

GPT MALTACO 1 LIMITED

Annual Report and Financial Statements
31 December 2008

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The company's principal activities, which are substantially unchanged since last year, are those that pertain to an investment holding company.

Review of the business

As at 31 December 2008, the company had negative equity; due to the fact that its investments in subsidiaries have been written down to nil following significant investment property write downs in the ultimate investment in BGP Investment Sarl (Joint Venture). The Joint Venture is managed by a subsidiary of GPT Europe Sarl and is being positioned for a medium term exit, as capital markets recover.

However, the directors expect that the company's level of business and its financial position will improve in the foreseeable future. GPT Management Holdings Limited has recently subscribed to additional equity to ensure there are sufficient funds to meet operating costs. The directors of GPT Management Holdings Limited intend to convert the company from a limited liability company to an unlisted public company in July 2009.

Results and dividends

The income statement is set out on page 6. In view of the losses sustained in the current year, the directors do not recommend payment of dividend (2007: €15,299,931).

Directors

The directors of the company who held office during the year were:

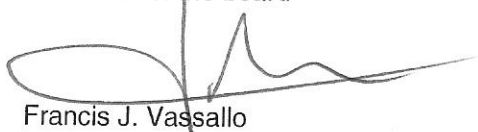
Mr. Francis J. Vassallo
Dr. Ruth Agius Scicluna Buttigieg

The company's Articles of Association do not require any directors to retire.


Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



Francis J. Vassallo
Director



Ruth Agius Scicluna Buttigieg
Director

Registered office:
259 St Paul Street
Valletta VLT1213
Malta

22 July 2009

Statement of directors' responsibilities

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

To the Shareholders of GPT MALTACO 1 Limited

Report on the Financial Statements

We have audited the financial statements of GPT MALTACO 1 Limited, as a standalone company, on pages 5 to 22 which comprise the statement of financial position as at 31 December 2008 and the income statement, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU as modified by Article 174 of the Maltese Companies Act, 1995 and the requirements of the said Act. As described in the statement of directors' responsibilities, this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion the financial statements

- give a true and fair view of the financial position of the company, as a standalone company, as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.


Independent auditor's report - continued


Report on Other Legal and Regulatory Requirements

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

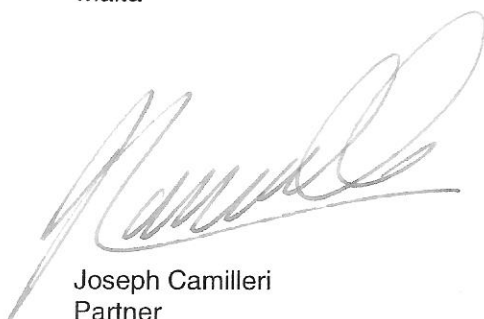
- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.



PRICEWATERHOUSECOOPERS 

167 Merchants Street
Valletta
Malta



Joseph Camilleri
Partner


22 July 2009


Statement of financial position

	Notes	As at 31 December	
		2008	2007
		€	€
ASSETS			
Non-current assets			
Investments in subsidiaries	4	-	109,780,001
Total non-current assets		-	109,780,001
Current assets			
Other receivables	5	-	1,321,000
Cash and cash equivalents	6	5,898	7,671
Total current assets		5,898	1,328,671
Total assets		5,898	111,108,672
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	7	7,579	5,000
Share premium account	8	163,044,187	109,775,001
Accumulated losses		(163,087,980)	-
Total equity		(36,214)	109,780,001
Current liabilities			
Other payables	9	42,112	1,328,671
Total equity and liabilities		5,898	111,108,672

The notes on pages 9 to 22 are an integral part of these financial statements.

The financial statements on pages 5 to 22 were authorised for issue by the board on 22 July 2009 and were signed by:


Francis J. Vassallo
Director


Ruth Agius Scicluna Buttigieg
Director

Income statement

	Notes	<u>Year ended 31 December</u>	
		2008	2007
		€	€
Investment income	10	-	15,350,904
Administrative expenses	11	(36,230)	(19,221)
Operating (loss)/profit		(36,230)	15,331,683
Finance income	12	342	190
Finance costs	13	(275)	(321)
Provision for impairment of investments	11	(163,051,766)	-
(Loss)/profit before tax		(163,087,929)	15,331,552
Tax expense	14	(51)	(28)
(Loss)/profit for the year		(163,087,980)	15,331,524

The notes on pages 9 to 22 are an integral part of these financial statements.

Statement of changes in equity

	Notes	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2007		5,000	109,775,001	(31,593)	109,748,408
Profit for the financial year - total recognised income for 2007		-	-	15,331,524	15,331,524
Dividends for 2007	16	-	-	(15,299,931)	(15,299,931)
Balance at 31 December 2007		5,000	109,775,001	-	109,780,001
Increase in share capital	7,8	2,579	56,623,186	-	56,625,765
Reduction in share premium	8	-	(3,354,000)	-	(3,354,000)
Loss for the financial year - total recognised expense for 2008		-	-	(163,087,980)	(163,087,980)
Balance at 31 December 2008		7,579	163,044,187	(163,087,980)	(36,214)

The notes on pages 9 to 22 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2008	2007
		€	€
Cash flows from operating activities			
Cash (used in)/generated from operations	17	(1,789)	15,306,885
Interest received		342	190
Interest paid		(275)	(321)
Income tax paid		(51)	(28)
Net cash (used in)/generated from operating activities		(1,773)	15,306,726
Cash flows from investing activities			
Investment subscription awaiting allotment		-	(1,320,000)
Purchase of shares in subsidiaries		(1,320,000)	-
Proceeds from reduction in share premium of subsidiary	4	3,354,000	-
Net cash generated from/(used in) investing activities		2,034,000	(1,320,000)
Cash flows from financing activities			
Capital subscription awaiting allotment	5	-	1,320,000
Increase in share capital	7	60	-
Increase in share premium	8	1,319,940	-
Reduction in share premium	8	(3,354,000)	-
Dividends paid	16	-	(15,299,931)
Net cash used in financing activities		(2,034,000)	(13,979,931)
Net movement in cash and cash equivalents		(1,773)	6,795
Cash and cash equivalents at beginning of year		7,671	876
Cash and cash equivalents at end of year	6	5,898	7,671

The notes on pages 9 to 22 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU as modified by Article 174 of the Maltese Companies Act, 1995 and in accordance with the requirements of the said Act. The GPT group (note 20) prepared consolidated financial statements in a manner equivalent to that required by the Maltese Companies Act, 1995 and these were delivered to the Registrar of Companies in Malta. Accordingly GPT MALTACO 1 Limited is exempt from the preparation of consolidated financial statements by virtue of article 174 of the Companies Act, 1995. The financial statements are prepared under the historical cost convention.

In 2008, as a result of the downturn in the economic climate affecting the countries where the company's underlying investments are situated, the results of the subsidiary has deteriorated and the directors have passed an impairment provision for the total value of its investment equivalent to €163,051,766 (2007: € nil).

For the year ended 31 December 2008, the company incurred a loss for the year amounting to €163,087,980 and, as at that date, total liabilities exceeded total assets by €36,214.

On 9 July 2009, GPT Management Holdings Limited has subscribed to additional equity in the company for €1,225,020. GPT MALTACO 1 Limited has in turn injected equity amounting to €1,131,120 into GPT MALTACO 2 Limited, its subsidiary, in order to provide the necessary funds for this latter company to repay its loans and meet its working capital commitments.

In view of the shareholders actions described above, the directors believe that the use of the going concern basis for the preparation of these financial statements remains appropriate.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the company's accounting policies (see Note 3 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2008

In 2008, the company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2008. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies.

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements that are mandatory for the company's accounting periods beginning after 1 January 2008. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The euro is the company's functional and presentation currency.

(b) Transactions and balances

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

1.3 Investments in subsidiaries

Investments in subsidiaries are accounted for by the cost method of accounting.

Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the impairment is identified.

The results of the subsidiaries are reflected in these financial statements only to the extent of dividends receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

1. Summary of significant accounting policies - continued

1.4 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and other direct expenses'. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and other direct expenses' in the income statement.

1.5 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.7 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.9 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1. Summary of significant accounting policies - continued

1.10 Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below.

Revenue is recognised as follows:

(a) Interest income

Interest income is recognised for all interest-bearing instruments on a time-proportion basis using the effective interest method.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

1.11 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

1.12 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Financial risk management

2.1 Financial risk factors

The company's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company's board of directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. Accordingly the company is not significantly exposed to foreign exchange risk and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The company has no significant interest-bearing assets or liabilities. Accordingly the company is not exposed to cash flow or fair value interest rate risk. The company's operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2008	2007
	€	€
Trade and other receivables (note 5)	-	1,321,000
Cash and cash equivalents	5,898	7,671

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The company does not hold any collateral as security in this respect. The company banks only with local financial institutions with high quality standing or rating.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient availability of funding. The company's liquidity position is managed by the central treasury department (Group Treasury) which identifies, evaluates and manages the company's liquidity position on an ongoing basis. All the company's financial liabilities are due within one year.

On 9 July 2009, GPT Management Holdings Limited has subscribed to additional equity in the company for €1,225,020. GPT MALTACO 1 Limited has in turn injected equity amounting to €1,131,120 into GPT MALTACO 2 Limited, its subsidiary undertaking, in order to provide the necessary funds for this latter company to repay its loans and meet its working capital commitments.

In view of the shareholders actions described above, the directors believe that the company's exposure to liquidity risk is not significant.

2.2 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may issue new shares or adjust the amount of dividends paid to shareholders.

The company's equity, as disclosed in the statement of financial position, constitutes its capital. The company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the company's activities, and considering the post-balance sheet events described in note 2.1 (c) above, the capital level as at the end of the reporting period is deemed adequate by the directors.

2.3 Fair values of financial instruments

At 31 December 2008 and 2007 the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Investments in subsidiaries are accounted for at cost and assessed for impairment by the directors. In making this judgement, the directors evaluate, among other factors, the financial health of and near-term business outlook for the investee companies, (including factors such as industry and investee projected performance and operational and financing cash flow). Provisions are recorded where, in the opinion of the directors, there is a long-term impairment in value. In view of the deteriorated performance of the underlying subsidiary, the book value of these investments has been written down to nil in the current year (note 4).

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Investments in subsidiaries

	2008	2007
	€	€
Opening cost and carrying amount	109,780,001	109,780,001
Purchase of shares	56,625,765	-
Reduction in share premium of subsidiary	(3,354,000)	-
Impairment provision (note 11)	(163,051,766)	-
Closing cost and carrying amount	-	109,780,001

Investments in subsidiaries as at 31 December 2008 are shown below:

Subsidiary	Registered office	Class of shares held	Percentage of shares held %
GPT MALTACO 2 Limited	259, St Paul Street Valletta VLT1213 Malta	Ordinary shares	99.99
GPT Europe Finance S.A.	12, Rue Léon Thyès L-2636 Luxembourg	Ordinary shares	0.01

In view of the deterioration in the results of the company's subsidiary during the financial year 2008, the directors have deemed it prudent to impair the entire book value of these investments during the current financial year.

5. Other receivables

	2008	2007
	€	€
Prepayment – investment subscription	-	1,320,000
Amounts due from immediate parent company	-	1,000
	-	1,321,000

As at 31 December 2007, the amounts due from the immediate parent company were unsecured, interest free and were repayable on demand.

As at 31 December 2007, the company had paid €1,320,000 to GPT MALTACO 2 Limited for additional shares in the subsidiary. However, the actual share issue took place in June 2008 and so the amount at year end was shown as a prepayment.

6. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2008	2007
	€	€
Cash at bank	5,898	7,671

7. Share capital

	2008	2007
	€	€
Authorised		
99,999 (2007: 14,999) ordinary 'A' shares of €1 each	99,999	14,999
1 ordinary 'B' share of €1	1	1
	100,000	15,000
Issued and fully paid		
7,578 (2007: 4,999) ordinary 'A' shares of €1 each	7,578	4,999
1 ordinary 'B' share of €1	1	1
	7,579	5,000

All classes of shares rank equally for all intents and purposes of law. Holders of ordinary 'A' shares have the right to receive dividends, participate in the profits of the company and attend and vote at all general meetings of the company. The holder of the 'B' ordinary share has no right to receive dividends nor to participate in the profits of the company or to vote at general meetings but has the right to receive notice and attend all general meetings.

7. Share capital - continued

On 24 June 2008, the authorised share capital of the company was increased to €100,000 divided into 99,999 Ordinary 'A' shares of €1 each and 1 Ordinary 'B' share of €1.

On 24 June 2008, the issued share capital of the company was increased to €5,060 divided into 5,059 Ordinary 'A' shares of €1 each and 1 Ordinary 'B' share of €1. These shares were issued at a premium of €21,999 each.

On 26 August 2008, the issued share capital of the company was increased by a further issue of 2,519 fully paid up "A" Ordinary shares of €1 each at a premium of €21,954.444 per share, the consideration of which was the assignment of rights to receive funds under a promissory note.

On 9 July 2009, the issued share capital of the company increased by a further issue of 81,668 fully paid "A" Ordinary shares of €1 each at a premium of €14 per share (refer to note 1).

8. Share premium account

The share premium account as at 31 December 2007 of €109,775,001 represents premium on 4,999 'A' ordinary shares allotted on 20 June 2005 at a premium of €21,959.392 per share.

On 24 June 2008, the company issued 60 Ordinary 'A' shares at a premium of €21,999 each. Following the issue, the share premium account stood at €111,094,941.

On 9 July 2008 the shareholders of the company unanimously resolved to reduce the company's share premium by €3,354,000 and to repay such amount back to GPT Management Holdings Limited. This reduction became effective three months from the date of publication of the resolution. Following the reduction, the share premium account stood at €107,740,941.

On 26 August 2008, the issued share capital of the company was increased by a further issue of 2,519 fully paid up "A" Ordinary shares of €1 each at a premium of €21,954.444 per share, the consideration of which was the assignment of rights to receive funds under a promissory note.

On 9 July 2009, the issued share capital of the company increased by a further issue of 81,668 fully paid "A" Ordinary shares of €1 each at a premium of €14 per share (refer to note 1).

9. Other payables

	2008	2007
	€	€
Amounts falling due within one year		
Amounts due to immediate parent company	34,000	-
Payments in advance	-	1,320,000
Other creditors	2,762	3,321
Accruals	5,350	5,350
	42,112	1,328,671

9. Other payables - continued

Amounts due to the immediate parent company are unsecured, interest free and are repayable on demand.

As at 31 December 2007, the company had received €1,320,000 from GPT Management Holdings Limited for an additional issue of shares in the company. However, the actual share issue took place in June 2008 and so the amount at year end was shown as payments received in advance.

10. Investment income

In 2007, all the company's investment income was derived from dividends received from a subsidiary. No investment income was earned by the company in 2008.

	2008	2007
	€	€
Dividends received from subsidiary	-	15,350,904
		15,350,904

11. Expenses by nature

	2008	2007
	€	€
Provision for impairment of investments	163,051,766	-
Professional fees	24,414	9,400
Other expenses	11,816	9,821
Total expenses	163,087,996	19,221

Operating (loss)/profit is stated after charging the following:

	2008	2007
	€	€
Exchange differences	-	290
		290

Fees charged (inclusive of Vat) by the auditor for services rendered during the financial periods ended 31 December 2008 and 2007 relate to the following:

	2008	2007
	€	€
Annual statutory audit	5,725	5,353
		5,353

12. Finance income

	2008	2007
	€	€
Bank interest receivable	342	190
	342	190

13. Finance costs

	2008	2007
	€	€
Bank charges	275	321
	275	321

14. Tax expense

	2008	2007
	€	€
Current taxation:		
Current tax expense	51	28
	51	28

The tax on the company's (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2008	2007
	€	€
(Loss)/profit before tax	(163,087,929)	15,331,552
	(163,087,929)	15,331,552
Tax on (loss)/profit at 35%	(57,080,775)	5,366,043
Tax effect of:		
Income subject to 15% final withholding tax	(68)	(38)
Expenses not deductible for tax purposes	57,080,894	6,840
Income from participating holding – exempt from tax	-	(5,372,817)
Other		
Tax expense	51	28
	51	28

15. Directors' emoluments

	2008 €	2007 €
Directors' fees	4,142	2,749

16. Dividends

	2008 €	2007 €
Final dividends paid on ordinary shares:		
Gross	-	15,299,931
Tax at source	-	-
Net	-	15,299,931
Dividends per share	-	3,060.60

17. Cash (used in)/generated from operations

Reconciliation of operating (loss)/profit to cash (used in)/generated from operations:

	2008 €	2007 €
Operating (loss)/profit	(36,230)	15,331,683
Changes in working capital:		
Other receivables	1,000	17,636
Other payables	33,441	(42,434)
Cash (used in)/generated from operations	(1,789)	15,306,885

The principal non-cash transaction related to the issue of shares in exchange for a non-cash asset as disclosed in notes 7 and 8. Subsequently, the non-cash asset was transferred to the subsidiary, GPT MALTACO 2 Limited for a further issue of shares in the subsidiary.

18. Related party transactions

Companies forming part of the GPT Group are considered by the directors to be related parties as these companies have the same ultimate controlling company. Transactions with related parties are entered into on a regular basis as a result of normal commercial transactions.

18. Related party transactions - continued

The company held the following balances with related parties as at 31 December 2008 and 31 December 2007.

	2008	2007
	€	€
Amounts due from immediate parent company (note 5)	-	1,000
Amounts due to immediate parent company (note 9)	34,000	-

Transactions attributable to the GPT Group include:

	2008	2007
	€	€
Dividends received from a subsidiary undertaking (note 10)	-	15,350,904
Dividends paid to immediate parent company (note 16)	-	15,299,931

The key management of the company are considered to be the directors. The remuneration received by the directors during the current financial year has been separately disclosed in note 15.

19. Post-balance sheet events

The directors of the immediate parent company, GPT Management Holdings Limited, intend to convert the company from a limited liability company to an unlisted public company in July 2009.

20. Statutory information

GPT MALTACO 1 Limited is a limited liability company and is incorporated in Malta.

The immediate parent company of GPT MALTACO 1 Limited is GPT Management Holdings Limited, an Australian Company with its registered address at Level 52, MLC Centre, 19-29 Martin Place, Sydney NSW 2000, Australia.

The GPT Group was formed by stapling together the units in General Property Trust to the shares in GPT Management Holdings Limited. The shares of GPT Management Holdings Limited are quoted on the Australian Stock Exchange under the stapled entity code GPT. The registered address and principal place of business is Level 52, MLC Centre, 19 Martin Place, Sydney NSW 2000, Australia.

The financial statements of GPT MALTACO 1 Limited and of its subsidiary are included in the consolidated financial statements of the GPT Group drawn up to the same period end. Such consolidated financial statements and the directors' report for the year ended 31 December 2008 have been drawn up in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards.

Copies of the consolidated financial statements of the GPT Group are available on the GPT website: www.gpt.com.au.

21. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

Detailed accounts

	Pages
Income statement	24
Administrative expenses	25

Income statement

	2008	2007
	€	€
Investment income	-	15,350,904
Administrative expenses (page 25)	(36,230)	(19,221)
Operating (loss)/profit	(36,230)	15,331,683
Bank interest receivable	342	190
Bank charges	(275)	(321)
Provision for impairment of investments	(163,051,766)	-
(Loss)/profit for the year before tax	(163,087,929)	15,331,552

Administrative expenses

	2008	2007
	€	€
Directors' remuneration	4,142	2,749
Professional fees	24,414	9,400
Auditors' remuneration	5,351	5,353
General expenses	2,323	1,429
Realised loss on exchange	-	290
Total administrative expenses (page 24)	36,230	19,221
