,243	24,633	13,200	10,500	23,700	3.9%
Distribution	12,951	9,833	22,784	12,500	9,800	22,300	2.2%
Distributable earnings/FFO per unit (cents)	11.28	7.97	19.25	10.33	8.23	18.56	3.7%
Distribution per unit (cents)	10.15	7.65	17.80	9.81	7.65	17.46	1.9%

Overall since Allotment Date GMF has delivered higher distributable earnings/FFO of 3.9% than forecast in the PDS.

GPT METRO OFFICE FUND

DIRECTORS' REPORT

Half year ended 31 December 2015

Operational highlights

- \$412,928,000 asset portfolio, a 2.8% increase on 30 June 2015
- 5.9 years weighted average lease expiry (WALE) by income
- 94.1% office occupancy (including rent receivables and Heads of Agreement)

During the half year, GMF has:

- Successfully renewed Scouts Australia's lease at Quad 3, Sydney Olympic Park;
- Extended the café operator's lease at Vantage in Hawthorn;
- Completed the refurbishment of level 1 at Vantage. The refurbishment includes an improved reception area and upgraded end of trip facilities;
- Been actively marketing all remaining vacant space across the portfolio; and
- Overseen Samsung Australia's occupation of the newly completed 3 Murray Rose development at Sydney Olympic Park.

In January 2016 a new lease has been signed for the remaining vacant suite at Quad 2, Sydney Olympic Park. Since Allotment Date, GMF has now successfully re-leased or renewed seven tenancies across Quad 2 and Quad 3, totalling 2,430sqm. This leasing activity is ahead of the PDS forecast assumptions and represents 90.6% of the eight tenancies covered under the Quad guarantee, placing GMF ahead of its forecast drawdown against the Quad rent receivable.

Distribution

GMF's distribution policy is to distribute between 90% and 100% of its distributable earnings/FFO each year.

For the half year ended 31 December 2015, a distribution of 7.65 cents per unit was declared on 22 December 2015, and is expected to be paid on 29 February 2016. This distribution is equal to the PDS forecast distribution per unit for this period and is in line with the guidance given in GMF's 30 June 2015 Annual Financial Report. This represents a distribution payout ratio of 96.0% of distributable earnings/FFO which is slightly higher than the 93.0% forecast in the PDS. The difference results from the timing of revenue recognition.

The Distribution Reinvestment Plan (DRP) is not active for the December 2015 distribution.

The Board has recently approved a change to the frequency of distributions, with GMF moving to quarterly distributions with effect from March 2016. This policy change results from unitholders feedback requesting a higher payment frequency of distribution income.

Financial position

	Net Assets 31 Dec 15 \$'000	Net Assets 30 Jun 15 \$'000	Change %
3 Murray Rose Avenue, Sydney Olympic Park, NSW ⁽¹⁾	86,000	82,750	3.9%
5 Murray Rose Avenue, Sydney Olympic Park, NSW	86,700	80,500	7.7%
Quad 2, Sydney Olympic Park, NSW	26,712	26,500	0.8%
Quad 3, Sydney Olympic Park, NSW	27,133	26,800	1.2%
Vantage, 109 Burwood Road, Hawthorn, Vic	67,104	66,000	1.7%
Optus Centre, 15 Green Square Close, Fortitude Valley, Qld	119,279	119,200	0.1%
	412,928	401,750	2.8%
Other assets	4,388	4,790	(8.4)%
Total assets	417,316	406,540	2.7%
Borrowings	119,394	119,450	(0.0)%
Other liabilities	21,129	20,704	2.1%
Total liabilities	140,523	140,154	0.3%
Net assets	276,793	266,386	3.9%
Total number of units on issue	128,533,501	127,600,500	0.7%
NTA (\$)	2.15	2.09	2.9%

⁽¹⁾ Includes the 3 Murray Rose Avenue rent receivable which has been recorded as a separate financial asset in the Statement of Financial Position.

At 31 December 2015 an asset portfolio uplift of \$11,178,000 or 2.8% was achieved, primarily driven by the external revaluations of 3 Murray Rose Avenue and 5 Murray Rose Avenue. The revaluations result from the firming of capitalisation and discount rates.

The \$11,178,000 uplift includes the movement in the 3 Murray Rose Avenue rent receivable of (\$591,000) and investment property movements including a valuation uplift of \$10,139,000 and \$1,630,000 in other items, including operating capital expenditure, lease incentives net of amortisation, net leasing costs and the straight-lining of leases. Refer to note 1 of the financial statements for further details regarding the investment property values and movements.

GPT METRO OFFICE FUND

DIRECTORS' REPORT

Half year ended 31 December 2015

Capital management

- Cost of debt: 4.6% (June 2015: 4.8%)
- Net gearing⁽¹⁾: 28.3% (June 2015: 28.9%)
- Weighted average debt maturity: 4.1 years (June 2015: 3.6 years)
- Weighted average term to maturity of interest rate hedges: 4.8 years (June 2015: 5.3 years)
- Drawn debt hedged: 83.3% (June 2015: 83.3%)

⁽¹⁾ Calculated as borrowings less cash divided by total tangible assets less cash.

During the half year, GMF renegotiated its debt facilities to extend the duration whilst benefitting from continued low credit margins and interest rates. Net gearing at 31 December 2015 was 28.3%, which is well within GMF's target gearing range of 25% to 40%. This is consistent with GMF's prudent and disciplined approach to capital management.

Cash flows

The cash balance at 31 December 2015 decreased to \$2,034,000 (June 2015: \$2,568,000).

Operating activities

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

	6 months to 31 Dec 15 \$'000
Distributable earnings/FFO	10,243
Add back: Amortisation of debt establishment costs	89
Add back: Amortisation of lease costs	4
Timing differences - change in working capital	1,505
Cash from operating activities	11,841

Investing activities

There were no acquisitions or disposals during the half year. Investing activities were limited to capital expenditure on existing investment properties primarily for maintenance.

Financing activities

The primary financing activity for the half year was the payment of the 30 June 2015 distribution to investors on 21 August 2015 from the cash inflow from operating activities.

Prospects

GMF seeks to appeal to investors looking for high relative income returns with liquidity, secure capital and demonstrating best in class governance, capital management and asset management. Furthermore it seeks to build enduring relationships with tenants by meeting their property needs with differentiated services.

GMF's strategic objectives are to:

- own quality, Australian metropolitan and business park office properties;
- own properties that have a stable income profile, underpinned by leases to a range of tenants with structured rental growth;
- offer an attractive forecast distribution yield, with a focus on sustainable income returns; and
- maintain a conservative capital structure.

GMF expects to continue its business in line with its strategic plan. It will maintain a focus on excellence in customer service and strong capital management as the foundations for long term investment success.

Guidance to 30 June 2016

For the year ended 30 June 2016, GMF is targeting to deliver earnings (FFO) per ordinary unit of between 16.10 cents per unit and 16.30 cents per unit, with a distribution per ordinary unit of 15.35 cents per unit.

Risks

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

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DIRECTORS' REPORT

Half year ended 31 December 2015

GMF has adopted The GPT Group's (GPT) risk management framework that incorporates culture, people, processes and systems to enable GMF to realise potential opportunities whilst managing adverse effects. The approach is consistent with Australian/New Zealand Standard AS/NZS ISO 31000:2009: Risk Management.

The key components of the approach include the following:

- The Board, management, employees and contractors all understand their risk management accountabilities, promote the risk awareness and management culture and apply risk processes to achieve GMF's objectives;
- Specialist risk management expertise is developed and maintained internally and provides coaching, guidance and advice;
- Risks are identified and assessed in a timely and consistent manner;
- Controls are effectively designed, embedded and assessed;
- Material risks and critical controls are monitored and reported to provide transparency and assurance that the risk profile is aligned with GMF's risk appetite, strategy and values. Specifically, the risk management framework includes an annual program of assurance and internal audit activities to provide an independent, objective appraisal of the adequacy and effectiveness of GMF's risk management, including internal controls; and
- Results are reported to the ARMC, and through the ARMC, to the Board.

The following table sets out the key inherent risks to GMF's main investment objectives, and the strategies GMF uses to manage them:

Risk	Description	Strategic Impact	Mitigation
Operational performance	Investments do not perform in line with forecast	Investments deliver lower income than target and/or lower capital growth over time	<ul style="list-style-type: none"> • Formal deal management process • Active asset management including regular forecasting and monitoring of performance • High quality property portfolio • Comprehensive asset insurance program
	Inability to lease assets in line with forecast	Investments deliver lower income than target and/or lower capital growth over time	<ul style="list-style-type: none"> • Diversified tenant base • High quality property portfolio • Experienced leasing team
Market risk	Volatility and speed of changes in market conditions	Investments deliver lower income than target and/or lower capital growth over time than target	<ul style="list-style-type: none"> • Holistic capital management • Multi asset portfolio diversified by tenants, building type and geographical market • Monitoring of asset concentration
Capital management	Re-financing and liquidity risk	<ul style="list-style-type: none"> • Limits ability to meet debt maturities • Constrains future growth • Limits ability to execute strategy • May impact distributions • Failure to continue as a going concern 	<ul style="list-style-type: none"> • Maintaining a minimum liquidity buffer in cash and surplus committed credit facilities for the forward rolling twelve month period • Different loan tranches
	Interest rate risk – higher interest rate cost than forecast	Adversely affect GMF's operating results	<ul style="list-style-type: none"> • Interest rate exposures are actively hedged
Health and safety	Risk of incidents causing injury to tenants, visitors to the properties, employees and contractors	<ul style="list-style-type: none"> • Criminal/civil proceedings and resultant reputation damage • Financial impact of remediation and restoration 	<ul style="list-style-type: none"> • Formalised Health and Safety management system including policies and procedures for managing safety • Training and education of employees and contractors
Management	GMF is reliant on the management expertise, support, experience and strategies of the key executives at GPT and other third parties	Limits the ability to deliver the business objectives	<ul style="list-style-type: none"> • Management agreements <p>GPT also provides the following mitigation:</p> <ul style="list-style-type: none"> • Competitive remuneration • Structured development planning • Succession planning and talent management
Conflicts of interests management	GPT's management of properties for different funds and its own balance sheet may lead to conflicts of interest arising	<ul style="list-style-type: none"> • Failure to source properties for acquisition • Failure to lease existing properties • Resource constraints limit the ability to deliver the business objectives • Failure to transact at arm's length 	<ul style="list-style-type: none"> • Management agreements including Services Deeds, Property Services Agreements and Development Management Agreements • Conflicts Deed setting out protocol for managing conflicts

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DIRECTORS' REPORT

Half year ended 31 December 2015

2. EVENTS SUBSEQUENT TO REPORTING DATE

Other than those matters set out in this Directors' Report, the Directors are not aware of any matter or circumstance occurring since 31 December 2015 that has materially or may materially affect the operations of GMF, the results of those operations or the state of affairs of GMF in subsequent financial years.

3. DIRECTORS AND SECRETARY

The Directors and Company Secretaries of GPT Platform Limited at any time during or since the end of the half year are:

(i) Chairman – Independent Non-Executive Director

John Atkin

(ii) Independent Non-Executive Directors

Justine Hickey

Paul Say

(iii) Executive Directors

James Coyne

Nicholas Harris

(iv) Company Secretaries

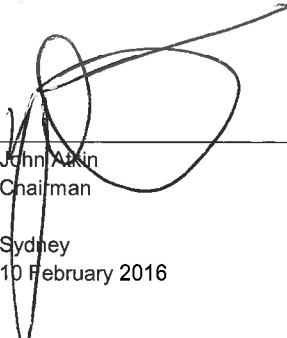
Anthony Lenehan (resigned on 17 August 2015)

Yasothara Yoganathan (appointed on 14 August 2015)

4. AUDITOR'S INDEPENDENCE DECLARATION

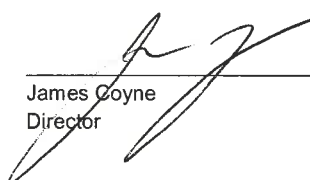
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' Report.

The Directors' Report is signed in accordance with a resolution of the Directors of the Responsible Entity.



John Atkin
Chairman

Sydney
10 February 2016



James Coyne
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of GPT Platform Limited, as Responsible Entity of GPT Metro Office Fund

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul Thomas
Partner

Sydney

10 February 2016

GPT METRO OFFICE FUND

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Half year ended 31 December 2015

	Note	For the half year ended 31 Dec 15 \$'000	For the half year ended 25 Nov 14 ⁽¹⁾ \$'000
Revenue			
Rent from investment properties		<u>16,687</u>	12,434
		<u>16,687</u>	<u>12,434</u>
Other income			
Fair value gain on investment properties		10,139	(830)
Interest revenue		<u>222</u>	<u>120</u>
		<u>10,361</u>	<u>(710)</u>
Total revenue and other income		<u>27,048</u>	<u>11,724</u>
Expenses			
Property expenses and outgoings		2,918	1,867
Management and other administration costs		522	147
Responsible Entity fee	8	1,252	163
Finance costs		2,878	157
Transaction costs		-	2,099
Fair value loss on derivatives		<u>1,151</u>	<u>1,590</u>
Total expenses		<u>8,721</u>	<u>6,023</u>
Profit and other comprehensive income		<u>18,327</u>	<u>5,701</u>
Basic and diluted earnings per ordinary unit attributable to the unitholders of GMF (cents per unit)	5	14.3	29.4

⁽¹⁾ Due to statutory requirements, GMF's first interim financial statements were for the six months from the date of registration of the managed investment scheme with the Australian Securities and Investments Commission (ASIC), on 26 May 2014. In accordance with the reporting requirements of the Corporations Act 2001, where required, the comparative period for the half year ended 31 December 2015 is the period 26 May 2014 to 25 November 2014.

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

GPT METRO OFFICE FUND

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Note	31 Dec 15 \$'000	30 Jun 15 \$'000
ASSETS			
Current assets			
Cash		2,034	2,568
Receivables	2	2,950	2,806
Prepayments		215	303
Total current assets		5,199	5,677
Non-current assets			
Investment properties	1	406,431	394,662
Receivables	2	5,686	6,201
Total non-current assets		412,117	400,863
Total assets		417,316	406,540
LIABILITIES			
Current liabilities			
Payables		16,468	17,194
Total current liabilities		16,468	17,194
Non-current liabilities			
Borrowings	7	119,394	119,450
Derivative liabilities		4,661	3,510
Total non-current liabilities		124,055	122,960
Total liabilities		140,523	140,154
Net assets		276,793	266,386
EQUITY			
Contributed equity	3(a)	251,528	249,615
Retained earnings	3(b)	25,265	16,771
Total equity		276,793	266,386

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

GPT METRO OFFICE FUND

STATEMENT OF CHANGES IN EQUITY

Half year ended 31 December 2015

	Note	Contributed equity \$'000	Retained earnings/ (accumulated losses) \$'000	Total equity \$'000
Balance at 26 May 2014	3(a,b)	1	(5,369)	(5,368)
Profit and other comprehensive income for the half year		-	5,701	5,701
Transactions with Unitholders in their capacity as Unitholders:				
Issue of units	3(a)	255,200	-	255,200
Equity raising costs	3(a)	(5,628)	-	(5,628)
Distributions paid and payable	4	-	(6,437)	(6,437)
Balance at 25 November 2014	3(a,b)	<u>249,573</u>	<u>(6,105)</u>	<u>243,468</u>
Balance at 1 July 2015	3(a,b)	249,615	16,771	266,386
Profit and other comprehensive income for the half year		-	18,327	18,327
Transactions with Unitholders in their capacity as Unitholders:				
Issue of units	3(a)	1,913	-	1,913
Distributions payable	4	-	(9,833)	(9,833)
Balance at 31 December 2015	3(a,b)	<u>251,528</u>	<u>25,265</u>	<u>276,793</u>

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

GPT METRO OFFICE FUND

STATEMENT OF CASH FLOWS

Half year ended 31 December 2015

	Note	For the half year ended 31 Dec 15 \$'000	For the half year ended 25 Nov 14 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		20,863	14,176
Cash payments in the course of operations (inclusive of GST)		(4,860)	(3,156)
Responsible Entity fee paid		(1,219)	-
Interest received		44	105
Site access rent		-	252
Finance costs		(2,987)	(261)
Net cash inflows from operating activities	6	11,841	11,116
Cash flows from investing activities			
Acquisitions of investment properties		-	(167,400)
Operating capital expenditure on investment properties		(1,192)	(5)
Development capital expenditure on investment properties		-	(4,879)
Net cash outflows from investing activities		(1,192)	(172,284)
Cash flows from financing activities			
Proceeds from the issue of units ⁽¹⁾	3(a)	1,913	255,200
Costs associated with equity raising and initial public offering		-	(7,203)
Proceeds from borrowings		7,855	271,740
Repayment of borrowings		(8,000)	(353,912)
Distributions paid to unitholders		(12,951)	(6,400)
Net cash (outflow)/inflows from financing activities		(11,183)	159,425
Net (decrease) in cash and cash equivalents		(534)	(1,743)
Cash and cash equivalents at the beginning of the half year		2,568	4,343
Cash and cash equivalents at the end of the half year	6	2,034	2,600

⁽¹⁾ Half year ended 31 December 2015: These cash flows are for additional units issued under the Distribution Reinvestment Plan (DRP).

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

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

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

Notes 1 to 2 - Operating assets: provides information on the assets used to generate GMF's trading performance.

Notes 3 to 7 - Capital structure: outlines how GMF manages its capital structure and financial risks.

Note 8 - Related parties: provides information on transactions with related parties.

Notes 9 to 12 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgments, estimates and assumptions

In applying GMF's accounting policies, management has made a number of judgments, estimates and assumptions regarding future events. The significant judgments made and the key sources of estimates for this half year were the same as those applied to the last Annual Financial Report for the year ended 30 June 2015.

OPERATING ASSETS

1. INVESTMENT PROPERTIES

	Ownership interest % ⁽¹⁾	Acquisition date	Independent	Fair value	Fair value	Latest	Latest	Valuer
			valuation per PDS \$'000 ⁽²⁾	31 Dec 15 \$'000	30 Jun 15 \$'000	independent valuation \$'000 ⁽³⁾	independent valuation date	
3 Murray Rose Avenue Sydney Olympic Park, NSW	* 100.0	Sep 14	78,000	79,503	75,662	86,000	Dec 15	Savills Australia
5 Murray Rose Avenue Sydney Olympic Park, NSW	* 100.0	Aug 14	74,200	86,700	80,500	86,700	Dec 15	Savills Australia
Quad 2 Sydney Olympic Park, NSW	* 100.0	Aug 14	24,900	26,712	26,500	26,500	Jun 15	Knight Frank Valuations
Quad 3 Sydney Olympic Park, NSW	* 100.0	Aug 14	25,800	27,133	26,800	26,800	Jun 15	Knight Frank Valuations
Vantage 109 Burwood Road, Hawthorn, Vic	100.0	Apr 14	63,000	67,104	66,000	66,000	Jun 15	Colliers International
Optus Centre, 15 Green Square Close Fortitude Valley, Qld	100.0	Nov 13	110,000	119,279	119,200	119,200	Jun 15	Knight Frank Valuations
Total investment properties			375,900	406,431	394,662	411,200		

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

⁽²⁾ Includes rent receivables which have been recorded as a separate financial asset in the Statement of Financial Position.

⁽³⁾ Includes only the 3 Murray Rose Avenue rent receivable which has been recorded as a separate financial asset in the Statement of Financial Position.

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

(a) Reconciliation

	For the half year ended 31 Dec 15 \$'000	For the financial year ended 30 Jun 15 \$'000
Carrying amount at the beginning of the period⁽¹⁾	394,662	173,000
Asset acquisitions - investment properties ⁽²⁾	-	165,700
Additions – operating capital expenditure	1,530	138
Additions – development capital expenditure ⁽³⁾	-	27,403
Additions – interest capitalised ⁽⁴⁾	-	1,067
Lease incentives	140	94
Amortisation of lease incentives	(33)	(14)
Fair value adjustments	10,139	23,899
Leasing costs (net of amortisation)	149	26
Straight-lining of leases	(156)	3,349
Carrying amount at the end of the period	406,431	394,662

⁽¹⁾ June 2015: Represents Optus Centre (\$110,000,000) and Vantage (\$63,000,000).

⁽²⁾ June 2015: Represents Quad 2, Quad 3, 3 Murray Rose Avenue and 5 Murray Rose Avenue.

⁽³⁾ Represents 3 Murray Rose Avenue.

⁽⁴⁾ June 2015: A capitalisation interest rate of 5.2% has been applied.

2. RECEIVABLES

	31 Dec 15 \$'000	30 Jun 15 \$'000
Current		
Trade receivables	2	166
Rent receivables	2,028	2,228
Other debtors	920	412
Total current receivables	2,950	2,806
Non-current		
Rent receivables	5,686	6,201
Total non-current receivables	5,686	6,201

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

CAPITAL STRUCTURE

3. EQUITY

(a) Contributed equity

	Number	\$'000
Opening balance at 26 May 2014	1,000	1
Consolidation of units ⁽¹⁾	(500)	-
Units issued - initial public offering	127,600,000	255,200
Equity raising costs	-	(5,628)
Closing balance at 25 November 2014	<u>127,600,500</u>	<u>249,573</u>
Opening balance at 1 July 2015	127,600,500	249,615
Units issued - DRP	933,001	1,913
Closing balance at 31 December 2015	<u>128,533,501</u>	<u>251,528</u>

⁽¹⁾ On 24 July 2014, a 2 for 1 unit consolidation came into effect. The consolidation of units resulted in 1,000 units which were issued to GPT at \$1.00 per unit being consolidated into 500 units at \$2.00 per unit. The consolidation was conducted in preparation for the initial public offering at \$2.00 per unit.

(b) Retained earnings/(accumulated losses)

	\$'000
Accumulated losses at 26 May 2014 ⁽¹⁾	(5,369)
Profit and other comprehensive income for the half year ⁽²⁾	5,701
Distributions paid and payable to unitholders ⁽³⁾	<u>(6,437)</u>
Accumulated losses at 25 November 2014	<u>(6,105)</u>
Retained earnings at 1 July 2015	16,771
Profit and other comprehensive income for the half year	18,327
Distributions payable to unitholders⁽³⁾	<u>(9,833)</u>
Retained earnings at 31 December 2015	<u>25,265</u>

⁽¹⁾ Comprising \$10,427,000 revaluation decrease (due to the fair value of Optus Centre and Vantage not supporting the capitalisation of acquisition costs), offset by \$5,058,000 of distributable net profit received from property operations.

⁽²⁾ Profit and other comprehensive income for the period 26 May 2014 to 25 November 2014 consists of two periods of different ownership. From 26 May 2014 to 28 October 2014, GMF was solely owned by GPT. During this period, GMF earned distributable net profit (before transaction costs of \$2,099,000) of \$7,879,000. GMF listed on the ASX on 29 October 2014 from which point GPT's sole ownership period ceased. During the period from 29 October 2014 to 25 November 2014, GMF incurred a net loss of \$79,000.

⁽³⁾ Refer to note 4 for details.

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

4. DISTRIBUTIONS PAID AND PAYABLE

Except for GMF's first financial period, distributions will be paid to GMF unitholders half yearly.

	Cents per unit	\$'000
Distributions paid/payable		
For the period 26 May 2014 to 28 October 2014 (paid to GPT as sole unitholder) ⁽¹⁾		6,437
For the period 29 October 2014 to 30 June 2015 (paid 21 August 2015)	10.15	12,951
Distributions payable		
For the period 1 July 2015 to 31 December 2015 (payable 29 February 2016)	7.65	9,833

⁽¹⁾ GPT was entitled to the distributable net profit earned during its period of sole ownership. At 25 November 2014, \$6,400,000 was paid.

The Board has recently approved a change to the frequency of distributions, with GMF moving to quarterly distributions with effect from March 2016. This policy change results from unitholders feedback requesting a higher payment frequency of distribution income.

5. EARNINGS PER UNIT

The earnings and weighted average number of ordinary units (WANOU) used in the calculation of basic and diluted earnings per ordinary unit are as follows:

		1 Jul 15 to 31 Dec 15	26 May 14 to 25 Nov 14
Net profit from continuing operations attributable to the unitholders of GMF	\$'000	18,327	5,701
WANOU used as the denominator in calculating basic and diluted earnings per unit		128,274,897	19,417,891
Basic and diluted earnings per unit	Cents	14.3	29.4

Calculation of earnings per ordinary unit

Basic earnings per unit is calculated as net profit attributable to ordinary unitholders of GMF, divided by the weighted average number of ordinary units outstanding during the half year. Diluted earnings per unit is calculated as net profit attributable to ordinary unitholders of GMF divided by the weighted average number of ordinary units and dilutive potential ordinary units. Where there is no difference between basic earnings per unit and diluted earnings per unit, the term basic and diluted earnings per ordinary unit is used.

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

6. CASH FROM OPERATING ACTIVITIES

	31 Dec 15 \$'000	25 Nov 14 \$'000
Cash at the end of the half year	2,034	2,600

Reconciliation of profit and other comprehensive income to net cash inflows from operating activities:

	For the half year ended 31 Dec 15 \$'000	For the half year ended 25 Nov 14 \$'000
Profit and other comprehensive income	18,327	5,701
Fair value gain on investment properties	(10,139)	830
Fair value loss on derivatives	1,151	1,590
Amortisation of lease incentives and leasing costs	37	(830)
Non-cash revenue adjustments	(154)	22
Costs associated with equity raising	-	2,099
Site access rent	-	252
Interest capitalised	-	(216)
Amortisation of debt establishment costs	89	11
Decrease in operating assets	1,293	627
Increase in operating liabilities	1,237	1,030
Net cash inflows from operating activities	11,841	11,116

7. BORROWINGS

	31 Dec 15 \$'000	30 Jun 15 \$'000
Non-current borrowings (unsecured) - carrying amount⁽¹⁾	119,394	119,450
Non-current borrowings (unsecured) - fair value⁽²⁾	120,000	120,000

⁽¹⁾ Includes unamortised establishment costs.

⁽²⁾ Due to the short term nature of borrowings, the carrying amount approximates its fair value. Excluding unamortised establishment costs.

Borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the expected life of the borrowings. All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

The maturity profile of borrowings is as follows:

	Total facility ⁽¹⁾ \$'000	Used facility ⁽¹⁾ \$'000	Unused facility \$'000
Due between one and five years	145,000	120,000	25,000
	145,000	120,000	25,000
Cash			2,034
Total financing resources available at the end of the half year			27,034

⁽¹⁾ Excluding unamortised establishment costs.

Debt covenants

GMF's borrowings are subject to a range of financial covenants, including amongst others, the following:

- Gearing covenant: total debt must not exceed 55% of total tangible assets; and
- Interest coverage: the ratio of earnings before interest and taxes (EBIT) to finance cost is not to be less than 1.7 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing, to repayment of outstanding amounts. Management performed a review of debt covenants at 31 December 2015 and no breaches were identified.

RELATED PARTIES

8. RELATED PARTY TRANSACTIONS

GMF is managed by the Responsible Entity, GPL. GPL is a wholly owned subsidiary of GPT Management Holdings Limited, which forms part of the stapled entity, GPT. GPL and GPT are both considered to be related parties of GMF.

All transactions with related parties are conducted on an arm's length basis.

	1 Jul 15 to 31 Dec 15 \$	26 May 14 to 25 Nov 14 \$
Transactions with GPT		
Investment properties acquired	-	167,400,000
Property management fees	483,915	180,000
Development costs and management fees	-	4,879,000
Capital project management fees	2,500	-
Responsible Entity fee	1,251,947	163,000
Reimbursement of transaction costs	-	1,905,219
Distributions	1,276,542	6,437,000
Transaction costs contribution received	-	6,500,000
Rent receivables	1,217,515	22,000
Site access rent	-	252,000
	31 Dec 15	30 Jun 15
	\$	\$
Receivable from GPT		
Receivable from GPT	182,680	80,876
Rent receivables	7,714,047	8,428,760
Payable to GPT		
Payable to GPT	293,429	222,028
Responsible Entity fee	1,251,947	1,219,214
Distribution	1,276,542	1,613,825

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

Units held by GPT

At 31 December 2015 GPT held a total of 16,686,827 units (June 2015: 15,899,750) in GMF.

Key management personnel (KMP)

GMF does not employ personnel however, it is required to have an incorporated Responsible Entity to manage its activities. The Responsible Entity is considered to be the KMP of GMF.

The GPL Independent Directors receive remuneration in their capacity as Directors of the Responsible Entity. Directors' fees paid by GMF for the half year were \$203,123 (25 November 2014: \$102,000). Directors' fees are not paid to the Executive Directors. No other compensation is paid to any of the KMP of the Responsible Entity.

Responsible Entity's fee

In accordance with GMF's constitution, GPL earns a management fee of 0.3% per half year of the gross asset value of GMF, payable half yearly in arrears and calculated on GMF's gross asset value as at the last day of the relevant half year.

OTHER DISCLOSURE ITEMS

9. COMMITMENTS

Commitments arising from contracts principally relating to capital expenditure on investment properties which are contracted for at balance date but not recognised on the Statement of Financial Position are \$845,000 (June 2015: \$564,000).

10. FAIR VALUE DISCLOSURES – FINANCIAL INSTRUMENTS

Fair value measurement, valuation techniques and inputs

Class of assets/ liabilities	Fair value hierarchy ⁽¹⁾	Valuation technique	Inputs used to measure fair value	Range of	Range of
				unobservable inputs 31 Dec 15	unobservable inputs 30 Jun 15
Derivative financial instruments	Level 2	Discounted Cash Flow (DCF) (adjusted for counterparty credit worthiness)	Interest rates Basis	Not applicable – all inputs are market observable inputs	

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

DCF method	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Counterparty credit worthiness	Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk. Debit value adjustments are applied to derivatives liabilities based on GMF's credit risk using an adjusted GPT credit default swap curve as a proxy for GMF's credit risk.

11. ACCOUNTING POLICIES

(a) Basis of preparation

GMF is a 'for-profit' entity. The interim financial report has been prepared:

- In accordance with the requirements of GMF's Constitution, the *Corporations Act 2001*, and Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.
- On a going concern basis in the belief that GMF will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities at 31 December 2015 of \$11,269,000 arises as a result of the inclusion of the provision for distributions payable to Unitholders. GMF has access to undrawn financing facilities of \$25,000,000 as set out in note 7.
- Under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Statement of Comprehensive Income.
- In Australian dollars with all values rounded to the nearest thousand dollars, unless otherwise stated.

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

This interim financial report does not include all the notes of the type normally included within the Annual Financial Report. Therefore, it is recommended this report be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 and any public announcements made by GMF during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The interim financial report was approved by the Board of Directors on 8 February 2016.

(b) Comparatives

Due to statutory requirements, GMF's first interim financial statements were for the six months from the date of registration of the managed investment scheme with the Australian Securities and Investments Commission (ASIC), on 26 May 2014. Accordingly, in accordance with the reporting requirements of the *Corporations Act 2001*, where required, the comparative period for the half year ended 31 December 2015 is the period 26 May 2014 to 25 November 2014.

(c) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period with the exception of new amended standards and interpretations commencing 1 July 2015 which have been adopted where applicable.

New and amended accounting standards and interpretations commencing 1 July 2015

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

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

The following standards and amendments to standards are relevant to GMF:

Reference	Description	Application of Standard
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15 will replace AASB 118 <i>Revenue</i> and AASB 111 <i>Construction Contracts</i>. It is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.</p> <p>Management is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.</p>	1 January 2018
AASB 9 <i>Financial Instruments</i>	<p>AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces expanded disclosure requirements and changes in presentation. When adopted, this could change the classification and measurement of financial assets and financial liabilities and disclosures to the financial statements.</p> <p>Management is in the process of assessing implications of this new standard to GMF's operation and financial results and the potential effects have not yet been fully determined.</p>	1 January 2018
IFRS 16 <i>Leases</i>	<p>IFRS 16 will fundamentally change the way lessees will account for leases by eliminating the current dual accounting model which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there will be a single, on-balance sheet accounting model that is similar to the current finance lease accounting. In contrast, lessor accounting will remain similar to current practice.</p> <p>Management is in the process of assessing any implications of this new standard to its operation and financial results and does not expect a significant impact from its application.</p>	1 January 2019

GPT METRO OFFICE FUND

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2015

12. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 31 December 2015 that has materially or may materially affect the operations of GMF, the results of those operations or the state of affairs of GMF in subsequent financial years.

GPT METRO OFFICE FUND

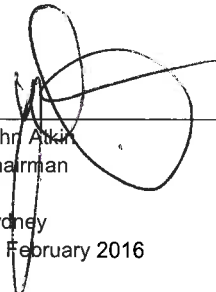
DIRECTORS' DECLARATION

In the Directors of the Responsible Entity's opinion:

- (a) the financial statements and notes 1 to 12 are in accordance with the *Corporations Act 2001*, including:
 - complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of GMF's financial position as at 31 December 2015 and its performance for the half year ended on that date;
- (b) there are reasonable grounds to believe that GMF will be able to pay its debts as and when they become due and payable.

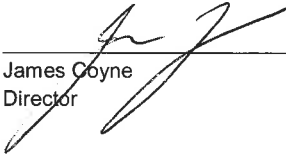
The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by Section 295A of the *Corporations Act 2001*.

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



John Atkin
Chairman

Sydney
10 February 2016



James Coyne
Director



Independent auditor's review report to the unit holders of GPT Metro Office Fund

We have reviewed the accompanying interim financial report of GPT Metro Office Fund (the 'Fund'), which comprises the statement of financial position as at 31 December 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year period ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the interim financial report

The directors of the GPT Platform Limited (the 'Responsible Entity') are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2015 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of GPT Metro Office Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of the Fund as at 31 December 2015 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Paul Thomas', written in a cursive style.

Paul Thomas
Partner

Sydney

10 February 2016