

GEO Property Group

Comprising:

GEO Property Trust (“Trust”)

ARSN 104 482 206

(Responsible Entity: GEO Management Limited

ABN 77 116 506 882, AFSL 304866)

GEO Property Group Limited (“Company”)

ABN 38 117 546 326

ASX Code: GPM

Date: 27 August 2009



Results for release to Market

Guy Farrands
Managing Director and CEO
GEO Property Group

Gold Coast	Share Registry
Ground Floor 9 Ouyan Street Bundall Qld 4217 Tel 07 5588 8888	Computershare Investor Services Pty Ltd Level 19, 307 Queen Street Brisbane QLD 4000 Tel: 1300 651 684

Appendix 4E

Preliminary final report

1. Company details

Name of entity

GEO Property Group

ARSN or equivalent company reference

104 482 206

Financial period ended ('current period')

30 June 2009

Financial period ended ('previous period')

30 June 2008

2. Results for announcement to the market

	2009 A\$'000	2008 A\$'000	% change
2.1 Total revenue and other income	223,998	324,099	(30.9%)
2.2 Profit/(loss) from continuing operations	(131,626)	(66,453)	98.1%
2.3 Net profit/(loss) for the period attributable to stapled security holders	(131,626)	(66,453)	98.1%
2.4 Distributions	Amount per security (cents per security)		
Interim distributions (unfranked)	2.0		
Final distribution (unfranked)	Nil		
The last distribution was paid to unitholders on 14 January 2009			

3. Consolidated Income Statements

	Current period \$A'000	Previous period \$A'000
Development and construction revenue	211,280	331,248
Rental revenue	-	161
Interest income	1,633	2,684
Dividends received	-	307
Total revenue	212,913	334,400
Net loss on fair value of financial assets	-	(4,411)
Hedge ineffectiveness on interest rate swaps	4,291	-
Net loss on sale of financial assets	-	(7,759)
Net gain on sale of investment properties	-	-
Net loss in fair value of investment properties	-	-
Net gain in on sale of other assets	90	-
Share of net profits/(losses) of associates and joint ventures accounted for using equity method	(392)	428
Other income	7,096	1,441
Total revenue and other income	223,998	324,099
Cost of development property sold	168,199	269,415
Property marketing expenses	7,920	8,021
Employee benefits expense	14,390	13,896
Depreciation and amortisation expense	2,065	2,586
Finance costs (excluding distributions to ordinary unit holders)	10,638	26,188
Internalisation of Responsible Entity	-	2,977
Impairment of Goodwill	50,389	2,511
Responsible entity fees	-	3,887
Impairment of interest rate swaps	32,393	-
Impairment of investment in equity accounted investments	13,687	-
Impairment of development land	21,682	5,666
Impairment of receivables	18,392	11,108
Other operating expenses	4,797	4,845
Profit/(loss) before tax and distributions	(120,554)	(27,001)
Income tax (expense)/benefit	21,627	(10,099)
Profit/(loss) from continuing operations	(98,927)	(37,100)
Loss from discontinued operations (net of tax)	(32,699)	(29,353)
Profit/(loss) for the year before amounts attributable to stapled security holders	(131,626)	(66,453)
Distributions to unitholders (finance cost)	-	-
Profit/(loss) for the year	(131,626)	(66,453)

3.1 Individually significant revenues and expenses

	30 June 2009 \$'000
Net operating profit before tax before fair value write- downs and impairments	22,726
Profit for the year includes the following items that are unusual because of their nature, size or incidence:	
- Net gain/(loss) on sale of investment properties	(1,843)
- Net gain/(loss) in fair value of investment properties	(41,222)
- Impairment of development projects	(21,682)
- Impairment of goodwill	(50,389)
- Impairment of equity accounted investments	(13,687)
- Impairment of other assets	(1,075)
- Fair value losses on interest rate swaps transferred from equity	(32,393)
- Hedge ineffectiveness on interest rate swaps	4,291
- Impairment of receivables (non recurring)	(17,979)
Sub total	(175,979)
- Income tax benefit	21,627
Sub total	(154,352)
Net profit/(loss) after tax	(131,626)

3.2 Other Disclosures in accordance with AASB 101

All income statement disclosures required by AASB 101 have been included on the face of the income statement.

4. Consolidated Balance Sheet

	Current period \$A'000	Previous period \$A'000
Current Assets		
Cash & cash equivalents	3,046	6,202
Trade and other receivables	32,067	117,134
Inventories	120,906	172,299
Non-current assets classified as held for sale	-	90,550
Assets of disposal group classified as held for sale	72,461	-
Current tax assets	2	3,727
Other current assets	833	14,437
Total current assets	229,315	404,349
Non-current assets		
Receivables	4,075	22,262
Inventories	116,996	119,809
Investment properties	-	93,765
Property, plant and equipment	9,425	51,988
Investments accounted for using the equity method	12,594	25,740
Goodwill	-	50,375
Deferred tax assets	20,366	-
Other non-current assets	-	1,158
Total non-current assets	163,456	365,097
TOTAL ASSETS	392,771	769,446
Current liabilities		
Trade and other payables	33,000	59,413
Other current liabilities	560	30
Interest bearing liabilities	1,675	10,025
Liabilities directly associated with assets of a disposal group classified as held for sale	3,194	-
Provisions	3,469	11,976
Total current liabilities	41,898	81,444
Non-current liabilities		
Payables	17,688	54,934
Interest bearing liabilities	144,000	300,000
Related party loans	39,788	31,364
Deferred tax liabilities	-	1,260
Provisions	132	258
Total non-current liabilities	201,608	387,816
TOTAL LIABILITIES	243,506	469,260
NET ASSETS	149,265	300,186
Represented by:		
Contributed Equity	391,981	392,112
Undistributed income	(242,754)	(102,154)
Reserves	38	10,228
TOTAL EQUITY	149,265	300,186

5. Consolidated statement of cash flows

	Current period \$A'000	Previous period \$A'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	323,329	294,086
Payments to suppliers and employees and for land (inclusive of GST)	(204,912)	(238,701)
Interest received	1,633	1,675
Borrowing costs paid	(20,856)	(31,090)
Responsible entity fees	-	(3,887)
Income tax refund /(paid)	3,731	(3,548)
Net cash (outflow)/inflow from operating activities	102,925	18,535
Cash flows from investing activities		
Payment for purchase of Responsible Entity, not of cash acquired	196	(3,936)
Movement in investments	-	2,599
Proceeds from sale of investment properties	128,316	113,412
Additional contributions to joint ventures	(336)	(1,665)
Capital expenditure on investment properties classified as a disposal group held for sale	(14,830)	-
Proceeds from disposal of property, plant & equipment	135	320
Loans to related parties	(5,431)	(24,258)
Repayment of loans by related parties	1,100	14,029
Loans to other party	-	(4,778)
Repayment of loan by other party	-	24,212
Purchase of property plant & equipment	(805)	(50,384)
Net cash inflow (outflow) from investing activities	108,345	69,551
Cash flows from financing activities		
Purchase of Treasury shares	(131)	-
Proceeds from borrowings	38,000	99,014
Proceeds from borrowings related party	21,059	25,925
Repayment of borrowings	(223,073)	(181,539)
Repayment of borrowings from related party	(15,576)	(14,298)
Termination of interest rate swaps	(18,353)	-
Distributions paid	(18,027)	(30,406)
Net cash inflow/(outflow) from financing activities	(216,101)	(101,304)
Net (decrease)/increase in cash and cash equivalents	(4,831)	(13,218)
Cash and cash equivalents at beginning of the year	6,202	19,420
Cash and cash equivalents at end of the year	1,371	6,202
Reconciliation to cash at the end of the year:		
Cash and cash equivalents	3,046	6,202
Bank overdraft	(1,675)	-
	1,371	6,202

5.1 Reconciliation of cash

Reconciliation of cash held at the end of the period (as shown in the condensed consolidated statement of cash flows) to the related items in the accounts is as follows:	Current period \$A'000	Previous period \$A'000
Cash on hand and at bank	3,046	6,202
Total cash at end of period	3,046	6,202

6. Distributions

Distributions recognised in the current year by the Trust are:

2009	Cents per unit	Total amount (\$A'000's)	Date of payment
September	1.5	6,403	14 October 2008
December	0.5	2,134	14 January 2009
Total	2.0	8,537	

7. Dividend and Distribution Reinvestment Plan

The distribution plans shown below are in operation.

The GEO Property Group Distribution Reinvestment Plan has been suspended.

The last date(s) for receipt of election notices for the dividend or distribution plans	No later than 10 business days before payment of dividend or distribution
---	---

8. NTA backing

	Current period	Previous period
Net tangible asset backing per stapled security	35.0 cents	58.5 cents

9. Loss of control over entities

Name of entity (or group of entities)	N/A				
Date sold	N/A				
Consolidated entity's share of loss from discontinued operation (net of tax)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Current period \$A'000</th> <th style="width: 50%; text-align: center;">Previous period \$A'000</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Current period \$A'000	Previous period \$A'000	-	-
Current period \$A'000	Previous period \$A'000				
-	-				
Consolidated profit from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period \$A (where material)	N/A				

10. Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding	
	Current period %	Previous period %
Hervey Bay (JV) Pty Ltd	100	75
Eynesbury Development JV	50	50
Eynesbury Holdings Pty Ltd	50	50
Eynesbury Golf Pty Ltd	50	50
Expression Homes Pty Ltd	50	50
GPDQ Pty Ltd	50	50
Cornell's Hill Pty Ltd	50	-
Cotton Ventures Pty Ltd	50	-

	Current period \$A'000	Previous period \$A'000
Aggregate share of profits (losses) from associates and joint ventures	(392)	428

11. Significant information

Details of any other significant information needed by a unitholder to make an informed assessment of the entity's financial performance and financial position (eg contingent liabilities, subsequent events, AIFRS etc).

Key Highlights

- An operating profit of \$22.7 million (2008: profit of \$30 million), representing 5.3 cents per security (2008: 7.1 cents per security). This is before income tax, losses on disposal of sale of investment properties, fair value write-downs and other impairment provisions.
- Positive operating cash flow of \$103 million (2008: \$18 million).
- Accounting sales of 711 land and/or house and land or integrated housing product. (2008: 969 products)
- Sales of eleven investment properties for a total consideration of \$128 million for the year ended 30 June 2009.
- Net tangible assets of 35.0 cents per security (2008: 58.5 cents) following write-downs and fair value adjustments of \$176 million.
- Residential lots under control of 4,779 accounting for joint ventures in proportion to ownership.
- The Group entered into joint ventures with Bank of Scotland International for the development of estates in Cornell's Hill, Victoria and Mt Cotton in Queensland.
- Multi-Option Debt Facility limit excluding working capital used for bank guarantees has reduced throughout the year:
 - \$375 million as at 30 June 2008
 - \$350 million as at 30 September 2008
 - \$300 million as at 31 December 2008
 - \$225 million as at 31 March 2009
 - \$200 million as at 30 June 2009.

The facility was drawn to \$144 million as at 30 June 2009 (2008: \$310 million).

In addition to this facility there is a Working Capital facility with ANZ which is used for bank guarantees and short term overdraft. The facility limit was reduced from \$25 million to \$20 million and as at 30 June 2009 has \$8.4 million available.

Subsequent Events

The following events occurred subsequent 30 June 2009:

- Interest rate swaps of \$20 million were sold on 7 July 2009 at a cash cost of \$1.4 million.
- The Group made an additional cash loan of \$4.5 million to the Eynesbury joint venture making a total of \$7.5 million in the last four months. This project is a long life project and at this stage there is no doubt as to the recoverability of this additional loan.
- The Group has received a defence and counter claim in relation to a contract which was terminated in July 2008 for the purchase of Insight Logistics Park, 5 Quarry Road, Yatala, Qld. The Group has taken action to recover a \$3.4 million deposit paid and the seller has counter-claimed with a \$10.75 million plus interest and costs damages claim. the Group remains confident of its position on both the valid termination of the contract, defence of the seller's counterclaim and the potential for the recovery of the deposit paid.
- On 12 August 2009, the Group sold the Domayne Centre at 4 Blaxland Road Campbelltown NSW to an undisclosed purchaser for \$7.990 million with settlement due no later than 31 March 2010.

Other than the events stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

12. Commentary on results of the period

Earning per stapled security (EPS)

	Current Period	Previous Period
Earnings per stapled security - AUD cents		
Operating EPS from continuing operations	10.39	4.68
EPS from Non-recurring items	(41.23)	(20.34)
EPS from amounts attributable to stapled security holders	(30.84)	(15.66)
Earnings reconciliation – A\$'000		
Operating EPS from continuing operations	44,353	19,853
EPS from Non-recurring items	(175,979)	(86,306)
Net profit/(loss) after tax from continuing operations	(131,626)	(66,453)
Profit/(loss) attributable to stapled security holders	(131,626)	(66,453)
Weighted average number of securities used as the denominator		
Basic	426,862,630	424,158,693
Diluted	426,862,630	424,158,693

Neither the Trust nor the Company have issued any other securities that may result in a dilution of earnings attributable to unit holders in the Trust or shareholders in the Company. Diluted earnings' per stapled security is therefore the same as basic earnings per stapled security.

13. This report is based on accounts to which one of the following applies:
(Tick one)

- | | |
|--|--|
| <input checked="" type="checkbox"/> The accounts have been audited. | <input type="checkbox"/> The accounts have been subject to review. |
| <input type="checkbox"/> The accounts are in the process of being audited. | <input type="checkbox"/> The accounts are in the process of being reviewed. |
| | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |

14. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below.

N/A

Sign here: _____
Guy Farrands, Director

Date: **27 August 2009**