



GEO PROPERTY TRUST

**ARSN 104 482 206
ABN 98 723 979 296**

Interim financial report for the half-year ended 31 December 2010

GEO Management Limited ('GEOML') (ACN 116 506 882) is the responsible entity for
GEO Property Trust (ARSN 104 482 206).

GEOML holds AFSL No. 304 866 and is a subsidiary of GEO Property Group Limited (ACN 117 546 326)

GEO Property Trust

Interim financial report – 31 December 2010

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by GEO Property Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

The Directors of GEO Management Limited ("the Responsible Entity"), the Responsible Entity of GEO Property Trust ("the Trust") present their report together with the interim financial report of GEO Property Group for the half-year ended 31 December 2010.

GEO Property Group ("the Group") comprises GEO Property Trust and its controlled entities, which include GEO Property Group Limited ("the Company") and its controlled entities.

The Responsible Entity

The Responsible Entity of the Trust is GEO Management Limited ("GEOML"). The ultimate parent company of GEO Management Limited is GEO Property Group Limited.

The Directors of GEO Management Limited and GEO Property Group Limited during the period, and up to the date of this report were:

Directors	Position	Period of directorship
Richard Anderson	Independent Chairman Non-Executive Director	Appointed 23 November 2006
John Potter	Managing Director**	Appointed 23 November 2006
Guy Farrands	Executive Director*	Appointed 6 August 2007
Robert Bosiljevac	Executive Director	Appointed 18 August 2008, resigned 31 August 2010
Anthony Bawden	Independent Non-Executive Director	Appointed 6 November 2008, resigned 31 December 2010
Troy Harry	Non-Executive Director	Appointed 26 February 2009

* On 2 December 2010, the Group announced that Guy Farrands would not be renewing his contract as Managing Director and CEO which expires on the 31 March 2011.

** On 3 February 2011, the Group announced the appointment of John Potter as Managing Director.

Company secretary

Louise Edwards was appointed as Company Secretary for the Group on 31 August 2010.

Review and results of operations and significant changes in the state of affairs

Key highlights for the half-year

- Statutory net profit after tax of \$10.3 million, an increase of 24.2% on prior year result (\$8.3 million).
- A distribution of one cent has been declared and will be paid on 15 March 2011.
- On 30 November 2010 the Group successfully re-negotiated its Multi Option Facility (MOF). The MOF is \$110 million and is drawn to \$50 million as at 31 December 2010 (31 December 2009: \$66 million).
- An operating profit of \$4.5 million, representing 1.05 cents per security (31 December 2009: operating profit of \$9.3 million). This is before tax, profit/losses on disposal of sale of investment properties, fair value write-downs and other impairment provisions.
- Revenue was 53% lower in 1HFY11 than 1HFY10 because in 2010 non-core development projects were being sold to reduce debt. Profit in 1HFY11 was based on similar margins but was lower than 1HFY10 because of lower revenues as non-core projects were fully sold and therefore no longer contributing. Lower leverage means not all non-core projects have been replaced. The revenue from some sales made in 1HFY11 cannot be recognised until the second half of this financial year.
- Sales of 288 (accounting settlements of 223) land and/or house and land or integrated housing product. (31 December 2009:sales of 498, accounting settlements of 481). Full year sales are expected to be 569 and all year settlements of 587.
- Residential lots under control of 4,279, accounting for joint ventures in proportion to ownership (2009: 4,927).
- Settlement of one investment property for a total consideration of \$22.5 million during the half- year ended 31 December 2010, at a premium of 19.7% above book value as at June 2010.

Review and results of operations and significant changes in the state of affairs (continued)

Key highlights for the half-year (continued)

- The group has re-assessed the Eynesbury Development in light of the continued improved performance and reversed a previous impairment of \$5.3 million made against this project. This is not assessable for tax purposes.
- Net tangible assets of 35.8 cents per security (30 June 2010: 34.9 cents).

Consolidated results for the half-year

The consolidated result for the half-year ended 31 December 2010 was a net profit after tax of \$10.3 million (2009: net profit of \$8.3 million). This equates to a profit per stapled security of 2.4 cents (2009: profit per security of 1.93 cents).

	Consolidated entity	
	Half-year ended 31 Dec 2010 \$'000	Half-year ended 31 Dec 2009¹ \$'000
Net profit/(loss) before tax from continuing and discontinued operations	11,380	4,332
Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:		
- Net (gain)/loss on sale of investment properties	(3,044)	(755)
- Net (gain)/loss on fair value of investment properties	1,648	3,310
- Net (gain)/loss on fair value of financial assets	-	750
- Net (gain)/loss on interest rate swaps	(233)	(52)
- Provision for doubtful debt	-	1,240
- Reversal of impairment of receivables	(5,285)	-
- Impairment of other assets and development land	-	517
Total	(6,914)	5,010
Net operating profit before tax before fair value write-downs and impairment	4,466	9,342

¹The prior period comparatives have been re-stated following the re-classification of the Eynesbury Development Joint Venture. Refer to note 2 of the financial statements.

As at 31 December 2010, the value of the consolidated entity's total assets was \$268 million (30 June 2010: \$301 million).

The basis of measurement of the group assets is disclosed in the notes to the financial statements.

The Trust

Units on issue

The following table summarises the movements in units in the Trust during the half-year to 31 December 2010:

	Number of Units	\$
Existing units as at 1 July 2010	426,862,630	392,035,824
Units issued	-	-
Units on issue at 31 December 2010	426,862,630	392,035,824

Distributions and dividends

A distribution of one cent has been declared and will be paid on 15 March 2011.

A distribution of 1.5 cents per stapled security was paid on 6 December 2010 by the Trust (2009: nil).

There have been no dividends declared or paid during the period by the Company (2009: 1 cent).

Investment property portfolio

GEO sold its M5 Bankstown Business Park investment property recognising gross sales proceeds of \$22.5 million this half-year. Realised gains on the investment properties sold amounted to \$3.0 million.

As at 31 December 2010, the Trust's remaining two investment properties are valued at \$8.9 million. Both are held as available for sale as part of the assets of the disposal group..

Events subsequent to balance date

There has not arisen in the interval between the end of the half-year and the date of this report any other 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.

Auditor's independence declaration

The auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the six months ended 31 December 2010.

Rounding of amounts

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Bundall this 16th day of February 2011.

This report is made in accordance with a resolution of the Directors of the Responsible Entity, GEO Management Limited.



Guy Farrands
Executive Director



Auditor's Independence Declaration

As lead auditor for the review of GEO Property Trust Group for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of GEO Property Trust Group which includes GEO Property Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Timothy J Allman', written over a horizontal line.

Timothy J Allman
Partner
PricewaterhouseCoopers

Brisbane
16 February 2011

GEO Property Trust and its controlled entities
Consolidated statement of comprehensive income
for half-year ended 31 December 2010

Consolidated statement of comprehensive income

	Note	Consolidated Entity	
		Half-year	Re-stated Half-year
		31 Dec 2010	31 Dec 2009
		\$'000	\$'000
Development and construction revenue		62,554	148,354
Interest income		834	375
Revenue from continuing operations		<u>63,388</u>	<u>148,729</u>
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method		2,755	(510)
Hedge ineffectiveness on interest rate swaps		233	52
Net gain/(loss) on sale of assets		5	-
Other income		3,361	580
Total revenues and other income		<u>69,742</u>	<u>148,851</u>
Cost of goods sold		(51,855)	(118,826)
Property marketing expenses		(4,020)	(6,197)
Employee benefits expense		(3,479)	(5,258)
Depreciation and amortisation		(148)	(478)
Finance costs (excluding amounts attributable to ordinary unitholders)		(5,402)	(7,890)
Reversal of impairment of receivables		5,285	-
Impairment of receivables		-	(118)
Impairment of development land		-	(517)
Other operating expenses		(1,982)	(3,361)
Profit/(loss) before income tax and amounts attributable to ordinary unitholders		<u>8,141</u>	<u>6,206</u>
Income tax (expense)/benefit		(1,127)	3,921
Profit/(loss) from continuing operations		<u>7,014</u>	<u>10,127</u>
Profit/(loss) from discontinued operations	8	3,239	(1,874)
Net profit/(loss) for the half-year		<u>10,253</u>	<u>8,253</u>
Other comprehensive income			
Share based payment expense		-	22
Change in the fair value of cash flow hedges, net of tax		84	-
Other comprehensive income for the half-year, net of tax		<u>84</u>	<u>22</u>
Total comprehensive income for the half-year		<u>10,337</u>	<u>8,275</u>

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

**GEO Property Trust and its controlled entities
Consolidated statement of comprehensive income
for half-year ended 31 December 2010**

Note	Consolidated Entity	
	Half-year 31 Dec 2010	Re-stated Half-year 31 Dec 2009
	\$'000	\$'000
Profit is attributable to:		
Equity holders of the Trust	2,656	(2,214)
Equity holders of the Company (minority interest)	7,597	10,467
	10,253	8,253
Total comprehensive income for the half-year is attributable to:		
Equity holders of the Trust	2,656	(2,192)
Equity holders of the Company (minority interest)	7,681	10,467
	10,337	8,275
Earnings per stapled security for profit from continuing operations	Cents	Cents
Basic earnings/(loss) per stapled security	1.64	2.36
Diluted earnings/(loss) per stapled security	1.64	2.36
Earnings per stapled security for profit attributable to ordinary equity holders of the Group	Cents	Cents
Basic earnings/(loss) per stapled security	2.40	1.93
Diluted earnings/(loss) per stapled security	2.40	1.93

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

GEO Property Trust and its controlled entities
Consolidated balance sheet
As at 31 December 2010

Consolidated balance sheet

	Note	Consolidated Entity		
		31 Dec 2010	Re-stated 30 Jun 2010	Re-stated 01 Jul 2009
		\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents		14,933	28,847	3,013
Trade and other receivables		19,353	46,194	30,542
Inventories		84,981	54,172	110,457
Current tax assets		-	2	2
Other current assets		2,166	3,682	665
Assets of disposal group classified as held for sale	9	9,473	31,226	72,461
Total current assets		130,906	164,123	217,140
Non-current assets				
Receivables		20,216	14,946	12,824
Inventories		93,446	100,383	97,441
Property, plant and equipment		625	701	6,643
Investments accounted for using the equity method		9,837	7,082	5,874
Deferred tax assets		12,365	13,529	5,975
Other non-current assets		932	123	-
Total non-current assets		137,421	136,764	128,757
Total assets		268,327	300,887	345,897
LIABILITIES				
Current liabilities				
Trade and other payables		31,689	35,605	32,169
Other current liabilities		193	128	560
Interest bearing liabilities	6	6,500	89,500	1,675
Loans from joint venture entities		1,381	4,808	-
Provisions		3,664	2,849	3,464
Liabilities directly associated with assets of a disposal group classified held for sale	9	395	3,337	3,194
Total current liabilities		43,822	136,227	41,062
Non-current liabilities				
Payables		10,186	2,134	17,688
Interest bearing liabilities	6	61,404	13,561	144,000
Loans from joint venture entities		-	-	8,141
Provisions		138	127	132
Total non-current liabilities		71,728	15,822	169,961
Total liabilities (excluding net assets attributable to unitholders)		115,550	152,049	211,023
NET ASSETS		152,777	148,838	134,874

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

GEO Property Trust and its controlled entities
Consolidated balance sheet
As at 31 December 2010

	Note	Consolidated Entity		
		31 Dec 2010 \$'000	Re-stated 30 Jun 2010 \$'000	Re-stated 01 Jul 2009 \$'000
EQUITY				
Capital and reserves attributable to stapled security holders as:				
Trust				
Contributed equity		387,936	387,936	387,881
Retained losses		(130,092)	(126,350)	(122,977)
Reserves		-	-	38
Total equity attributable to unit holders		<u>257,844</u>	<u>261,586</u>	<u>264,942</u>
Company				
Contributed equity		4,100	4,100	4,100
Retained losses		(109,224)	(116,821)	(134,168)
Reserves		57	(27)	-
Total equity attributable to shareholders (minority interest)		<u>(105,067)</u>	<u>(112,748)</u>	<u>(130,068)</u>
Total equity		<u>152,777</u>	<u>148,838</u>	<u>134,874</u>

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

GEO Property Trust and its controlled entities
Consolidated statement of changes in equity
for half-year ended 31 December 2010

Consolidated statement of changes in equity

Consolidated	Share capital	Reserves	Retained profits/ (losses)	Total
	\$'000	\$'000	\$'000	\$'000
Opening equity at 1 July 2009	391,981	38	(257,145)	134,874
Total comprehensive income for the half-year	-	22	8,253	8,275
<i>Transactions with equity holders in the capacity as equity holders:</i>				
Distribution paid/payable	-	-	-	-
Closing equity at 31 December 2009	<u>391,981</u>	<u>60</u>	<u>(248,892)</u>	<u>143,149</u>
Consolidated				
Opening equity at 1 July 2010	392,036	(27)	(243,171)	148,838
Total comprehensive income for the half -year	-	84	10,253	10,337
<i>Transactions with equity holders in the capacity as equity holders:</i>				
Distribution paid/payable	-	-	(6,398)	(6,398)
Closing equity at 31 December 2010	<u>392,036</u>	<u>57</u>	<u>(239,116)</u>	<u>152,777</u>

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

GEO Property Trust and its controlled entities
Consolidated statement of cash flows
for half-year ended 31 December 2010

Consolidated statement of cash flows

Note	Consolidated Entity	
	Half-year ended 31 Dec 2010 \$'000	Half-year ended 31 Dec 2009 \$'000
Cash flows from operating activities		
Receipts from customers	96,592	171,992
Payments for land, suppliers and employees	(83,633)	(85,954)
Interest received	874	290
Interest paid	(4,148)	(3,297)
Net cash inflow/(outflow) from operations	9,685	83,031
Cash flows from investing activities		
Payments for property, plant and equipment	(72)	-
Payments for capital expenditure on investment and development properties available for sale	(26)	(1,382)
Proceeds from sale of property, plant and equipment	5	97
Proceeds from sale of investment properties	21,837	12,490
Loans to associates and joint venture partners	-	(5,755)
Repayment of loans by associates and joint venture partners	174	1,056
Net cash inflow/(outflow) from investing activities	21,918	6,506
Cash flows from financing activities		
Proceeds from borrowings	83,000	8,000
Repayment of borrowings	(118,157)	(86,000)
Repayment of borrowings from joint venture partners	(3,427)	(1,666)
Swap payments (including termination)	(535)	(4,078)
Distributions paid	(6,398)	-
Net cash inflow/(outflow) from financing activities	(45,517)	(83,744)
Net increase/(decrease) in cash and cash equivalents	(13,914)	5,793
Cash and cash equivalents at beginning of period	28,847	1,337
Cash and cash equivalents at end of period	14,933	7,130
Reconciliation to cash at the end of the period		
Cash and cash equivalents	14,933	7,130

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the interim financial statements.

Notes to the financial statements

1 Reporting entity

GEO Property Group was formed in April 2006 by the stapling of the securities of GEO Property Trust ("the Trust"), and GEO Property Group Limited ("the Company"). GEO Property Group is defined as "the Stapled Entity" or "the Group" or "GEO".

The Stapled Entity was established for the purpose of facilitating a joint quotation of the Trust and its controlled entities and the Company and its controlled entities on the Australian Securities Exchange. The constitutions of both the Trust and the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal, and that unit holders and shareholders be identical.

The Board of Directors of the Responsible Entity and the Board of Directors of the Company, must at all times act in the best interest of the Stapled Entity.

GEO Property Trust is a trust domiciled in Australia. The consolidated financial report of the Group for the half-year ended 31 December 2010 comprises the Trust and its subsidiaries and the stapled entity's interest in associates and jointly controlled entities. Although there is no ownership interest between the Trust and the Company, the Trust is deemed to be the parent entity under Australian Accounting Standards.

The interim financial report was authorised for issue by the Directors of the Responsible Entity on 16 February 2011.

2 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Compliance with AASB 134 *Interim Financial Reporting* ensures that the interim financial report complies with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Consequently, this interim financial report has also been prepared in accordance with and complies with IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by GEO Property Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Group satisfied the conditions of all its bank covenants during the period ended 31 December 2010 and at the balance sheet date.

The interest-bearing liabilities pursuant to the Multi-Option Facility Agreement (MOFA) have been disclosed as non-current liabilities as at 31 December 2010, which is consistent with AASB 101 *Presentation of Financial Statements*.

The Directors believe that the Group is able to pay its debts as and when they fall due and will be able to realise its assets in the ordinary course of business and therefore is a going concern. As a result, no adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary if the entity does not continue as a going concern.

2 Basis of preparation of half-year report (continued)

Re-statement of comparative amounts

During the half-year ended 31 December 2010, the Group have undertaken a review of the classification of the Eynesbury Development Joint Venture ("the JV"). On inception of the Eynesbury Development Joint Venture in 2004, the assessment at that time indicated the JV would operate and be classified as a jointly controlled asset. As such, proportional consolidation has been applied since inception. Specifically during the current period, the Eynesbury Development has evolved, including the operation and internal management of the JV, the Group has reconsidered this assessment and have concluded that the JV is in practice operating as a jointly controlled entity. As GEO's accounting policy is to apply the equity method to jointly controlled entities, the accounting has been adjusted in the current year. In order to ensure comparability, the prior year comparatives have been restated as if this treatment had always been applied.

The impact of the change on basic and diluted EPS of the entity was nil.

The impact on the financial statement was:

Consolidated statement of comprehensive income	31 Dec 2009
	\$'000
Decrease in revenues	(222)
Decrease in expenses	1,228
Increase in share of net losses of associates and joint ventures accounted for using the equity method	(1,006)
Total comprehensive income	<u>-</u>

Consolidated statement of financial position	30 Jun 2010	01 Jul 2009
	\$'000	\$'000
Increase/(decrease) in assets and liabilities		
Inventory	(31,152)	(30,004)
Other assets	(2,626)	(2,479)
Equity accounted investment	-	-
Total assets	<u>(33,778)</u>	<u>(32,483)</u>
Current liabilities	(932)	(836)
Non-current liabilities due to joint venture partners	(32,846)	(31,647)
Total liabilities	<u>(33,778)</u>	<u>(32,483)</u>
Net assets	<u>-</u>	<u>-</u>

3 Significant accounting policies

Except as disclosed in note 2, the accounting policies and basis of preparation applied by the consolidated entity in this interim financial report are the same as those applied by the consolidated entity for the year ended 30 June 2010 and corresponding interim period.

4 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of GEO Property Group.

Description of segments

The Board considers the business from a product perspective and has identified two reportable segments:

Property development

GEO Property Group Limited and its controlled entities develop and sell residential land and buildings in Queensland, New South Wales and Victoria.

Discontinued operations - property investment

The Trust operates two remaining properties in the property investment industry in Australia.

4 Segment information (continued)

Segment information provided to the Board

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2010 is as follows:

Half-year 31 December 2010	Property development \$'000	Discontinued operations - Property investment (note 8) \$'000	Consolidated \$'000
Total segment revenue	65,915	2,887	68,802
Inter-segment revenue	-	-	-
Revenue from external customers	65,915	2,887	68,802
Adjusted EBITDA	7,339	1,843	9,182
Depreciation and amortisation	148	-	148
Income tax expense/(benefit)	1,127	-	1,127
Share of net profits/(losses) of associates and joint venture entities	2,755	-	2,755
Total segment assets	246,540	9,473	256,013
Total assets includes:			
Investments in associates and joint venture partnerships	9,837	-	9,837
Total segment liabilities	45,873	395	46,268

Half-year 31 December 2009	Property development \$'000	Discontinued operations - Property investment (note 8) \$'000	Consolidated \$'000
Total segment revenue	148,934	4,484	153,418
Inter-segment revenue	-	-	-
Revenue from external customers	148,934	4,484	153,418
Adjusted EBITDA	14,664	2,649	17,313
Depreciation and amortisation	478	-	478
Income tax expense/(benefit)	(3,921)	-	(3,921)
Share of net profits/(losses) of associates and joint venture entities	(510)	-	(510)
Total segment assets	206,757	55,898	262,655
Total assets includes:			
Investments in associates and joint venture partnerships	6,355	-	6,355
Total segment liabilities	55,007	1,921	56,928

Adjusted EBITDA

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as fair value impairments on investment properties, inventory and other assets. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

A reconciliation of adjusted EBITDA to operating profit from continuing operations is provided as follows:

	Continuing operations	
	Half-year ended 31 Dec 2010	Half-year ended 31 Dec 2009
Adjusted EBITDA	7,339	14,664
Interest revenue	834	375
Finance costs	(5,402)	(7,890)
Depreciation	(148)	(478)
Net gain/(loss) on interest rate swaps	233	52
Reversal of impairment of receivables	5,285	-
Impairment of other assets and development land	-	(517)
Profit before income tax from continuing operations	8,141	6,206

4 Segment information (continued)

Segment assets

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	Consolidated entity	
	Half-year ended	Half-year ended
	31 Dec 2010	31 Dec 2009
Segment assets	256,013	262,655
Intersegment eliminations	(51)	(29)
Current tax	-	2
Deferred tax	12,365	9,898
Total assets as per the balance sheet	268,327	272,526

Segment liabilities

The amounts provided to the Board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The group's borrowings and derivative financial instruments are not considered to be segment liabilities but rather managed by the treasury function.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated entity	
	Half-year ended	Half-year ended
	31 Dec 2010	31 Dec 2009
Segment liabilities	46,268	56,928
Intersegment eliminations	(3)	(25)
Related party loans	1,381	6,474
Interest bearing liabilities	67,904	66,000
Total liabilities as per the balance sheet	115,550	129,377

5 Amounts attributable to ordinary unitholders

	Consolidated entity	
	Half-year ended	Half-year ended
	31 Dec 2010	31 Dec 2009
Units on issue		
Opening balance at start of period	426,862,630	426,862,630
Issued during period	-	-
Closing balance at end of period	426,862,630	426,862,630

6 Interest bearing liabilities

	Consolidated entity	
	31 Dec 2010	30 Jun 2010
	\$'000	\$'000
<i>Current liabilities</i>		
Secured		
Bank loan (project specific)	6,500	6,500
Syndicated loan	-	83,000
Total current borrowings	6,500	89,500
<i>Non-current liabilities</i>		
Secured		
Bank loans (project specific)	11,404	13,561
Syndicated loan	50,000	-
Total non-current borrowings	61,404	13,561
Total borrowings	67,904	103,061

6 Interest bearing liabilities (continued)

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated entity	
	31 Dec 2010	30 Jun 2010
	\$'000	\$'000
Financing facilities		
Total facilities		
Bank loan (secured) – project specific	18,879	21,383
Syndicated loan (secured) – debt facility, inclusive of bank guarantees and working capital	110,000	103,000
	128,879	124,383
Facilities utilised at reporting date		
Secured loans		
Bank loan (secured) – project specific	17,904	20,061
Syndicated loan (secured) – debt facility	50,000	83,000
Total secured loan per balance sheet	67,904	103,061
Bank guarantees (see note 10 – Contingencies)		
Bank guarantees issued	5,993	7,045
Bank guarantees issued – project specific	975	1,322
Total bank guarantees issued	6,968	8,367
	74,872	111,428
Facilities unutilised at reporting date		
Bank loan (secured) – project specific	-	-
Syndicated loan (secured) – debt facility, inclusive of bank guarantees and working capital	54,007	12,955
	54,007	12,955

Syndicated loan facilities

On 30 November 2010 the Group successfully re-negotiated its Multi Option Facility (“MOF”). Of the key dates relating to the renegotiation of the facility disclosed in the 30 June 2010 annual report, all were met within the disclosed period.

The facility limit under the amended MOF is \$110 million (inclusive of bank guarantees and working capital). As at 31 December 2010, the MOF was drawn at \$50 million plus bank guarantees of \$6.0 million. The bank guarantees are also disclosed in note 10 – Contingencies.

As part of the re-negotiation process there was a change in the members of the banking syndicate. The lenders under the amended MOF are now Westpac Banking Corporation and Australia and New Zealand Banking Group. GEO Management Ltd is the borrower in its own capacity and as responsible entity of GEO Property Trust.

In line with the requirements of Australian Accounting Standards, the re-negotiation of the MOF has been accounted as an extinguishment of the previous debt facility. Capitalised borrowing costs in relation to the old facility, of \$0.5 million have been fully expensed in the income statement, as part of finance costs.

The facility matures on the 01 September 2012.

All covenants under the terms of the amended facility were met within the required timeframes and during the half-year.

Interest is payable based on a margin over bank bill swap rate and the Group has entered into interest rate swap contracts to fix the interest rate at approximately 6.97% on \$50 million of borrowings.

Project finance bank loan

A specific project finance facility of \$18.9 million, inclusive of bank guarantees (2009: nil) is funded by BOS International (Australia) Limited. The borrowings for the project finance facility are in the name of GPDQ Pty Ltd, a wholly-owned subsidiary of the Group.

The facility will expire on the 28 February 2013. Specific partial repayment terms have been agreed in the loan agreement. Three repayments of \$6.5 million, \$6.0 million and \$5.4 million will be required on the 28 of February 2011, 2012 and 2013 respectively.

Under this project, bank guarantees were issued to the total of \$1 million and is disclosed in note 10 – Contingencies.

7 Distributions paid and payable

	Consolidated entity			
	Half-year ended		Half-year ended	
	31 Dec 2010		31 Dec 2009	
	\$'000	Cents per unit	\$'000	Cents per unit
Ordinary units				
Distributions paid and payable:				
December 2010	6,398	1.50	-	-
	6,398	1.50	-	-

8 Discontinued operations

Description

In 2008 the Group announced its intention through several ASX announcements to sell the assets in the Trust to reduce the level of debt for the Group and to concentrate on the property development business of the Group.

As a result of the direction of the Group, operations of the Trust segment has been classified as a disposal group held for sale in the income statement and balance sheet.

Financial information relating to the discontinued operation for the period is set out further below:

(a) Financial performance information

	Half-year ended	Half-year ended
	31 Dec 2010	31 Dec 2009
	\$'000	\$'000
Revenue	2,887	4,484
Expenses	(1,044)	(1,835)
Net income from discontinued operations	1,843	2,649
Net gain/(loss) on disposal of investment properties	3,044	755
Net gain/(loss) in fair value of financial assets	-	(750)
Net gain/(loss) in fair value of investment properties	(1,648)	(3,310)
Impairment of receivable	-	(1,218)
Net profit/(loss) before income tax	3,239	(1,874)
Income tax (expense)/benefit	-	-
Profit/(loss) from discontinued operations	3,239	(1,874)
Net cash inflow/(outflow) from operating activities	1,843	2,649
Net cash inflow/(outflow) from investing activities	21,811	11,108
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash generated by the division	23,654	13,757

(b) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at 31 December 2010 were:

	31 Dec 2010	31 Dec 2009
	\$'000	\$'000
Investment properties held for sale	8,917	55,281
Receivables and other assets	556	617
Total assets	9,473	55,898
Trade and other payables	395	1,921
Total liabilities	395	1,921
Net assets	9,078	53,977

9 Disposal group classified as held for sale

	31 Dec 2010	31 Dec 2009
	\$'000	\$'000
Assets classified as a disposal group (see note 8)	9,473	55,898
Liabilities classified as a disposal group (see note 8)	395	1,921

10 Contingencies

(a) Details and estimates of contingent liabilities are as follows:

The Group has provided bank guarantees to the total of \$7.0 million (2009: \$10.6 million) to authorities and councils by the Group in relation to certain works to be undertaken or maintained or in support of contractual commitments.

(b) Estimates of material amounts of contingent liabilities not provided for in the financial report:

The Group entities have entered into agreements to indemnify certain employees and former employees against all liabilities that may arise as a result of any claims against them by third parties as a result of the Group's building activities. It is impractical to estimate the amount that may arise from these arrangements.

A controlled entity has contractual arrangements that provide for liquidated damages under certain circumstances. It is impractical to estimate the amount of any liability that may arise from these arrangements.

Assignment of contractual rights

The Company has assigned its contractual rights in a community development project to a syndicate of private investors. This property was purchased by the Group in December 2006 on a five year vendor's terms contract of sale. The purchase was subject to strict confidentiality provisions that limit disclosure and accordingly the Group cannot identify the project.

As a result of this sale:

The Group no longer has the obligation to pay the remaining money owing under the vendors terms contract of sale (\$34 million) unless the purchaser defaults in its payments to the vendor. In that case the Group will be entitled to repossess the land on payment of the amount outstanding.

Home warranty claim-Thornleigh

A claim has been made against the Group in respect of damages regarding project development defects. This was disclosed in detail in the annual report for the year ended 30 June 2010.

The proceedings concern a development in Thornleigh, NSW, known as Wild Ash Grove. The plaintiff claims damages, interest and costs of approximately \$4.0 million plus hydraulic works and roadwork repairs that have yet to be quantified. The plaintiff has particularised its loss claimed against the Defendants as the cost of rectifying alleged defects in respect of, or the diminution in value of the development. The Group has filed a defence in the proceedings.

(c) Contingent liabilities in respect of other entities:

Group entities have provided guarantees in respect of facilities for advances to other entities, including joint venture partners, as part of a development project in Victoria. The special conditions of the debt facility limit the maximum principal amount recoverable from GEO to the greater of \$25 million or 50% of the principal outstanding debt under the facility. As at 31 December 2010, the debt was drawn to \$29 million and \$1 million of bank guarantees were issued.

Directors' declaration

In the opinion of the Directors of GEO Management Limited, the Responsible Entity of GEO Property Trust ("the Trust"),

- (a) the financial statements and notes, set out on pages 6 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance, as represented by the results of its operations and cash flows, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that the GEO Property Group will be able to pay its debts as and when they become due and payable.

Dated at Bundall this 16th day of February 2011

Signed in accordance with a resolution of the Directors of the Responsible Entity, GEO Management Limited.



Guy Farrands
Executive Director



Independent auditor's review report to the security-holders of GEO Property Group

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GEO Property Group, which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the GEO Property Group (the consolidated entity). The consolidated entity comprises both GEO Property Trust (the trust) and GEO Property Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of GEO Property Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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Independent auditor's review report to the security-holders of GEO Property Group (continued)

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GEO Property Group is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Timothy J Allman', is written over a large, light-colored oval shape.

Timothy J Allman
Partner

Brisbane
16 February 2011