Goodman Property Trust
Interim Report 2013

GMT Bond Issuer Limited
Interim Report 2013

Goodman

building business+

Mainstream Logistics, Savill Link

operational highlights+

$75 million corporate bond issue*

96% portfolio occupancy

5.4 years weighted average lease term

acquisition of new Fonterra head office*

around $110 million of new development projects

*Acquisition and capital management initiatives announced after the Trust's interim balance date.

results overview+

	30 Sep 13	30 Sep 12 Restated[1]
Distributable earnings before tax ($ million)	50.3	41.0
Distributable earnings after tax ($ million)	45.6	37.6
Profit after tax ($ million)	65.4	31.6
Distributable earnings before tax (cents per unit)	4.2	4.1
Distributable earnings after tax (cents per unit)	3.8	3.7
Total property assets ($ million)	1,994.6	1,319.8
Net debt ($ million)[2]	733.1	461.6
NTA (cents per unit)	98.0	93.8
Loan to value ratio[3]	35.6%	35.0%

1 The prior period profit result has been restated to the extent required to reflect the adoption of New Zealand equivalent to International Financial Reporting Standard 11 "Joint arrangements" (NZ IFRS11).

2 Total interest bearing liabilities net of cash.

3 GMT's loan to value ratio is net of cash, unamortised bond issue costs and after adjusting for the unconditional sale of Gateside Industry Park.

Distributable earnings is an alternative performance measure used to assist investors in assessing the Trust's underlying operating performance. Further information, including a comprehensive bridge between distributable earnings and profit after tax, is provided in note 7 of GMT's interim financial statements on page 21.

chairman's and chief executive officer's report+

Keith Smith, Chairman, and John Dakin, Chief Executive Officer at The Crossing.

The Board and Management are pleased to present the interim report for the six months ended 30 September 2013.

A strengthening economy and rising business confidence is having a positive impact on property market dynamics.

Improving customer demand is being reflected in GMT's operating performance and we are pleased to be reporting a financial result that signals a new momentum in our business.

Financial Performance

An expanded property portfolio, leasing and development success and fair value gains on certain property assets and derivative financial instruments have all contributed to greater profitability.

Profit before tax has increased 89.5% from the previous corresponding period to $70.1 million, while after tax profit has increased by 107.0% to $65.4 million.

The reconciliation between the pre-tax profit and the distributable earnings result of $50.3 million includes adjustments for both cash and non-cash items.

These adjustments include fair value gains of $14.1 million on interest rate swaps and $6.1 million from property valuations. This fair value movement contributes to the increase in net tangible assets from 95.6 cents per unit at 31 March 2013 to 98.0 cents per unit at 30 September 2013.

On a weighted average issued unit basis, distributable earnings were 4.18 cents per unit before tax and 3.78 cents per unit after tax, consistent with the guidance range provided in May 2013.

Property Portfolio

Improving operating conditions, with strengthening customer demand and low levels of vacancy have supported steady leasing results.

The quality of the Trust's estates and a proven development capability are also helping to attract new businesses into the portfolio and giving existing customers the confidence to expand.

With 11 new projects announced since March 2013 the Trust has recorded the strongest period of development activity in more than five years.

These new facilities, which have an expected total project cost of $112 million, will add an additional 59,738 sqm of rentable area to the portfolio once completed. The projects include;

+ Six industrial developments at the award winning Highbrook Business Park in East Tamaki.
+ A second premium quality, five level office development is being undertaken at Central Park Corporate Centre in Greenlane following the success of the recently completed Genesis Energy Building.
+ New warehouse and distribution facilities for logistics operators, MOVE Logistics and DHL, together with a multi-unit development anchored by leading tyre company, Bridgestone NZ Limited, at Glassworks Industry Park in Hornby.
+ A further commitment from Bridgestone at M20 Business Park in Wiri, adjoining an existing distribution warehouse completed for the tyre distributor in 2011.

Development activity has continually improved the Trust's property portfolio, extending the customer base and enhancing the overall quality of the assets. Valuations undertaken on recently completed projects have contributed around $3.1 million to the interim profit result, demonstrating the value adding potential of the Trust's strategic land holdings.

Artist's impression of the new Fonterra head office facility.

The heightened level of customer enquiry that is driving development demand is also contributing to positive leasing results with around 8% of the total investment portfolio secured on new or revised terms during the last six months.

This leasing activity has helped the Trust maintain an average occupancy rate of around 95% over the period, with 96% being recorded at 30 September 2013.

The Trust has a weighted average lease term of 5.4 years at the same date.

Fonterra Head Office Acquisition

A strategic acquisition has been announced following the Trust's interim balance date with GMT to acquire the new head office being developed for Fonterra in Auckland's Viaduct Precinct, for $92.6 million.

The 16,000 sqm campus style building is one of two buildings being developed by Goodman Group in conjunction with Fletcher Building, owners of the leasehold interest in the high profile site.

An exciting new acquisition has been announced with GMT to acquire the new Fonterra head office development.

Situated on Fanshawe Street, opposite Victoria Park and between the GMT owned Air New Zealand building and Viaduct Corporate Centre, the seven level property will feature large flexible floor plates and incorporate environmentally sustainable materials and energy efficient building systems that support new, technology driven, workplace practices.

Fonterra has taken a 15 year lease over the building which includes naming rights and underground carparks.

GMT will pay a 5% deposit initially with the balance due following completion of the project, expected to be in February 2016. The purchase price was established by independent valuation and reflects an initial yield of 8.0%. Corporate Trust Limited, GMT's Trustee, has approved the acquisition.

A strengthening investment market has supported a successful asset sales programme.

Capital Management

Prudent capital management policies have enabled the Trust to retain a strong balance sheet across a range of market conditions.

A strengthening investment market has supported a successful asset disposal programme that has achieved more than $70 million of sales over the last two years.

The unconditional sale of Gateside Industry Park in August 2013 is the latest of these. The multi-tenanted industrial estate, which includes around 2.3 ha of development land, is being sold to Port of Tauranga for $37.2 million.

At 30 September 2013, GMT's loan to value ratio was 35.6%[1] while its debt facilities had a weighted average term of 2.8 years.

Existing bank facilities, further asset sales and the continuing operation of the distribution reinvestment plan are expected to provide the necessary funding capacity to meet the Trust's medium term investment and development objectives.

Goodman+Bonds

Following the interim balance date it has also been announced that a further issue of Goodman+Bonds is to be made.

Key features of the new corporate bond offer include:

+ Target issue of $75 million, with the ability to accept up to $25 million of over subscriptions
+ Investment grade credit rating of BBB+ from Standard & Poor's
+ 7 year term (maturing December 2020)
+ Senior secured, sharing security over certain GMT real estate assets with other Bondholders and the banks party to the Trust's banking facility
+ Fixed rate of interest paid semi-annually

The proceeds of the issue will be used to repay bank debt, further diversifying and extending the Trust's capital base.

Outlook and Guidance

The positive momentum that has characterised the first six months of the financial year has continued, with new investment and capital management initiatives being announced after the interim balance date.

The commencement of a corporate bond offer and the acquisition of the Fonterra head office will strengthen the Trust's balance sheet and further enhance an already high quality property portfolio.

Today's improving operating environment with greater levels of activity is consistent with the Board's earlier expectations and it has reaffirmed its earnings and distribution guidance for the year.

Distributable earnings before tax are expected to range between 8.2 and 8.4 cents per unit (on a weighted average issued unit basis) and cash distributions of at least 6.25 cents per unit are expected to be paid.

On behalf of the Board and Management:

Keith Smith
Chairman and Independent Director

John Dakin
Chief Executive Officer and Executive Director

[1] GMT's loan to value ratio is net of cash, unamortised bond issue costs and after adjusting for the unconditional sale of Gateside Industry Park.

Genesis Energy Building,
Central Park Corporate Centre

Goodman Property Trust

interim financial statements+

for the six months ended
30 September 2013

contents+

Financial statements of Goodman Property Trust

consolidated statement of comprehensive income

For the six months ended 30 September 2013

$ million	Note	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Revenue and other income				
Rental income	3	**67.5**	112.4	53.9
Service charge income	4	**11.7**	19.1	10.1
Total revenue		**79.2**	131.5	64.0
Service charge expenses	4	**(11.7)**	(19.1)	(10.1)
Property operating expenses	4	**(4.4)**	(10.2)	(4.9)
Net rental and related income		**63.1**	102.2	49.0
Gain on disposal of investment property	5	**-**	0.1	0.1
Net change in value of property investments	5	**6.1**	4.9	2.5
Fair value gain/(loss) on derivative financial instruments		**14.1**	5.2	(0.5)
Gain resulting from business combination	13	**-**	5.5	-
Share of profit arising from joint ventures, net of tax	12	**2.9**	5.6	1.3
Other administrative expenses	5	**(4.9)**	(11.9)	(4.5)
Finance (costs)/income				
Finance income	5	**0.1**	0.2	0.1
Finance costs	5	**(10.2)**	(18.5)	(9.9)
Net finance costs before changes in cash flow hedge reserve		**(10.1)**	(18.3)	(9.8)
Changes in cash flow hedge reserve	5	**(1.1)**	(2.4)	(1.1)
Net finance costs		**(11.2)**	(20.7)	(10.9)
Profit for the period before income tax		**70.1**	90.9	37.0
Taxation	6	**(4.7)**	(13.0)	(5.4)
Profit for the period after income tax		**65.4**	77.9	31.6
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income arising from joint ventures	12	**-**	2.6	0.5
Change in cash flow hedges transferred to profit or loss		**1.1**	2.4	1.1
Income tax relating to items that may be reclassified		**(0.3)**	(0.6)	(0.3)
Total other comprehensive income for the period, net of income tax		**0.8**	4.4	1.3
Total comprehensive income for the period attributable to unitholders		**66.2**	82.3	32.9

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Cents	Note	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Basic earnings after tax per unit	7	**5.43**	7.30	3.14
Diluted earnings after tax per unit	7	**5.26**	7.22	3.14

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

consolidated statement of financial position

As at 30 September 2013

$ million	Note	30 Sep 13	31 Mar 13 Restated[i]	30 Sep 12 Restated[i]
Current assets				
Cash and cash equivalents		**8.0**	2.9	1.5
Trade and other receivables	9	**9.0**	8.2	7.2
Current tax receivable	6	**1.0**	2.0	-
Investment property and development land sold pending settlement	11	**37.2**	-	-
Total current assets		**55.2**	13.1	8.7
Non-current assets				
Investment property	11	**1,690.0**	1,626.4	1,215.0
Commenced developments	11	**28.0**	60.5	22.1
Development land	11	**239.4**	244.4	82.7
Investment in joint ventures	12	**53.3**	52.0	197.0
Derivative financial instruments	10	**8.8**	9.4	11.2
Deferred tax assets		**8.0**	13.4	2.0
Total non-current assets		**2,027.5**	2,006.1	1,530.0
Total assets		**2,082.7**	2,019.2	1,538.7
Current liabilities				
Trade and other payables	15	**18.4**	37.6	27.7
Current tax payable	6	**-**	-	1.5
Derivative financial instruments	10	**-**	0.4	0.5
Total current liabilities		**18.4**	38.0	29.7
Non-current liabilities				
Trade and other payables	15	**4.3**	4.1	-
Interest bearing liabilities	16	**741.1**	675.2	463.1
Derivative financial instruments	10	**27.3**	41.6	35.6
Deferred tax liabilities		**69.1**	74.4	58.3
Total non-current liabilities		**841.8**	795.3	557.0
Total liabilities		**860.2**	833.3	586.7
Net assets		**1,222.5**	1,185.9	952.0
Unitholders' funds				
Units	17	**1,363.2**	1,355.1	1,135.1
Reserves		**(49.4)**	(56.3)	(61.8)
Accumulated losses		**(91.3)**	(112.9)	(121.3)
Total unitholders' funds		**1,222.5**	1,185.9	952.0

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

The Board of Goodman (NZ) Limited, the Manager of Goodman Property Trust, authorised these interim financial statements for issue on 19 November 2013.

For and on behalf of the Board:

Keith Smith
Chairman

Peter Simmonds
Chairman, Audit Committee

consolidated statement of changes in unitholders' funds

For the six months ended 30 September 2013

$ million	Units	Accumulated losses	Property revaluation reserve	Cash flow hedge reserve	Total
6 months to 30 September 2013					
Total unitholders' funds at 1 April 2013	**1,355.1**	**(112.9)**	**(55.5)**	**(0.8)**	**1,185.9**
Comprehensive income for the period	**-**	**65.4**	**-**	**0.8**	**66.2**
Distributions paid to unitholders	**-**	**(37.7)**	**-**	**-**	**(37.7)**
Issue of units	**8.1**	**-**	**-**	**-**	**8.1**
Transfer of net change in fair value of property investments	**-**	**(6.1)**	**6.1**	**-**	**-**
Total unitholders' funds at 30 September 2013	**1,363.2**	**(91.3)**	**(49.4)**	**-**	**1,222.5**

$ million	Units	Accumulated losses	Property revaluation reserve	Cash flow hedge reserve	Total
12 months to 31 March 2013 Restated(i)					
Total unitholders' funds at 1 April 2012	1,119.6	(118.9)	(60.4)	(5.2)	935.1
Comprehensive income for the year	-	77.9	-	4.4	82.3
Distributions paid to unitholders	-	(67.0)	-	-	(67.0)
Issue of units	203.9	-	-	-	203.9
Deferred issue units	31.6	-	-	-	31.6
Transfer of net change in fair value of property investments	-	(4.9)	4.9	-	-
Total unitholders' funds at 31 March 2013	1,355.1	(112.9)	(55.5)	(0.8)	1,185.9

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

$ million	Units	Accumulated losses	Property revaluation reserve	Cash flow hedge reserve	Total
6 months to 30 September 2012 Restated(i)					
Total unitholders' funds at 1 April 2012	1,119.6	(118.9)	(60.4)	(5.2)	935.1
Comprehensive income for the period	-	31.6	-	1.3	32.9
Distributions paid to unitholders	-	(31.5)	-	-	(31.5)
Issue of units	15.5	-	-	-	15.5
Transfer of net change in fair value of property investments	-	(2.5)	2.5	-	-
Total unitholders' funds at 30 September 2012	1,135.1	(121.3)	(57.9)	(3.9)	952.0

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

The consolidated statement of changes in unitholders' funds should be read in conjunction with the accompanying notes.

consolidated statement of cash flows

For the six months ended 30 September 2013

$ million	Note	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Cash flows from operating activities				
Net property income received		**56.2**	104.3	51.4
Net GST received/(paid)		**0.3**	(0.9)	(0.2)
Other operating expenses paid		**(5.3)**	(11.6)	(4.4)
Finance income received		**0.4**	0.2	0.1
Finance costs paid		**(7.9)**	(18.6)	(9.2)
Income taxes paid		**(3.6)**	(7.6)	(4.0)
Net cash provided by operating activities	8	**40.1**	65.8	33.7
Cash flows from investing activities				
Proceeds from sale of investment properties		**-**	34.9	28.4
Payments relating to investment properties		**(6.8)**	(29.6)	(6.0)
Payments relating to commenced developments		**(36.5)**	(53.6)	(16.0)
Payments relating to development land		**(2.6)**	(0.7)	(0.7)
Holding costs capitalised to properties		**(15.1)**	(23.8)	(9.2)
Deferred vendor settlements		**(11.5)**	(8.0)	(8.0)
Repayment of advances to joint ventures		**-**	1.9	1.5
Dividends received from joint ventures		**1.6**	1.4	-
Acquisition of subsidiary, net of cash acquired	13	**-**	(35.9)	-
Net cash used in investing activities		**(70.9)**	(113.4)	(10.0)
Cash flows from financing activities				
Proceeds from issue of units		**-**	97.8	9.3
Proceeds from borrowings		**65.5**	366.1	-
Repayment of borrowings		**-**	(360.7)	(9.4)
Distributions paid to unitholders net of reinvestments		**(29.6)**	(55.7)	(25.1)
Net cash provided by/(used in) financing activities		**35.9**	47.5	(25.2)
Net increase/(decrease) in cash and cash equivalents held		**5.1**	(0.1)	(1.5)
Cash and cash equivalents at the beginning of the period		**2.9**	3.0	3.0
Cash and cash equivalents at the end of the period		**8.0**	2.9	1.5

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

Included in the statement of cash flows are net cash flows for property income received and GST collected/(paid). These have been disclosed on a net basis as they are settled on a net basis.

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

notes to the financial statements

For the six months ended 30 September 2013

1. Accounting policies

General information

The reporting entity is Goodman Property Trust ("GMT" or "Trust") which is a unit trust established on 23 April 1999 under the Unit Trusts Act 1960, domiciled in New Zealand. The Manager of the Trust is Goodman (NZ) Limited and the address of the Manager's registered office is Level 28, 151 Queen Street, Auckland. The consolidated interim financial statements of GMT for the six months ended 30 September 2013 comprise GMT and its subsidiaries (together referred to as the "Group"). GMT is an issuer for the purposes of the Financial Reporting Act 1993 and is listed on the New Zealand Stock Exchange ("NZX"). The principal activity of the Group is to invest in real estate in New Zealand.

The consolidated interim financial statements have been approved for issue by the Manager of the Trust on 19 November 2013. The Manager does not have the power to amend these financial statements once issued.

Summary of significant accounting policies

These interim financial statements for the six months ended 30 September 2013 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as applicable for profit-oriented entities. They comply with International Accounting Standard 34 'Interim Financial Reporting' and New Zealand equivalent to International Accounting Standard 34 'Interim Financial Reporting'.

The interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly these consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013, prepared in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards.

The consolidated interim financial statements for the six months ended 30 September 2013 are unaudited. The consolidated interim financial statements for the six months ended 30 September 2012 were audited and form the basis for the comparative restated figures in these accounts. The effects of the adoption of NZ IFRS 11 (as discussed below) have not been audited. The consolidated interim financial statements are presented in New Zealand Dollars ($), which is the Group's functional currency. All financial information has been presented in millions, unless stated otherwise.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the interim financial statements.

Changes in accounting policies

The accounting policies that materially affect the measurement of the consolidated statement of comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2013 except as described below:

+ NZ IFRS 10 'Consolidated financial statements'. NZ IFRS 10 introduces a new control model that is applicable to all investees, focussing on whether the Group has power over an investee, exposure to rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The adoption of NZ IFRS 10 from 1 April 2013 has had no significant impact on the consolidated financial statements of the Group.

+ NZ IFRS 11 'Joint arrangements'. Under NZ IFRS 11 the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously the structure of the arrangement was the sole focus of classification.

  Prior to the adoption of NZ IFRS 11 on 1 April 2013, the Group's interest in Viaduct Corporate Centre Limited ("VCCL") and Highbrook Development Limited ("HDL") joint ventures were accounted for using the proportionate consolidation method. Under NZ IFRS 11 these entities have been classified as joint ventures and are consolidated using the equity method, in that the Group recognises its share of assets and liabilities that the Group is jointly responsible for in the consolidated statement of financial position within investment in joint ventures and the consolidated statement of comprehensive income of the Group includes its share of income and expenses of the jointly controlled entity in share of profit arising from joint ventures, net of tax and share of other comprehensive income arising from joint ventures. Refer note 2 for further details.

  There was no impact on the Group's accounting of its interest in Highbrook Business Park Limited ("HBPL"), jointly controlled assets.

1. Accounting policies (continued)

+ Due to the introduction of the above standards, amendments were made to NZ IAS 27 'Separate financial statements' and NZ IAS 28 'Investments in associates and joint ventures'. The Group has adopted these corresponding amendments from 1 April 2013 consistent with the adoption of NZ IFRS 10 and NZ IFRS 11.

+ NZ IFRS 13 'Fair value measurement'. NZ IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other NZ IFRSs. Additional fair value disclosures have been made in note 21 and the method of computation for the fair value of derivative financial instruments now includes an assessment of the credit risk of derivative contract counterparties.

  In accordance with the transitional provisions of NZ IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the adoption of NZ IFRS 13 on 1 April 2013 has had no material impact on the measurement of the Group's assets and liabilities.

2. Adoption of NZ IFRS 11 'Joint arrangements'

As at 30 September 2013 the Group has a 50% interest in VCCL. Until 14 December 2012 the Group had a 50% interest in HDL. Under NZ IAS 31 'Investment in Joint Ventures' the Group's share of assets, liabilities, revenue, income and expenses in these joint ventures were proportionately consolidated in GMT's consolidated financial statements.

Upon adoption of NZ IFRS 11 on 1 April 2013, the Group has determined these interests to be joint ventures under NZ IFRS 11 and they are required to be accounted for using the equity method. The Group recognised its investment in joint ventures at 1 April 2012, (being the beginning of the earliest period presented) as the total carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investment in joint ventures for applying equity accounting. NZ IFRS 11 has been applied retrospectively, with effect from 1 April 2012. The adoption of NZ IFRS 11 has not impacted total comprehensive income, net assets of the Group, earnings per unit or distributable earnings per unit. The effect of applying NZ IFRS 11 is as follows:

Impact on statement of comprehensive income items

Increase/(decrease) $ million	**12 months 31 Mar 13**	**6 months 30 Sep 12**
Total revenue	(15.2)	(8.8)
Property operating expenses	(0.2)	(0.2)
Administrative expenses	(0.1)	(0.1)
Net finance costs	(8.1)	(3.3)
Net change in value of property investments	0.7	2.5
Change in fair value of interest rate derivatives	(0.4)	(0.8)
Share of profit arising from joint ventures, net of tax	5.6	1.3
Profit before income tax	(0.8)	(0.6)
Tax expense	(0.8)	(0.6)
Profit for the period after income tax	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period attributable to unitholders	-	-

notes to the financial statements (continued)

For the six months ended 30 September 2013

2. Adoption of NZ IFRS 11 'Joint arrangements' (continued)

Impact on statement of financial position items

Increase/(decrease) $ million	31 Mar 13	30 Sep 12
Cash and cash equivalents	(0.2)	(0.5)
Trade and other receivables	(0.1)	(0.5)
Investment property	(76.8)	(229.9)
Commenced developments	-	(11.3)
Development land	-	(80.7)
Derivative financial instruments receivable	-	(0.3)
Intangible assets	(6.9)	(6.9)
Deferred tax assets	(1.2)	(8.0)
Investment in joint ventures	52.0	197.0
Trade and other payables	(0.6)	(0.9)
Derivative financial instruments payable	(2.3)	(11.5)
Deferred tax liabilities	(4.4)	(8.7)
Interest bearing liabilities	(26.0)	(119.9)
Units	-	-
Reserves	(34.6)	(36.4)
Accumulated losses	34.6	36.4

Impact on statement of cash flow items

Increase/(decrease) $ million	12 months 31 Mar 13	6 months 30 Sep 12
Cash flows from operating activities	(9.1)	(5.1)
Cash flows from investing activities	20.4	12.5
Cash flows from financing activities	(10.9)	(7.3)
Net (decrease)/increase in cash and cash equivalents held	(0.4)	0.1

3. Rental income

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Gross lease receipts	**70.6**	118.8	55.9
Amortisation of capitalised lease incentives	**(3.3)**	(7.0)	(2.2)
Fixed rental income adjustment	**0.2**	0.6	0.2
Rental income	**67.5**	112.4	53.9

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

No customer individually contributes more than 10% of total rental income.

Rental income is earned as a lessor of investment property held within the statement of financial position.

4. Net service charge and property operating expenses

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Service charge income	**11.7**	19.1	10.1
Service charge expense	**(11.7)**	(19.1)	(10.1)
Property operating expenses	**(4.4)**	(10.2)	(4.9)
Net service charge and property operating expenses	**(4.4)**	(10.2)	(4.9)

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

There are no material expenses from vacant property.

Property operating expenses also include non-recoverable ground rental costs of $1.3 million for the six months ended 30 September 2013 (year ended 31 March 2013: $2.7 million; six months ended 30 September 2012: $1.3 million).

The Group's ground lease profile up to the next perpetual lease renewal date is as follows:

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Less than one year	**3.6**	3.6	3.5
One to two years	**3.7**	3.6	3.5
Two to five years	**11.3**	11.1	10.7
More than five years	**31.1**	35.7	38.1
	49.7	54.0	55.8

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

5. Profit before income tax

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Profit before income tax has been arrived at after (charging)/crediting the following items:			
Finance (costs)/income			
Interest income	**0.1**	0.2	0.1
Finance income	**0.1**	0.2	0.1
Interest expense on bank loans, interest rate derivatives, senior secured bonds, overdraft and intercompany interest	**(23.2)**	(40.2)	(18.2)
Amortisation of borrowing costs	**(0.6)**	(1.2)	(0.6)
Interest on deferred vendor settlements	**(0.3)**	(0.7)	(0.4)
Borrowing costs capitalised	**13.9**	23.6	9.3
Finance costs before changes in cash flow hedge reserve	**(10.2)**	(18.5)	(9.9)
Amortisation of cash flow hedge reserve	**(1.1)**	(2.4)	(1.1)
Net finance costs	**(11.2)**	(20.7)	(10.9)

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

notes to the financial statements (continued)

For the six months ended 30 September 2013

5. Profit before income tax (continued)

$ million	6 months 30 Sep 13	12 months 31 Mar 13	6 months 30 Sep 12
Gain on disposal of investment property			
Net proceeds from sale of investment property	**-**	34.9	28.4
Carrying value of investment property sold	**-**	(34.8)	(28.3)
Gain on disposal of investment property	**-**	0.1	0.1

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Net change in value of property investments			
Fair value movement on investment property	**1.0**	19.1	8.1
Fair value movement on commenced developments	**3.1**	3.2	0.9
Fair value movement on development land	**-**	(17.4)	(6.5)
Fair value movement on investment property and development land sold pending settlement	**2.0**	-	-
Net change in value of property investments	**6.1**	4.9	2.5

[i] Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Other administrative expenses			
Auditors' fees	**(0.1)**	(0.4)	(0.1)
Trustee fees and disbursements	**(0.2)**	(0.3)	(0.1)
Manager's base fee	**(3.3)**	(6.8)	(3.2)
Costs in respect of the acquisition of Highbrook Development Limited	**-**	(2.2)	-
Other	**(1.3)**	(2.2)	(1.1)
Other administrative expenses	**(4.9)**	(11.9)	(4.5)

[i] Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

Other fees paid to the Group's auditors totalled $20,500 for other assurance and advisory services (year ended 31 March 2013: $90,500; six months ended 30 September 2012: $17,900). These amounts are expressed in whole dollars, rounded to the nearest hundred.

6. Taxation

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Income tax expense			
Current tax (expense)/benefit (note (a) below)			
Current year	**(7.4)**	(4.3)	(4.5)
Adjustment in respect of prior periods	**0.4**	-	-
Total current tax expense	**(7.0)**	(4.3)	(4.5)
Deferred tax benefit/(expense) recognised in the statement of comprehensive income			
Movements in deferred tax	**2.3**	(8.7)	(0.9)
Total deferred tax benefit/(expense)	**2.3**	(8.7)	(0.9)
Total	**(4.7)**	(13.0)	(5.4)

(a) Income tax (expense)/benefit			
Profit before income tax	**70.1**	90.9	37.0
Prima facie income tax expense calculated at 28% on the profit before income tax	**(19.6)**	(25.4)	(10.4)
Increase/(decrease) in income tax due to:			
- revaluation of property investments	**1.7**	1.4	0.7
- holding costs capitalised	**4.2**	6.8	2.7
- deductible capital expenditure	**0.5**	1.0	0.6
- fair value change on interest rate derivatives	**4.0**	1.5	(0.2)
- novated interest rate derivative contracts	**(0.6)**	4.8	-
- amortisation of cash flow hedge reserve	**(0.3)**	(0.6)	(0.3)
- gain resulting from business combination	**-**	1.5	-
- depreciation	**3.1**	4.3	1.8
- deferred leasing costs and incentives	**(0.6)**	0.2	0.3
- dividend income	**(0.4)**	(0.4)	-
- share of profit arising from joint ventures, net of tax	**0.5**	1.5	0.4
- other	**0.1**	(0.9)	(0.1)
Current tax expense	**(7.4)**	(4.3)	(4.5)
- depreciation	**(3.1)**	(3.8)	(1.5)
- depreciation adjustment [ii]	**7.8**	-	-
- deferred leasing costs and incentives	**0.6**	0.6	(0.1)
- fair value change on interest rate derivatives	**(4.0)**	(1.5)	0.2
- novated interest rate derivative contracts	**0.6**	(4.8)	-
- amortisation of cash flow hedge reserve	**0.3**	0.6	0.3
- other	**0.1**	0.2	0.2
Deferred tax benefit/(expense)	**2.3**	(8.7)	(0.9)
Income tax expense before prior period adjustments	**(5.1)**	(13.0)	(5.4)
Current tax over provision in prior period	**0.4**	-	-
Income tax expense attributable to profit from ordinary activities	**(4.7)**	(13.0)	(5.4)

[i] Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

[ii] Deferred tax provided on depreciation to be recovered in the event of the sale of investment properties has been re-estimated as at 30 September 2013 by undertaking independent market valuations of the tax depreciable components of a representative sample of properties. This change in accounting estimate has not been applied retrospectively.

notes to the financial statements (continued)

For the six months ended 30 September 2013

6. Taxation (continued)

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
(b) Deferred tax recognised directly in equity			
Relating to derivative financial instruments	**(0.3)**	(0.6)	(0.3)
Deferred tax recognised directly in equity	**(0.3)**	(0.6)	(0.3)
(c) Reconciliation of current tax expense to tax deducted from distributable earnings			
Current tax expense	**(7.4)**	(4.3)	(4.5)
Less: Tax losses generated outside GMT tax group	**-**	(3.2)	-
Add: Tax losses offset against other tax group	**-**	3.1	-
Less: Tax expense included in share of profit arising from joint ventures	**(0.1)**	-	-
Add: Depreciation recovered on sale of assets	**-**	0.7	0.7
Add: Current tax expense funded through brought forward tax losses	**2.4**	0.1	0.4
Add: Over provision in respect of prior period	**0.4**	-	-
Tax deducted from distributable earnings	**(4.7)**	(3.6)	(3.4)
Current tax receivable/(payable)			
Balance at the beginning of the period	**2.0**	(1.4)	(1.4)
Movements during the period:			
- income tax paid	**3.6**	7.6	4.0
- income tax expense on current period's profit	**(7.4)**	(4.3)	(4.5)
- adjustment in respect of prior periods	**0.4**	-	-
- transfer from deferred tax asset	**2.4**	0.1	0.4
Balance at the end of the period	**1.0**	2.0	(1.5)

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

7. Earnings per unit

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Profit used in calculating distributable earnings per unit			
Profit after tax used in calculating earnings per unit	**65.4**	77.9	31.6
Net change in fair value of property investments	**(6.1)**	(4.9)	(2.5)
Gain on disposal of investment property	**-**	(0.1)	(0.1)
Gain resulting from business combination	**-**	(5.5)	-
Beneficial ownership of HDL – earnings from 1 October to 13th December [ii]	**-**	1.8	-
Beneficial ownership of HBPL – earnings from 1 October to 13th December [ii]	**-**	0.6	-
Costs in respect of the acquisition of HDL expensed through the statement of comprehensive income	**-**	2.2	-
Fair value (gain)/loss on derivative financial instruments	**(14.1)**	(5.2)	0.5
Change in cash flow hedge reserve	**1.1**	2.4	1.1
Interest on deferred settlements	**0.3**	0.7	0.4
Non distributable items included in share of profit arising from joint ventures	**(1.2)**	4.0	4.0
Income tax expense included in share of profit arising from joint ventures	**0.2**	0.8	0.6
Income tax expense	**4.7**	13.0	5.4
[a] Profit used in calculating distributable earnings before tax per unit	**50.3**	87.7	41.0
Current tax expense	**(7.4)**	(4.3)	(4.5)
Adjustment in respect of prior year's current tax expense	**0.4**	-	-
Tax items included in share of profit arising from joint ventures	**(0.1)**	-	-
Tax losses generated outside GMT tax group	**-**	(3.2)	-
Tax losses offset against other tax group	**-**	3.1	-
Depreciation recovered on disposal of investment property	**-**	0.7	0.7
Current tax expense funded through brought forward tax losses	**2.4**	0.1	0.4
[b] Profit used in calculating distributable earnings after tax per unit	**45.6**	84.1	37.6

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

(ii) The purchase price for the further 50% of the shares in HDL and further 25% of the HBPL properties was determined based on their agreed value as at 30 September 2012. Settlement of the acquisition, and therefore the accounting for the acquisition, took place on 14 December 2012 with no adjustment made to the agreed purchase price for the change in value of the company and assets being acquired in the intervening period. These adjustments represent GMT's beneficial interest in the distributable earnings (cash income) of the acquired portion of HDL and the HBPL properties, as if ownership had transferred on the date the purchase price was determined.

000s	6 months 30 Sep 13	12 months 31 Mar 13	6 months 30 Sep 12
Weighted average number of units used in calculating basic earnings per unit and distributable earnings per unit	**1,204,611**	1,067,717	1,007,890
Weighted average number of units used in calculating diluted earnings per unit and distributable earnings per unit	**1,241,946**	1,078,662	1,007,890

notes to the financial statements (continued)

For the six months ended 30 September 2013

7. Earnings per unit (continued)

Cents	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Attributable to unitholders of Goodman Property Trust			
Basic earnings after tax per unit	**5.43**	7.30	3.14
Diluted earnings after tax per unit	**5.26**	7.22	3.14
Basic distributable earnings before tax per unit (a)	**4.18**	8.21	4.07
Diluted distributable earnings before tax per unit (a)	**4.05**	8.13	4.07
Basic distributable earnings after tax per unit (b)	**3.78**	7.88	3.73
Diluted distributable earnings after tax per unit (b)	**3.67**	7.80	3.73

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

8. Reconciliation of profit after income tax to net cash flows from operating activities

$ million	6 months 30 Sep 13	12 months 31 Mar 13 Restated(i)	6 months 30 Sep 12 Restated(i)
Profit for the period after income tax	**65.4**	77.9	31.6
Non-cash items:			
Net change in value of property investments	**(6.1)**	(4.9)	(2.5)
Gain on disposal of investment property	**-**	(0.1)	(0.1)
Gain resulting from business combination	**-**	(5.5)	-
Fair value (gain)/ loss on derivative financial instruments	**(14.1)**	(5.2)	0.5
Changes in cash flow hedge reserve	**1.1**	2.4	1.1
Deferred lease incentives	**(3.6)**	2.4	(1.0)
Deferred tax	**0.1**	8.9	1.4
Amortisation of bond issue costs	**0.4**	0.8	0.4
Interest on deferred settlements	**0.3**	0.7	0.4
Share of profit arising from joint ventures	**(2.9)**	(5.6)	(1.3)
Net cash provided by operating activities before change in assets and liabilities	**40.6**	71.8	30.5
Movements in working capital arising from:			
Trade receivables	**(1.0)**	1.9	1.9
Current tax assets	**0.8**	(3.4)	-
Other assets	**(0.4)**	(2.1)	(0.6)
Trade payables	**(1.7)**	0.5	(1.0)
Other payables	**1.8**	(2.8)	3.0
Items classified as investing:			
Gain on disposal of investment property	**-**	(0.1)	(0.1)
Net cash provided by operating activities	**40.1**	65.8	33.7

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

9. Trade and other receivables

$ million	30 Sep 13	31 Mar 13 Restated(i)	30 Sep 12 Restated(i)
Current			
Trade receivables	**1.6**	0.5	0.5
Prepayments	**1.2**	0.1	1.7
Other assets	**6.2**	7.6	5.0
Total trade and other receivables	**9.0**	8.2	7.2

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

As at 30 September 2013 no receivables were impaired (31 March 2013: $nil; 30 September 2012: $0.2 million).

No provision for impairment of receivables was written off (31 March 2013: $nil; 30 September 2012: $nil). No additional provisions were made during the six months to 30 September 2013 (31 March 2013: $nil; 30 September 2012: $152,339).

During the six months no unrecoverable receivables were written off (31 March 2013: $333,436; 30 September 2012: $nil).

10. Financial instruments

The Group classifies its financial instruments depending on the purpose for which they were acquired. Management determines the classification of its financial instruments at initial recognition:

+ loans and receivables comprise cash and cash equivalents and trade and other receivables;
+ other financial liabilities at amortised cost comprise trade and other payables and interest-bearing liabilities; and,
+ financial assets and liabilities at fair value through profit or loss comprise derivative financial instruments.

Derivative financial instruments

$ million	30 Sep 13	31 Mar 13 Restated(i)	30 Sep 12 Restated(i)
Current			
Derivative assets	**-**	-	-
Derivative liabilities	**-**	(0.4)	(0.5)
Non-current			
Derivative assets	**8.8**	9.4	11.2
Derivative liabilities	**(27.3)**	(41.6)	(35.6)
Total derivative financial instruments	**(18.5)**	(32.6)	(24.9)

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

11. Investment property, commenced developments and development land

All investment property was valued by independent valuers as at 30 September 2012 and 31 March 2013. At 30 September 2013, all investment property was subject to a valuation review to ensure that it continued to be held at fair value. The valuation review comprised of a review of leasing activity undertaken in the period and recent comparable transactional evidence of market sales. Additionally, developments that were completed or substantially completed during the period, where fair values could be reliably determined, were subject to a full valuation.

As at 30 September 2012 and 31 March 2013, and for completed or substantially completed developments at 30 September 2013, the carrying amount of investment and development property is the fair value of the property as determined by a registered independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair values are based on market values, which are estimated using the capitalisation and discounted cash flow methods described in note 1 of the financial statements for the year ended 31 March 2013. The key assumptions used in the valuations are derived from recent comparable transactions to the greatest extent possible. The fair value of investment property was determined by the Manager using market data provided by independent valuers based on independent valuation advice. There were no changes in valuation techniques during the year.

Valuations reflect, where appropriate, the quality of customers in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the customer; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary movements, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

			$ million		
Current assets	**Asset class**	**GMT ownership %**	**30 Sep 13**	**31 Mar 13**	**30 Sep 12**
Gateside Industry Park, Penrose					
Investment property	Industrial estate	100	**30.4**	-	-
Development land	Industrial estate	100	**6.8**	-	-
Total fair value of investment property and development land sold pending settlement			**37.2**	-	-

Gateside Industry Park was unconditionally contracted for sale on 13 August 2013, with settlement to occur on 28 February 2014. The carrying value of this property reflects the contracted sale price.

11. Investment property, commenced developments and development land (continued)

			$ million		
Non-current assets	**Asset class**	**GMT ownership %**	**30 Sep 13**	**31 Mar 13 Restated(i)**	**30 Sep 12 Restated(i)**
Investment property					
Highbrook Business Park, East Tamaki	Business park	100(ii)	**361.5**	323.4	-
Highbrook Business Park, East Tamaki	Business park	100(iii)	**161.3**	161.1	117.9
M20 Business Park, Manukau	Business park	100	**138.7**	135.9	112.5
Central Park Corporate Centre, Greenlane	Office park	100	**136.2**	114.4	112.5
The Gate Industry Park, Penrose	Industrial estate	100	**132.7**	132.5	130.0
Savill Link, Otahuhu	Industrial estate	100	**119.1**	104.2	101.9
Westney Industry Park, Mangere	Industrial estate	100	**98.0**	96.1	98.2
Show Place Office Park, Christchurch	Office park	100	**94.4**	92.5	88.4
Millennium Centre, Phase Two, Greenlane	Office park	100	**67.1**	67.1	67.0
Air New Zealand House, Auckland	Office park	100	**62.1**	62.0	61.3
Millennium Centre, Greenlane	Office park	100	**58.1**	57.3	55.8
Connect Business Estate, Penrose	Business park	100	**49.5**	49.0	49.0
Enterprise Park, Manukau	Industrial estate	100	**48.4**	46.8	46.8
Penrose Industrial Estate, Penrose	Industrial estate	100	**39.7**	39.8	39.1
Yellow HQ, Greenlane	Office park	100	**34.1**	34.3	32.9
Glassworks Industry Park, Christchurch	Industrial estate	100	**24.9**	18.8	21.0
Southpark Industrial Estate, Christchurch	Industrial estate	100	**24.3**	24.3	21.6
SMEC House, Newmarket	Office park	100	**20.9**	20.6	19.3
Carter Holt Harvey, Christchurch	Industrial estate	100	**14.6**	13.9	12.3
614-616 Great South Road, Greenlane	Office park	100	**4.4**	4.4	-
Gateside Industry Park, Penrose	Industrial estate	100	**-**	28.0	27.5
Total fair value of investment property			**1,690.0**	1,626.4	1,215.0

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

(ii) 30 September 2012: 50% interest in joint venture, equity accounted.

(iii) 30 September 2012: 75% interest in jointly owned property.

notes to the financial statements (continued)

For the six months ended 30 September 2013

11. Investment property, commenced developments and development land (continued)

Non-current assets	Asset class	GMT ownership %	30 Sep 13 $ million	31 Mar 13 Restated[i] $ million	30 Sep 12 Restated[i] $ million
Commenced developments					
Highbrook Business Park, East Tamaki	Business park	100[ii]	**9.6**	29.7	-
Glassworks Industry Park, Christchurch	Industrial estate	100	**7.7**	6.0	3.1
M20 Business Park, Manukau	Business park	100	**4.3**	-	12.1
Central Park Corporate Centre, Greenlane	Business park	100	**3.6**	13.4	4.1
Show Place Business Park, Christchurch	Business park	100	**2.8**	2.0	-
Savill Link, Otahuhu	Industrial estate	100	**-**	9.4	2.8
Total fair value of commenced developments			**28.0**	60.5	22.1
Development land					
Highbrook Business Park, East Tamaki		100[ii]	**166.0**	161.0	-
Central Park Corporate Centre, Greenlane		100	**20.5**	19.6	20.0
Savill Link, Otahuhu		50, 100[iii]	**18.2**	16.9	15.7
Glassworks Industry Park, Christchurch		100	**11.0**	17.2	14.4
M20 Business Park, Manukau		100	**10.9**	11.5	13.3
Show Place Business Park, Christchurch		100	**8.0**	7.6	8.7
The Gate Industry Park, Penrose		50, 100[iii]	**2.4**	2.1	2.1
Connect Business Estate, Penrose		100	**1.1**	1.0	1.0
Westney Industrial Park, Mangere		50	**1.3**	1.2	1.2
Gateside Industry Park, Penrose		100	**-**	6.3	6.3
Total fair value of development land			**239.4**	244.4	82.7

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

(ii) 30 September 2012: 50% interest in joint venture, equity accounted.

(iii) A proportion of the development land at Savill Link and The Gate Industry Park is co-owned by GMT and Goodman Group under the terms of a co-ownership agreement dated 1 April 2004 (as amended). The valuation of that development land in the table above includes a value for GMT's 50% share of that co-owned land.

Interest costs of $13.9 million were capitalised to properties during the six months ended 30 September 2013 (year ended 31 March 2013: $23.6 million (restated), six months ended 30 September 2012: $9.3 million (restated)), using a weighted average capitalised interest rate of 6.64% (31 March 2013: 8.00%; 30 September 2012: 7.03%). Of the interest costs capitalised, $11.3 million relates to development land (31 March 2013: $20.5 million (restated), 30 September 2012: $8.7 million (restated)). Interest costs are capitalised on the borrowings attributable to the development land based on its historic cost, which may differ from the fair value of the land.

12. Investments in joint ventures

Joint ventures	Place of business	Principal activity	30 Sep 13 Interest held by Group	31 Mar 13 Interest held by Group	30 Sep 12 Interest held by Group
Viaduct Corporate Centre Limited	Auckland, New Zealand	Property investment	**50%**	50%	50%
Highbrook Development Limited	Auckland, New Zealand	Property investment	**-**	-	50%

The investment in the joint ventures strengthens the Group with strategic partnerships, providing investment property in key locations within the Auckland region.

Joint ventures are incorporated in New Zealand and have balance dates of 31 March.

Summarised financial information for joint ventures

Set out below is the summarised financial information for VCCL and HDL, which are accounted for using the equity method (whilst they meet the definition of a joint venture as set out in note 1).

	HDL[i]			VCCL		
$ million	**30 Sep 13**	**31 Mar 13**	**30 Sep 12**	**30 Sep 13**	**31 Mar 13**	**30 Sep 12**
Total current assets	**-**	-	6.4	**0.8**	0.6	0.6
Total non-current assets	**-**	-	507.0	**155.6**	156.0	153.4
Total current liabilities	**-**	-	5.0	**1.6**	1.2	2.0
Total non-current liabilities	**-**	-	213.8	**62.0**	65.2	66.4
Net assets	**-**	-	294.6	**92.8**	90.2	85.6
Profit for the period before income tax	**-**	5.0	2.4	**6.2**	7.8	1.4
Taxation	**-**	(0.2)	(0.4)	**(0.4)**	(1.4)	(0.8)
Profit for the period after income tax	**-**	4.8	2.0	**5.8**	6.4	0.6
Other comprehensive income net of income tax	**-**	3.4	0.8	**-**	1.8	0.2
Total comprehensive income for the period attributable to unitholders	**-**	8.2	2.8	**5.8**	8.2	0.8

(i) On 14 December 2012, the Group acquired the remaining 50% interest in Highbrook Development Limited. Refer to note 13 for further details.

Included in non-current assets are the following:

	HDL[i]			VCCL		
$ million	**30 Sep 13**	**31 Mar 13**	**30 Sep 12**	**30 Sep 13**	**31 Mar 13**	**30 Sep 12**
Investment property	**-**	-	309.8	**154.6**	153.6	150.0
Commenced developments	**-**	-	22.8	**-**	-	-
Development land	**-**	-	161.2	**-**	-	-

(i) On 14 December 2012, the Group acquired the remaining 50% interest in Highbrook Development Limited. Refer to note 13 for further details.

12. Investments in joint ventures (continued)

Investment in joint ventures $ million	HDL[i] 30 Sep 13	HDL[i] 31 Mar 13	HDL[i] 30 Sep 12	VCCL 30 Sep 13	VCCL 31 Mar 13	VCCL 30 Sep 12
Carrying value at beginning of the period	-	145.9	145.9	52.0	49.3	49.3
Share of profit, net of tax	-	2.4	1.0	2.9	3.2	0.3
Other comprehensive income, net of tax	-	1.7	0.4	-	0.9	0.1
Dividends declared	-	-	-	(1.6)	(1.4)	-
Transfer of joint venture to subsidiary	-	(150.0)	-	-	-	-
Carrying value at the end of the period	-	-	147.3	53.3	52.0	49.7

(i) On 14 December 2012, the Group acquired the remaining 50% interest in Highbrook Development Limited. Refer to note 13 for further details.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's investment in joint ventures:

$ million	HDL[i] 30 Sep 13	HDL[i] 31 Mar 13	HDL[i] 30 Sep 12	VCCL 30 Sep 13	VCCL 31 Mar 13	VCCL 30 Sep 12
Carrying value at beginning of the period	-	291.8	291.8	90.2	84.8	84.8
Profit for the period after income tax	-	4.8	2.0	5.8	6.4	0.6
Other comprehensive income, net of tax	-	3.4	0.8	-	1.8	0.2
Dividends declared	-	-	-	(3.2)	(2.8)	-
Transfer of joint venture to subsidiary	-	(300.0)	-	-	-	-
Closing net assets	-	-	294.6	92.8	90.2	85.6
Interest in joint venture @ 50%	-	-	147.3	46.4	45.1	42.8
Goodwill	-	-	-	6.9	6.9	6.9
Carrying value at the end of the period	-	-	147.3	53.3	52.0	49.7

(i) On 14 December 2012, the Group acquired the remaining 50% interest in Highbrook Development Limited. Refer to note 13 for further details.

Included in the Group's capital commitments at 30 September 2012 was $22.2 million of capital commitments of HDL. There are no capital commitments of VCCL (31 March 2013: $nil, 30 September 2012: $nil).

13. Business combinations

On 14 December 2012, the Group acquired the remaining 50% interest in HDL. HDL is incorporated in New Zealand and has a balance date of 31 March. The initial 50% interest was acquired on 21 December 2007. The principal activity of HDL is to undertake long term investment in real estate at Highbrook Business Park.

For the period from 14 December 2012 to 31 March 2013, the acquired business contributed revenues of $7.0 million and a net profit of $2.9 million to the Group. If the acquisition had occurred on 1 April 2012, Group revenue recognised from the business would have been $24.9 million and net profit recognised would have been $14.8 million. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the entity to reflect the fair value adjustments to investment properties applied from 1 April 2012, together with the consequential tax effects.

On 14 December 2012, the Group recognised a gain on acquisition of $4.9 million which arose because the fair value of the consideration ($290.8 million) was less than the fair value of assets acquired ($295.7 million).

The Group recognised a gain of $0.6 million as a result of measuring the fair value of its original 50% interest in HDL on the acquisition date of 14 December 2012.

Further detail relating to the acquisition can be found in note 12 of the financial statements for the year ended 31 March 2013.

14. Related party disclosures

Identity of related parties
The Group has related party relationships with the following parties:

Entity	Nature of relationship
Goodman (NZ) Limited ("GNZ")	Manager of the Trust
Goodman Property Services (NZ) Limited ("GPSNZ")	Provider of property management and related services
Goodman Industrial Trust	Unitholder in GMT and property co-owner with GMT
Goodman Limited	Unitholder in GMT and parent entity of GNZ and GPSNZ
Viaduct Corporate Centre Limited	Joint venture

(a) Entities with significant influence over GMT

Fees paid by the Group to GNZ and GPSNZ are summarised below:

$ million	Paid to	6 months 30 Sep 13	12 months 31 Mar 13 Restated[i]	6 months 30 Sep 12 Restated[i]
Base fee paid to the Manager [ii]	GNZ	4.3	7.5	3.5
Performance fee paid to the Manager	GNZ	-	-	-
Total fees paid to the Manager		4.3	7.5	3.5
Property management fees [iii]	GPSNZ	1.2	2.9	1.3
Development management fees [iv]	GPSNZ	0.7	2.8	2.2
Leasing fees	GPSNZ	0.6	1.1	0.8
Acquisition and disposal fees	GPSNZ	-	1.0	0.2
Minor project fees	GPSNZ	0.5	-	-
Total property management, development management and other fees [v]		3.0	7.8	4.5

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

(ii) Of the base fee charged by GNZ, $1.0 million was capitalised to property investments (31 March 2013: $0.6 million; 30 September 2012: $0.3 million)

(iii) Of the property management fees charged by GPSNZ, $1.2 million was paid by customers and was not a cost borne by GMT (31 March 2013: $2.9 million; 30 September 2012: $1.3 million).

(iv) Of the development management fees charged by GPSNZ, $0.7 million was capitalised to properties (31 March 2013: $2.8 million; 30 September 2012: $2.2 million).

(v) Included within property management fees and development management fees paid is $0.2 million paid pursuant to the property management and development management agreements between HBPL and GPSNZ, being 75% of the total fees payable under these agreements for the period 1 April 2012 to 13 December 2012 (such disclosure required by paragraph 46(c) of the NZX waiver dated 1 March 2006).

Included within property management fees and development management fees paid is $0.5 million paid pursuant to the property management and development management agreements between HBPL and GPSNZ for the period from 14 December 2012 to 31 March 2013 (such disclosure required by paragraph 39(d) of the NZX waiver dated 12 November 2012) and $0.3 million paid pursuant to the property management and development management agreements between HDL and GPSNZ for the period from 14 December 2012 to 31 March 2013 (such disclosure required by paragraph 39(d) of the NZX waiver dated 12 November 2012).

In addition to the above, included within property management fees and development management fees paid is $0.3 million paid pursuant to the property management and development management agreements between HDL and GPSNZ, being 50% of the total fees payable under these agreements for the period 1 April 2012 to 13 December 2012 (such disclosure required by paragraph 60(c) of the NZX waiver dated 7 November 2007).

notes to the financial statements (continued)

For the six months ended 30 September 2013

14. Related party disclosures (continued)

GMT paid management fees to GNZ during the period. No performance fee was payable, and a deficit of $19.0 million (31 March 2013: $19.6 million; 30 September 2012: $12.5 million) was carried forward to include in the calculation to determine whether a performance fee is payable in subsequent periods. The Manager uses any performance fee proceeds to subscribe for GMT units in accordance with the terms of the Trust Deed. Further information on the operation of the performance fee is described in note 24(d) of the financial statements for the year ended 31 March 2013. Due diligence expenses of $0.2 million were reimbursed to GNZ (31 March 2013: $0.3 million; 30 September 2012: $nil).

GMT paid fees to GPSNZ for property management and development management services. Reimbursement of expenses was made to GPSNZ totalling $0.9 million for the period ended 30 September 2013 (31 March 2013: $0.9 million; 30 September 2012: $0.6 million). All fees paid were in accordance with the Trust Deed.

At 30 September 2013 $0.7 million was owed to GNZ (31 March 2013: $0.7 million; 30 September 2012: $0.6 million) and no performance fee was accrued (31 March 2013: $nil; 30 September 2012: $nil). As at 30 September 2013 $0.3 million was owed to GPSNZ (31 March 2013: $1.1 million; 30 September 2012: $0.6 million).

During the year, properties with a total value of $2.0 million were acquired from Goodman Industrial Trust.

In the current period no properties were acquired pursuant to the Co-ownership Agreement between GMT and Goodman Industrial Trust (31 March 2013: none; 30 September 2012: none). The Co-ownership Agreement was approved by unitholders at a general meeting held on 23 March 2004.

(b) Compensation to key management personnel

Key management personnel are those people with the responsibility and authority for planning, directing and controlling the activities of an entity. As the Trust does not have any employees or Directors, key management personnel are considered to be the Manager, Goodman (NZ) Limited and the key management personnel of the Manager.

Directors of GNZ and their immediate relatives hold either directly or indirectly 0.12% (31 March 2013: 0.13%; 30 September 2012: 0.14%) of the units of the Trust.

GNZ's ultimate parent entity, Goodman Group, held 211,674,797 units as at 30 September 2013 (31 March 2013: 211,715,771; 30 September 2012 174,380,147) out of a total 1,202,372,312 units on issue (31 March 2013: 1,202,375,777; 30 September 2012: 1,015,069,505). GMT will issue Goodman Group a further 37,335,624 units no later than 14 December 2015 in part settlement of GMT's acquisition of Goodman Group's 25% interest in HDL.

(c) Transactions with joint ventures

No advances were payable by the Group to joint ventures at 30 September 2013 (31 March 2013: $nil; 30 September 2012: $2.1 million). The Group had no advances receivable from joint ventures at 30 September 2013 (31 March 2013: $nil; 30 September 2012: $0.4 million).

During the period ended 30 September 2013 a dividend of $1.6 million was received by the Group from VCCL (31 March 2013: $1.4 million; 30 September 2012: $nil).

15. Trade and other payables

$ million	30 Sep 13	31 Mar 13 Restated(i)	30 Sep 12 Restated(i)
Current			
Trade payables	**0.3**	2.0	0.8
Other payables	**8.9**	11.5	14.3
Amounts owing in respect of deferred settlements	**-**	11.4	11.0
Accrued capital expenditure	**9.2**	12.7	1.6
Total current trade and other payables	**18.4**	37.6	27.7
Non-current			
Amounts owing in respect of deferred settlements	**4.3**	4.1	-
Total non-current trade and other payables	**4.3**	4.1	-

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

16. Interest bearing liabilities

$ million	30 Sep 13	31 Mar 13 Restated(i)	30 Sep 12 Restated(i)
Non-current			
Secured interest bearing liabilities:			
Goodman Property Trust facility	**548.0**	482.4	243.4
Henshaw Holdings Limited facility	**-**	-	27.5
Retail senior secured bonds	**150.0**	150.0	150.0
Wholesale senior secured bonds	**45.0**	45.0	45.0
Unamortised capitalised costs on senior secured bonds	**(1.9)**	(2.2)	(2.8)
Total non-current interest bearing liabilities	**741.1**	675.2	463.1
Total interest bearing liabilities	**741.1**	675.2	463.1

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

Goodman Property Trust facility

A revolving credit facility totalling $600.0 million (31 March 2013: $600.0 million, 30 September 2012: $330.0 million) has been provided by a syndicate of banks.

30 September 2013 and 31 March 2013

The facility comprises four tranches; Tranche A: $125.0 million expiring in October 2014; Tranche B: $200.0 million expiring in April 2016; Tranche C: $100.00 million expiring in October 2016 and Tranche D: $175.0 million expiring in April 2018. The facilities are secured over the assets and undertakings of Goodman Property Aggregated Limited, Henshaw Holdings Limited and Highbrook Development Limited. GMT will refinance expiring tranches well in advance of their expiry date.

30 September 2012

The facility comprised four tranches; Tranche A: $80.0 million expiring in October 2016; Tranche B: $100.0 million expiring in December 2015; Tranche C: $50.0 million expiring in April 2013, (nil drawn at 30 September 2012), Tranche D: $100.0 million expiring October 2017. The facilities were secured over the assets and undertakings of Goodman Property Aggregated Limited.

The Group has given a negative pledge which provides that it will not create or permit any security interest over its assets. The principal financial ratios which must be met are the ratio of earnings before interest, depreciation and tax to interest expense, and the ratio of financial indebtedness to the value of the property portfolio. Further negative and positive undertakings have been given as to the nature and conduct of the Group's business.

Henshaw Holdings Limited facility

The Henshaw Holdings Limited facility was repaid in March 2013.

Retail senior secured bonds

On 15 December 2009, the Group issued $150.0 million of fixed rate senior secured bonds, bearing a fixed interest rate of 7.75% per annum. The bonds mature on 19 June 2015.

The fair value of fixed rate senior secured bonds as at 30 September 2013 is $158.8 million (31 March 2013: $159.9 million; 30 September 2012: $160.4 million). The fair value has been estimated using the method outlined in note 21.

Wholesale senior secured bonds

On 8 September 2010, the Group issued $45.0 million of fixed rate wholesale senior secured bonds, bearing a fixed interest rate of 7.58% per annum. The bonds mature on 8 September 2017.

The fair value of fixed rate wholesale senior secured bonds as at 30 September 2013 is $56.4 million (31 March 2013: $53.2 million; 30 September 2012: $55.5 million). The fair value has been estimated using the method outlined in note 21.

notes to the financial statements (continued)

For the six months ended 30 September 2013

17. Issued units

Reconciliation of movements in Goodman Property Trust units	6 months 30 Sep 13 No. of units 000s	6 months 30 Sep 13 Value $ million	12 months 31 Mar 13 No. of units 000s	12 months 31 Mar 13 Value $ million	6 months 30 Sep 12 No. of units 000s	6 months 30 Sep 12 Value $ million
Balance at the beginning of the period	**1,202,376**	**1,355.1**	999,048	1,119.6	999,048	1,119.6
Movements during the period						
Issue of units pursuant to Distribution Reinvestment Plan	**7,997**	**8.1**	20,926	20.5	16,022	15.5
Issue of units pursuant to Unit Purchase Plan	**-**	**-**	29,998	30.0	-	-
Issue of units pursuant to institutional placement	**-**	**-**	59,077	58.8	-	-
Issue of units as part consideration for the acquisition of 25% of HBPL properties	**-**	**-**	19,653	19.9	-	-
Issue of units as part consideration for the acquisition of 50% of HDL	**-**	**-**	73,674	74.7	-	-
Deferred issue of units as part consideration for the acquisition of 50% of HDL	**-**	**-**	-	31.6	-	-
Balance at the end of the period	**1,210,373**	**1,363.2**	1,202,376	1,355.1	1,015,070	1,135.1

Units have no par value. All units are fully paid.

Net tangible assets	30 Sep 13 million	31 Mar 13 million Restated(i)	30 Sep 12 million Restated(i)
Net tangible assets	**1,222.5**	1,185.9	952.0

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

Net tangible assets per unit	30 Sep 13 cents	31 Mar 13 cents Restated(i)	30 Sep 12 cents Restated(i)
Net tangible assets per unit	**98.0**	95.6	93.8

(i) Restated to the extent required to reflect the adoption of NZ IFRS 11 as explained in notes 1 and 2.

18. Segment reporting

The chief operating decision-maker has been identified as the Board of Directors of Goodman (NZ) Limited. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The key reports used by the Board for considering and monitoring the business consider all of the properties together. As such there is only one reportable segment.

19. Events subsequent to balance date

On 11 November 2013, GMT Bond Issuer Limited (a 100% subsidiary of GMT) announced it was considering making an offer of up to $100 million of retail bonds with a 7 year maturity.

On 19 November 2013, GMT entered into an unconditional agreement to acquire the new Fonterra Co-operative Group Limited's headquarters from Goodman Group for $92.6 million, settlement to be made following completion (anticipated to be February 2016).

20. Commitments and contingencies

As at 30 September 2013, the Group had $14.6 million of material capital commitments relating to development properties (31 March 2013: $19.3 million; 30 September 2012: $8.3 million).

GMT has incurred no material contingent liabilities in relation to its interests in joint ventures.

Other than as disclosed in note 4, the Group does not have any material non-cancellable operating lease commitments.

21. Fair values of financial instruments

Except for the senior secured bonds, the carrying values of all balance sheet financial instruments approximate their estimated fair value:

+ derivative financial instruments are carried at fair value, as discussed below;
+ receivables and payables are short term in nature and therefore approximate fair value; and
+ all other interest bearing liabilities reprice at least every 90 days and therefore approximate fair value.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The methods used in determining fair value are as follows:

Derivative financial instruments

The Group's financial instruments held at fair value are estimated using present value or other valuation techniques based on market rates at 30 September 2013 of between 2.68% for the 90 day BKBM and 4.86% for the 10 year swap rate (31 March 2013: 2.83% and 3.95%, 30 September 2012: 2.67% and 3.69%, respectively).

Interest bearing liabilities

The fair value of the retail senior secured bonds is determined by reference to the quoted market price of the underlying debt securities. The fair value of the wholesale senior secured bonds is determined using discounted cash flow analysis by reference to current market rates for comparable instruments.

There were no changes to these valuation techniques during the period.

notes to the financial statements (continued)

For the six months ended 30 September 2013

21. Fair values of financial instruments (continued)

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

$ million	30 Sep 13
Derivative financial instruments – Level 2	18.5
Total derivative financial instruments	**18.5**

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers of derivative financial instruments between levels of the fair value hierarchy in the six months ended 30 September 2013.

independent accountants' report

to the unitholders of Goodman Property Trust

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("the interim financial statements") of Goodman Property Trust and its controlled entities ("the Group") on pages 10 to 34, which comprise the statement of financial position as at 30 September 2013, the statement of comprehensive income, the statement of changes in unitholders' funds and the statement of cash flows for the period then ended, and the notes to the interim financial statements that include a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Interim Financial Statements

The Directors of Goodman (NZ) Limited ("the Manager") are responsible for the preparation and presentation of the interim financial statements that present fairly the financial position of the Group as at 30 September 2013, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the interim financial statements presented by the Manager in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim financial statements of the Group for the period ended 30 September 2013 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, Goodman Property Trust other than in our capacities as accountants conducting this review and the providers of assurance (including audit) and advisory services. These services have not impaired our independence as accountants of the Group.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 September 2013 and its financial performance and cash flows for the period ended on that date.

Restriction on Use

This report is made solely to the Trust's unitholders, as a body. Our review work has been undertaken so that we might state to the Trust's unitholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's unitholders, as a body, for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
19 November 2013

Auckland

Yellow HQ, Greenlane

GMT Bond Issuer Limited

interim financial statements+

for the six months ended
30 September 2013

contents+

statement of comprehensive income

For the six months ended 30 September 2013

$ million	Note	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Investment income				
Interest income	2	**5.8**	11.6	5.8
Total investment income		**5.8**	11.6	5.8
Operating expenses				
Operating expenses	3	**-**	-	-
Total operating expenses		**-**	-	-
Finance costs				
Interest expense		**5.8**	11.6	5.8
Total finance costs		**5.8**	11.6	5.8
Profit before income tax		**-**	-	-
Taxation	4	**-**	-	-
Profit after tax attributable to shareholder		**-**	-	-
Other comprehensive income		**-**	-	-
Total comprehensive income for the period attributable to shareholder		**-**	-	-

The statement of comprehensive income should be read in conjunction with the accompanying notes.

statement of financial position

As at 30 September 2013

$ million	Note	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Assets				
Current tax receivable	4	**-**	-	-
Related party receivable	5	**3.2**	3.2	3.2
Related party advance	5	**150.0**	150.0	150.0
Total assets		**153.2**	153.2	153.2
Liabilities				
Other payables	6	**3.2**	3.2	3.2
Senior secured bonds	7	**150.0**	150.0	150.0
Total liabilities		**153.2**	153.2	153.2
Net assets		**-**	-	-
Equity				
Contributed equity	8	**-**	-	-
Retained earnings		**-**	-	-
Total equity		**-**	-	-

The statement of financial position should be read in conjunction with the accompanying notes.

The Board of GMT Bond Issuer Limited authorised these financial statements for issue on 19 November 2013.

For and on behalf of the Board:

Keith Smith
Chairman

Peter Simmonds
Chairman, Audit Committee

statement of changes in equity

For the six months ended 30 September 2013

$ million	Contributed equity	Retained earnings	Total
Unaudited 6 months to 30 September 2013			
Total equity at 1 April 2013	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**
Total equity at 30 September 2013	**-**	**-**	**-**

$ million	Contributed equity	Retained earnings	Total
Audited 12 months to 31 March 2013			
Total equity at 1 April 2012	-	-	-
Total comprehensive income for the period	-	-	-
Total equity at 31 March 2013	-	-	-

$ million	Contributed equity	Retained earnings	Total
Unaudited 6 months to 30 September 2012			
Total equity at 1 April 2012	-	-	-
Total comprehensive income for the period	-	-	-
Total equity at 30 September 2012	-	-	-

The statement of changes in equity should be read in conjunction with the accompanying notes.

statement of cash flows

For the period ended 30 September 2013

$ million	Note	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Cash flows from operating activities				
Interest received		**5.8**	11.6	5.8
Interest paid		**(5.8)**	(11.6)	(5.8)
Net cash flows from operating activities	9	**-**	-	-
Net movement in cash and cash equivalents		**-**	-	-
Cash and cash equivalents at the beginning of the period		**-**	-	-
Cash and cash equivalents at the end of the period		**-**	-	-

The statement of cash flows should be read in conjunction with the accompanying notes.

notes to the financial statements

For the six months ended 30 September 2013

1. Accounting policies

General information

GMT Bond Issuer Limited ("the Company") was incorporated on 5 November 2009. The address of its registered office is Level 28, 151 Queen Street, Auckland. GMT Bond Issuer Limited is a registered company under the Companies Act 1993. GMT Bond Issuer Limited is a profit-oriented company incorporated and domiciled in New Zealand. The Company was incorporated to undertake an issue of debt securities with the purpose of on lending the proceeds to Goodman Property Trust ("GMT") by way of interest bearing advances.

The interim financial statements have been approved for issue by the Board on 19 November 2013. The Board does not have the power to amend these financial statements once issued.

Basis of preparation

These interim financial statements for the six months ended 30 September 2013 have been prepared in accordance with generally accepted accounting practice in New Zealand, International Accounting Standard 34 Interim Financial Reporting and New Zealand equivalent to International Accounting Standard 34 Interim Financial Reporting.

The interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly these interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013, prepared in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards.

The interim financial statements for the six months ended 30 September 2013 are unaudited. The interim financial statements are presented in New Zealand Dollars ($), which is the Company's functional currency. All financial information has been presented in millions, unless stated otherwise.

Changes in accounting policies

The accounting policies that materially affect the measurement of the consolidated statement of comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2013 and the unaudited interim financial statements for the six months ended 30 September 2012 except as described below:

+ NZ IFRS 13 'Fair value measurement'. NZ IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other NZ IFRSs. Additional fair value disclosures have been made in note 12 and the method of computation for the fair value of derivative financial instruments now includes an assessment of the credit risk of derivative contract counterparties.

  In accordance with the transitional provisions of NZ IFRS 13, the Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the adoption of NZ IFRS 13 on 1 April 2013 has had no material impact on the measurement of the Company's assets and liabilities.

2. Investment income

$ million	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Interest income	**5.8**	11.6	5.8
Total investment income	**5.8**	11.6	5.8

3. Operating expenses

Goodman Property Trust, the Company's parent, paid the full fee of $2,850 for audit services provided to the Company for the period ended 30 September 2013 (31 March 2013: $5,500; 30 September 2012: $1,200).

4. Taxation

$ million	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Analysis of taxation expense			
Resident withholding tax	**-**	-	-
Profit before taxation	**-**	-	-
Prima facie income tax (expense)/benefit calculated at 28% on profit before tax	**-**	-	-
Current taxation	**-**	-	-

Deferred tax

There is no deferred tax balance as at reporting date (31 March 2013: nil; 30 September 2012: nil).

Taxation receivable is analysed as:			
Current	**-**	-	-
Non-current	**-**	-	-
Total taxation receivable	**-**	-	-

5. Related party transactions

GMT Bond Issuer Limited is a wholly-owned subsidiary of Goodman Property Trust. All members of the Goodman Property Trust Group are considered to be related parties of the Company.

Related party receivable and payable balances of GMT Bond Issuer Limited at the reporting date were as follows:

Related party	Unaudited 30 Sep 13 $ million	Audited 31 Mar 13 $ million	Unaudited 30 Sep 12 $ million	Nature of Relationship	Type of Transaction
Goodman Property Trust	**150.0**	150.0	150.0	Parent	Advance
Goodman Property Trust	**3.2**	3.2	3.2	Parent	Accrued interest

The Company issued a loan to Goodman Property Trust for $150 million on 15 December 2009 bearing a fixed interest rate of 7.75% per annum, which matures on 19 June 2015. As at 30 September 2013, accrued interest on the loan amounted to $3.2 million (31 March 2013: $3.2 million; 30 September 2012: $3.2 million).

Related party transactions with GMT Bond Issuer Limited during the year were as follows:

Related party	Unaudited 6 months 30 Sep 13 $ million	Audited 12 months 31 Mar 13 $ million	Unaudited 6 months 30 Sep 12 $ million	Nature of Relationship	Type of Transaction
Goodman Property Trust	**5.8**	11.6	5.8	Parent	Interest on Loan

notes to the financial statements (continued)

For the six months ended 30 September 2013

5. Related party transactions (continued)

Guarantee

Corporate Trust Limited (as Trustee for Goodman Property Trust) has entered into a guarantee under which Goodman Property Trust unconditionally and irrevocably guarantees all of the obligations of GMT Bond Issuer Limited under the Bond Trust Documents.

6. Other payables

$ million	Unaudited 30 Sep 13	Audited 31 Mar 13	Unaudited 30 Sep 12
Accrued interest on senior secured bonds	**3.2**	3.2	3.2
Analysed as:			
Current	**3.2**	3.2	3.2

7. Senior secured bonds

$ million	Unaudited 30 Sep 13	Audited 31 Mar 13	Unaudited 30 Sep 12
Fixed rate senior secured bonds	**150.0**	150.0	150.0
Analysed as:			
Non-current	**150.0**	150.0	150.0

Fixed rate senior secured bonds

On 15 December 2009, the Company issued $150.0 million of fixed rate senior secured bonds, bearing a fixed interest rate of 7.75% per annum. The bonds mature on 19 June 2015.

The fair value of fixed rate senior secured bonds as at 30 September 2013 is $158.8 million (31 March 2013: $159.8 million; 30 September 2012: $160.4 million). The fair value has been estimated using the method outlined in note 12.

8. Contributed equity

Issued share capital

As at 30 September 2013, 100 ordinary shares had been issued for nil consideration on incorporation. All shares rank equally with one vote attached to each share (31 March 2013: 100 ordinary shares; 30 September 2012: 100 ordinary shares).

Net tangible assets

The net tangible assets per bond at 30 September 2013 was $1.02 (31 March 2013: $1.02; 30 September 2012: $1.02).

9. Reconciliation of profit for the period to net cash flows from operating activities

$ million	Unaudited 6 months 30 Sep 13	Audited 12 months 31 Mar 13	Unaudited 6 months 30 Sep 12
Profit for the period attributable to shareholder	**-**	-	-
Movements in working capital			
Decrease in related party receivables	**-**	-	-
Increase in other payables	**-**	-	-
Net cash inflow from operating activities	**-**	-	-

10. Commitments and contingencies

There were no material capital commitments or material contingent liabilities as at 30 September 2013 (31 March 2013: nil; 30 September 2012: nil).

11. Events subsequent to balance date

On 11 November 2013, the Company announced it was considering making an offer of up to $100 million of senior secured bonds with a 7 year maturity.

12. Financial instruments

The Company classifies its financial instruments depending on the purpose for which they were acquired. Management determines the classification of its financial instruments at initial recognition:

+ loans and receivables comprise related party receivables and advances;
+ other financial liabilities at amortised cost comprise other payables and senior secured bonds.

There are no financial assets or liabilities at fair value through profit or loss.

Except for the senior secured bonds, the carrying values of all balance sheet financial instruments approximate their estimated fair value, as receivables and payables are short term in nature.

The methods used in determining fair value are as follows:

(a) Fixed rate senior secured bonds

The fair value of the senior secured bonds is determined by reference to the quoted market price of the underlying debt securities.

There were no changes to the valuation technique during the period.

independent accountants' report

to the shareholder of GMT Bond Issuer Limited

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("the interim financial statements") of GMT Bond Issuer Limited on pages 38 to 45, which comprise the statement of financial position as at 30 September 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and the notes to the interim financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Directors are responsible for the preparation and presentation of the interim financial statements that present fairly the financial position of the Company at 30 September 2013, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the interim financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim financial statements of the Company for the period ended 30 September 2013 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, GMT Bond Issuer Limited other than in our capacities as accountants conducting this review and the providers of assurance (including audit) services. These services have not impaired our independence as accountants of the Company.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 September 2013 and its financial performance and cash flows for the period ended on that date.

Restriction on Use

This report is made solely to the Company's shareholder, as a body. Our review work has been undertaken so that we might state to the Company's shareholder those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, as a body, for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
19 November 2013

Auckland

Goodman Property Trust GMT Bond Issuer Limited

other information+

contents+

other statutory and listing rule disclosures

NZX Waivers

NZX has granted waivers to GMT and GMT Bond Issuer at various times, some of which have been relied upon by GMT during the six months ended 30 September 2013. A summary of these waivers and the other waivers previously granted to GMT can be found in the corporate governance section of GMT's website at www.goodman.com/nz where they will remain available for the next 12 months.

NZX granted the following waivers and rulings to GMT on 12 November 2012 in connection with the acquisition by GMT of the balance of the interests in Highbrook Business Park:

(a) a waiver from Listing Rule 4.2.3 to the extent that it requires that an agreement be entered into with a person who is not a related party, such that the date for the issue of Deferred Issue Units (as that term is defined in the Notice of Meeting and Explanatory Memorandum provided to NZX on 13 November 2012, a copy of which can be found in the NZX announcements of the website at www.goodman.com ("Notice of Meeting")) to Goodman Group (as described below), which is a related party of GMT, may be brought forward in the circumstances described below; and

(b) a waiver from the requirement in Listing Rule 7.3.2(b) that an issue approved under Listing Rule 7.3.1 must be completed within 12 months after the passing of the resolution, so that the deferred issue of the Deferred Issue Units to Goodman Group may take place at a later date as described below.

A complete copy of the waivers provided by NZX can be found at www.goodman.com/nz or at www.nzx.com under the GMT code.

Terms of the deferred issue to Goodman Group and the grounds for acceleration of the payment of the purchase price

As described in the Notice of Meeting and Explanatory Memorandum provided to Unitholders and the NZX on 13 November 2012, the balance of the purchase price payable by GMT to Goodman Group for its interests in Highbrook Development Limited will be paid on the third anniversary of the completion date ("Second Payment Date"), or a date within 5 Business Days after the Second Payment Date, as determined by GMT, subject to adjustment as more particularly described in the Notice of Meeting.

Subject to the matters described below, GMT will pay the purchase price by procuring the issue of fully paid ordinary Units (at an issue price of $1.00 (subject to adjustment as more particularly described in the Notice of Meeting)), so that the number of Units to be issued to Goodman Group on a date will be equal to the amount due to Goodman Group on that date divided by that issue price (rounded down to the nearest unit). The Units will rank equally with all other Units, but will not participate in any distribution declared prior to the Meeting. The Units to be issued on the Second Payment Date will, if Goodman Group so elects, be issued at an earlier date if the manager of GMT is not the Goodman Group, or an Associated Person of the Goodman Group (or if a Court application is made, or notice is given of a proposal or intention, or a meeting of Unitholders is called, to remove the manager of GMT, or the manager gives notice of an intention to retire, where the removal or retirement will mean than none of such persons is manager of GMT) or if a person (not being the Goodman Group, or an Associated Person of the Goodman Group) gives notice of an offer for at least 50% of the Units of GMT on issue.

Fees

Under paragraph 39(d) of the waivers that were granted to GMT by NZX on 12 November 2012, GMT is required to disclose in its interim financial statements the fees that were paid to GPSNZ under the property management and development management agreements between HDL and GPSNZ, and between HBPL and GPSNZ during the period they were in force. This disclosure is included on page 29.

investor relations

Annual Meeting

GMT's Trust Deed requires at least one general meeting of Unitholders each financial year. The last Annual Meeting was held on 6 August 2013. The address and presentation are available on GMT's website.

Publications

Annual and Interim Reports are typically mailed to Unitholders and Bondholders around June and December of each year respectively. Portfolio Update brochures detailing the performance of the Trust over the intervening periods are mailed to Unitholders in September and March.

Investor centre

The Trust's website, www.goodman.com/nz, enables Unitholders and Bondholders to view information about their investment, download investor forms, check current prices and view publications and announcements.

Helpline

The Manager has a dedicated toll free number, 0800 000 656 (+64 9 375 6073 outside New Zealand), which will connect Unitholders and Bondholders directly with the investor relations team who will assist with any queries.

Unitholder distribution

The Trust typically pays its distributions quarterly in the third month that follows each quarter. For example the distribution for the June 2013 quarter was paid in September 2013. The table below shows the composition and timing of distributions per unit that have been paid since the beginning of this financial period.

Distribution for the quarter ended	Cash distribution	Imputation credits	Total distribution	Payment date
31 March 2013	$0.015625	-	$0.015625	27 June 2013
30 June 2013	$0.015625	$0.000597	$0.016222	26 September 2013
30 September 2013	$0.015625	$0.001714	$0.017339	18 December 2013*

*Distribution announced but not yet paid at the date of this report.

Distribution Reinvestment Plan

GMT currently offers a DRP for Unitholders that have registered addresses in New Zealand and a limited number of Australian "wholesale clients", as that term is defined in section 761G of the Australian Corporations Act 2001.

If Unitholders elect to participate in the DRP, and the DRP is operating, they will receive additional units in GMT in exchange for quarterly cash distributions. If no election is made, Unitholders will receive distributions in the form of cash only. The last day for delivery of an election notice under the DRP is the record date for the relevant distribution, which is disclosed to NZX at the same time as the details of the distribution payment.

Bondholder interest payments

Interest is paid semi-annually in June and December, each year, until redemption. No dividends or distributions have been paid by GMT Bond Issuer Limited.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Trust's Unit and Bond Registers.

If you have a question about the administration of your investment, Computershare can be contacted directly:

+ by phone, on their toll free number 0800 359 999 (+64 9 488 8777 outside New Zealand);
+ by email, to enquiry@computershare.co.nz; or
+ by mail, to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

corporate directory

Manager of Goodman Property Trust
Goodman (NZ) Limited
Level 28, 151 Queen Street
Auckland

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Victoria Street West
Auckland 1142

Toll free: 0800 000 656 (within New Zealand)
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Facsimile: +64 9 375 6061
Email: info-nz@goodman.com
Website: www.goodman.com/nz

Issuer of Goodman+Bonds
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Level 28, 151 Queen Street
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Email: info-nz@goodman.com
Website: www.goodman.com/nz

Directors of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chairman and Independent Director
Keith Smith

Independent Directors
Leonie Freeman
Susan Paterson
Peter Simmonds

Non-executive Directors
Gregory Goodman
Phil Pryke

Executive Director
John Dakin

Auditors
PricewaterhouseCoopers
PwC Tower
188 Quay Street
Auckland

Private Bag 92162
Auckland 1142

Registrar
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland

Private Bag 92119
Auckland 1142

Toll free: 0800 359 999 (within New Zealand)
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Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz

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(as trustee for Goodman Property Trust)
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Auckland 1143

Bond Trustee
Public Trust
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48 Shortland Street
Auckland

PO Box 1598
Shortland Street
Auckland 1140

Legal advisors
Russell McVeagh
Level 30, Vero Centre
48 Shortland Street
Auckland

PO Box 8
Auckland 1140

glossary

$ and cents	New Zealand currency.
Associated Persons	has the meaning given to that term in the Listing Rules.
ASX	ASX Limited or any market operated by it, as the context requires.
Balance Date	30 September 2013.
Board	the board of directors of the Manager and GMB.
Bondholder	a person whose name is recorded in the register as a holder of a Goodman+Bond.
CEO	the Chief Executive Officer of the Manager.
Chairman	the Chairman of the Board.
Co-ownership Agreement	the agreement of that name between the Manager, Goodman Property Aggregated Limited, the Trustee, Goodman Funds Management Limited as responsible entity of GIT, Tallina Pty Limited as trustee of Penrose Trust, and Trust Company Limited as custodian of Tallina Pty Limited, dated 1 April 2004 as amended by the Restructuring Agreement between the same parties dated 7 March 2005, relating to the buying, selling and holding of property by the Trust and Goodman Group in 50/50 shares.
Director	a director of the Manager and GMT Bond Issuer Limited.
DRP	the distribution reinvestment plan for the Trust in operation from time to time.
GMB	GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust.
Goodman Group or GMG	means Goodman Limited (ABN 69 000 123 071), Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (company number 1700359; ARBN 155 911 149) and their controlled entities.
Goodman+Bond	a bond issued by GMB.
GPSNZ	Goodman Property Services (NZ) Limited.
Independent Directors	has the meaning given to that term in the Listing Rules which, for the Manager are those persons listed on page 50.
Listing Rules	the Listing Rules of NZX from time to time and 'LR' is a reference to any of those rules.
Management	the senior executives of the Manager.
Manager or GNZ	the manager of the Trust, Goodman (NZ) Limited.
NTA	net tangible assets.
NZ IFRS	New Zealand Equivalents to International Financial Reporting Standards.
NZDX	the New Zealand debt market operated by NZX.
NZX	NZX Limited.
Registrar	the unit registrar for GMT and Goodman+Bond registrar for GMB which, at the date of this Report, is Computershare Investor Services Limited.
sqm	square metres.
Trust Deed	the GMT trust deed dated 23 April 1999, as amended from time to time.
Trust or GMT	Goodman Property Trust and its controlled entities, including GMB, as the context requires.
Trustee	the trustee of the Trust, Corporate Trust Limited.
Unitholder or unitholder	any holder of a Unit whose name is recorded in the register.
Unit or unit	a unit in GMT.

Viridian, Highbrook Business Park

Goodman

The Crossing, Highbrook Business Park