

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)

ACN 124 093 901

ANNUAL REPORT
30 JUNE 2009

(with comparative figures for the period 22 February 2007 to 30 June 2008)

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Directors' report

Your directors present their report on Growthpoint Properties Australia Limited (previously Orchard Management Limited) (the Company) for the year ended 30 June 2009.

Directors

The following persons were directors of the Company during the financial period and up to the date of this report:

David Hinde

Estienne De Klerk, Grant Jackson, Francois Marais, Norbert Sasse, Lyndsay Shaddock and David Spruell were appointed as directors on 5 August 2009 and continue in office at the date of this report.

Grant Ross was a director from the beginning of the financial year until his retirement on 30 January 2009.

Greg McMahon and Chris Thiris were directors from the beginning of the financial year until their retirement on 5 August 2009.

Change in name

The name of the Company changed from Orchard Management Limited to Growthpoint Properties Australia Limited on 5 August 2009.

Principal activities

The Company was incorporated on 22 February 2007. The principal activity of the Company during the financial year was to act as trustee for Orchard Funds Management Trust.

Dividends

No dividends were paid to the shareholders during the financial year (2008: Nil).

Review of operations

The company continued to engage in its principal activities during the year.

Information on the operations and the results of these operations are disclosed in the attached financial statements.

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial period

Growthpoint Properties Australia Limited (previously Orchard Management Limited) was a wholly owned subsidiary within the Orchard Funds Limited Group (OFL Group) until 5 August 2009. Orchard Property Limited ("OPL"), a related entity (a wholly owned subsidiary of Orchard Funds Limited), was the Responsible Entity of Orchard Industrial Property Fund ("the Fund") until 5 August 2009.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Matters subsequent to the end of the financial period (continued)

On 18 May 2009 OPL announced that it had entered into an Implementation Agreement with a large South African public company, Growthpoint Properties Limited ("GPL"), regarding a proposal to recapitalise and restructure the Fund.

Subsequent to year end, on 30 July 2009, the Fund's unit holders voted in favour of recapitalisation and restructure of the Fund proposal.

Key features of the recapitalisation and restructure are as follows:

- A \$55.6 million placement to GPL which occurred on 5 August 2009. The Fund raised \$55.6 million via a placement of 347,563,813 new units to Growthpoint Properties Limited (Growthpoint) at a price of 16 cents per unit, resulting in Growthpoint owning 50.1% of the Fund.
- The shares in the Company were sold by the OFL Group to the unitholders of the Fund for a consideration of \$6.2 million. The Fund offset the amount due from the unitholders by undertaking a capital return from the Fund to the unitholders of \$6.2 million.
- The internalisation of management and the change in Responsible Entity from Orchard Property Limited to Growthpoint Properties Australia Limited on 5 August 2009.
- The Fund and the Company were renamed Growthpoint Properties Australia Trust and Growthpoint Properties Australia Limited respectively.
- Change of the Fund structure with unitholders acquiring shares in the Company, and the units of the Fund being "stapled" to shares in the Company. The new stapled entity is known as Growthpoint Properties Australia.
- The Board composition of the stapled group has changed.
- The securities (units and shares) of the stapled group have been consolidated at the ratio of one stapled security for every 10 stapled securities held.
- A \$144.4 million rights issue, underwritten by Growthpoint, which occurred on 22 September 2009. The Stapled Entity raised \$144.4 million via the issue of 90,243,619 stapled securities at a price of \$1.60 per stapled security, which is expected to result in Growthpoint owning approximately 76.2% of Growthpoint Properties Australia.

Apart from the above, the directors are not aware of any event or circumstance since the end of financial year not otherwise dealt with in this report that has or may significantly affect the operation of the Company, the result of those operations, or the state of affairs of the Company in the subsequent financial year.

Likely developments and expected results of operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company's operations are not subject to any particular and significant environmental regulation.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Information on directors

David Hinde
Qualifications

Director (Orchard Diversified Property Fund nominee), Age 41
Bachelor of Business (Property) (Royal Melbourne Institute of Technology)
Graduate Diploma of Business Accounting (Monash University)
Graduate Diploma of Applied Finance and Investment
(Securities Institute of Australia)

Experience

David is the Chief Executive Officer and a Director of Orchard Funds Limited. He has 19 years experience in funds management and finance, has held senior positions at a number of leading property organisations and is a Chartered Accountant.

Grant Ross
Qualifications

Director (retired on 30 January 2009), Age 42
Bachelor of Science (Hons) (Monash University)
Master of Enterprise Innovation (Swinburne University)
Master of Applied Finance (Melbourne University)

Experience

Non-Executive Director of Orchard Funds Limited Group until 24 October 2008, Executive Director and former Managing Director of SAI Group Pty Limited, since its inception.

Greg McMahon
Qualifications

Director (retired on 5 August 2009), Age 40
Bachelor of Commerce (University of Queensland)
Bachelor of Laws (Hons) (University of Queensland)
Master of Business Administration (Executive) (AGSM)
Graduate Diploma in Applied Finance and Investment
(Securities Institute of Australia)

Experience

Greg has 16 years experience in the legal and funds management industries. Partner with McMahon Clarke Legal from 1994 to 2006 and an authorised representative of SAI companies since 1997. Greg joined the Orchard Group in April 2006. Greg is the Managing Director of the Seven Fields group of companies.

Chris Thiris
Qualifications

Director (retired 5 August 2009), Age 51
Bachelor of Arts (Acc)
Master of Business Administration (MBA)

Experience

Chris is the Finance Director of Orchard Funds Limited. Chris has over 25 years experience in financial roles and was previously Group Treasurer of Coles Limited. Member of the Institute of Chartered Accountants, the Financial Services Institute of Australia and the Finance & Treasury Association of Australia.

Estienne de Klerk
Qualifications

Appointed as a Director (GPL nominee) on 5 August 2009
Bachelor of Commerce (Industrial Psych)
Bachelor of Commerce (Hons) (Marketing)
Bachelor of Commerce (Hons) (Acc)
Chartered Accountant (SA)

Experience

Estienne is a Fund Executive and Director of Growthpoint Properties Limited ("GPL"). He has 14 years experience in the banking sector, 6 years experience in property finance and been involved with listed property for 8 years.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Grant Jackson

Qualifications

Experience

Appointed as an Independent Director on 5 August 2009

Assoc.Dip in Valuations, FAPI.

Grant has over 20 years experience in the property industry, including over 18 years as a qualified valuer. Grant has expertise in statutory valuations and he regularly provides expert evidence to courts and tribunals. He is a member of the Divisional Professional Board of the Australian Property Institute.

Francois Marais

Qualifications

Experience

Appointed as an Independent Director on 5 August 2009

Bachelor of Commerce, LLB

H Dip (Company Law).

Francois is an attorney and is the practice leader and senior director of Glyn Marais, a South African corporate law firm which specialises in corporate finance. Francois is Chairman of Growthpoint Properties Limited in South Africa, as well as chairman of a venture capital company.

Norbert Sasse

Qualifications

Experience

Appointed as a Director (GPL nominee) on 5 August 2009

Bachelor of Commerce (Hons)

Chartered Accountant (SA)

Norbert is the Chief Executive Officer and a Director of Growthpoint Properties Limited ("GPL"). He has ten years' experience in corporate finance dealing with listings, delistings, mergers, acquisitions and capital raisings, and over 10 years experience in the listed property market.

Lyndsay Shaddock

Qualifications

Experience

Appointed as an Independent Director, Chairman, on 5 August 2009

FAPI

Lyndsay has over 45 years experience in the listed and unlisted property investment industry. Over that time, he has worked for the Adsteam Group, Citigroup and Grant Samuel. Lyndsay has served on numerous boards and committees and in 1997 was awarded a National Honorary Life Membership of the Property Council of Australia.

David Spruell

Qualifications

Experience

Appointed as an Independent Director on 5 August 2009, Age 60

Bachelor of Commerce (Hons) University of Birmingham, FAICD, F Fin.

David has over 38 years experience in investment management and financial services in the UK and Australia, including senior roles at Prudential and Allianz Australia. David is chairperson of the Workers Compensation Insurance Fund Investment Board in NSW, a director of Rabo Financial Advisors Limited, Macquarie DDR Management Limited and Orchard Funds Limited.

Company secretary

The company secretary is Mr Matthew Kilbride. Mr Kilbride was appointed to the position of company secretary in 2007. He has over 18 years' experience in legal and compliance roles both in private legal practice and in the financial services industry where he has worked for a range of organisations including AMP, Perpetual, County Investment Management, Equity Trustees and Orchard Funds Limited.

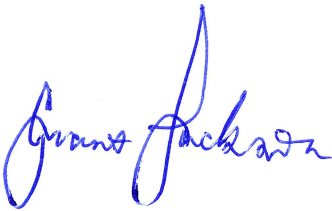
GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is set out in the following report.

This report is made in accordance with a resolution of directors.



Grant Jackson
Director

Melbourne
23 September 2009

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' REPORT
30 JUNE 2009

Meetings of directors

Directors

Meetings of directors

	A	B
David Hinde	2	2
Grant Ross	-	-
Greg McMahon	1	2
Chris Thiris	2	2

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Insurance of officers

During the period, Orchard Funds Limited, the ultimate parent entity, has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the Company. Officers indemnified include the company secretary, all directors and executive officers participating in the management of the Company.

Further disclosure required under section 300(9) of the Corporations Law is prohibited under the terms of the contract.

Agreement to indemnify auditor

The Company has entered into an agreement to indemnify their auditor, PricewaterhouseCoopers, against any claims or liabilities asserted by third parties arising out of their services as auditor of the Company, unless prohibited by the *Corporations Act 2001*. The Company has also agreed to indemnify PricewaterhouseCoopers against all legal costs incurred in defending any claim or liability that falls within the scope of the indemnity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999
Website: www.pwc.com/au

Auditor's Independence Declaration

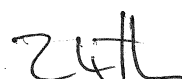
As lead auditor for the audit of Growthpoint Properties Australia Limited (formerly Orchard Management Limited) for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Growthpoint Properties Australia Limited during the period.



Charles Christie
Partner
PricewaterhouseCoopers

 Melbourne
September 2009

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009
(with comparative figures for the period 22 February 2007 to 30 June 2008)

CONTENTS

	Page
Financial Report	
Income statements	10
Balance sheets	11
Statement of changes in equity	12
Cash flow statements	13
Notes to the financial statements	14
Directors' declaration	29
Independent auditor's report to the members	30

Growthpoint Properties Australia Limited (previously Orchard Management Limited) is a company limited by shares, incorporated and domiciled in Australia. It conducts business predominately in Australia and its registered office is at:

Level 28
1 Spring Street
Melbourne VIC 3000

The financial report was authorised for issue by the directors on 23 September 2009. The Company has the power to amend and reissue the financial report.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
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ACN 124 093 901

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009
(with comparative figures for the period 22 February 2007 to 30 June 2008)

	Notes	2009 \$	2008 \$
Professional fees	5	(2,752)	(20,391)
Finance costs	5	(178)	(59)
Other expenses	5	-	(5,183)
		<hr/>	<hr/>
Loss before income tax		(2,930)	(25,633)
Income tax revenue	6	879	7,690
		<hr/>	<hr/>
Loss for the period		(2,051)	(17,943)
		<hr/> <hr/>	<hr/> <hr/>

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

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

BALANCE SHEETS
AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	99,764	99,941
Total current assets		99,764	99,941
Non-current assets			
Deferred tax assets	8	-	615
Total non-current assets		-	615
TOTAL ASSETS		99,764	100,556
LIABILITIES			
Current liabilities			
Payables	9	19,758	18,499
Total current liabilities		19,758	18,499
TOTAL LIABILITIES		19,758	18,499
NET ASSETS		80,006	82,057
EQUITY			
Contributed equity	10	100,000	100,000
Accumulated losses		(19,994)	(17,943)
TOTAL EQUITY		80,006	82,057

The above balance sheet should be read in conjunction with the accompanying notes.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009
(with comparative figures for the period 22 February 2007 to 30 June 2008)

	Contributed Equity \$	Accumulated losses \$	Total \$
Balance as at 22 February 2007	-	-	-
Shares issued during the period	100,000	-	100,000
Loss for the period	-	(17,943)	(17,943)
Balance as at 30 June 2008	100,000	(17,943)	82,057
Balance as at 1 July 2008	100,000	(17,943)	82,057
Loss for the period	-	(2,051)	(2,051)
Balance as at 30 June 2009	100,000	(19,994)	80,006

Total recognised expense for the year attributable to members of Growthpoint Properties Australia Limited is \$2,051 (2008: \$17,943).

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

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009
(with comparative figures for the period 22 February 2007 to 30 June 2008)

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Payments to suppliers		(4,980)	(23,583)
Transfer of tax loss in tax consolidation		1,494	7,075
Net cash outflows from operating activities	18	(3,486)	(16,508)
Cash flows from financing activities			
Proceeds from shares issue		-	100,000
Receipt of funds from parent company		3,309	16,449
Net cash inflows from financing activities		3,309	116,449
Net (decrease) increase in cash and cash equivalents		(177)	99,941
Cash and cash equivalents at beginning of the period		99,941	-
Cash and cash equivalents at end of the period	7	99,764	99,941

During the period there was no cash flow from investing activities.

The above cash flow statement should be read in conjunction with the accompanying notes.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the financial report preparation of Growthpoint Properties Australia Limited (previously Orchard Management Limited) are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Going concern

Subsequent to 30 June 2009, the Company has been party to a restructure and recapitalisation (as disclosed in Note 17). Accordingly, the financial report has been prepared on a going concern basis.

Compliance with IFRS

The financial report of Growthpoint Properties Australia Limited (previously Orchard Management Limited) also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Early adoption of standards

The Company has elected to apply the AASB 8 Operating Segments in the preparation of these financial statements. AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 are applicable to annual reporting periods beginning on or after 1 January 2009. The standard applies to "for-profit entities whose debt or equity instruments are traded in a public market or that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market." As the Company does not come under this definition, segment information is not required.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

As discussed in note 1(a), the Company has adopted AASB 8 Operating Segments and as a result is not required to include segmental disclosures.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, 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 income 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 income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

The head entity, Orchard Funds Limited (OFL), and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation commencing on 1 June 2008. Prior to that date OFL and its Australian subsidiaries (including the Company) were member entities of the tax consolidated group under SAI Group Pty Ltd, a related entity until December 2008.

On adoption of the tax consolidation legislation, the head entity and the wholly-owned entities account for their own current and deferred tax amounts. These tax amounts are measured as if each company under the tax consolidated group continues to be a standalone tax payer in its own right. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the wholly-owned entities in the tax consolidated group.

The entities in the tax consolidated group entered into a tax funding agreement under which the wholly-owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The funding amounts are recognised as current intercompany receivables or payables. Any difference between the amounts assumed and amounts receivable or payable by the head entity under the tax funding agreement are recognised as a contribution to or distribution from the wholly-owned entities in the tax consolidated group.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand and in bank.

(f) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Contributed equity

Ordinary shares are classified as equity.

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

(h) Dividends

Provision is made for the amount of any dividends declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(j) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

- Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Company will apply the revised standard from 1 July 2009.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 2: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks at varying degrees of exposure. The Company's management of the financial risk is centralized within the Orchard Funds Limited Group ("OFL Group").

The financial risks that the Company is exposed to comprise market risk (including interest rate risk and price risk), credit risk, liquidity risk and capital funding risk. It is the Company's objective to ensure that those risks are identified and, when practical and economic, measures implemented to mitigate or otherwise manage the adverse impact of such risks on the Company's operations and financial performance. The Company's financial risk management is carried out by a central Treasury department of OFL Group under policies approved by the Board of Directors. The Board provides principles for overall risk management with policies covering specific areas including controls around the treasury and cash management function. The Treasury Functions in this regard are to identify, evaluate, report and manage the risks in close collaboration with relevant operating units in line with the Board's policies and prevailing procedures.

The Company holds the following financial instruments as at the balance sheet date.

	2009 \$	2008 \$
Financial assets		
Cash and cash equivalents	99,764	99,941
	=====	=====
Financial liabilities		
Payables	19,758	18,499
	=====	=====

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss. The Company is exposed to credit risk in their financial assets that include cash and cash equivalents. The maximum exposures to credit risk are the carrying amounts of the financial assets comprising cash and cash equivalents.

For the period ended 30 June 2008 and the year ended 30 June 2009 the Company's management of credit risk was centralised within the OFL Group. Measures implemented by the OFL Group in managing its credit risk, among others, cash and deposits are held with high credit quality financial institutions (rated equivalent A or higher by the major rating agencies), advances and loans are provided to the managed investment schemes and related entities where the OFL Group and the Trusts are comfortable with the underlying property exposures.

At the reporting date the Company has no significant concentration of credit risk except for cash and cash equivalents which are held with Westpac Bank (rated Aa1/P-1 by Moody's).

At reporting date there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and other liquid financial assets to meet the ongoing operational requirements of the business, having available funding through adequate amounts of committed credit facilities, the ability to close-out market positions and the ability to raise funds through a number of means including an issue of new securities through public offering or private placement. It is the OFL Group's policy to maintain sufficient liquid financial assets to cover current liabilities and any unforeseen expenditures of the OFL Group. The OFL Group prepares and monitors rolling forecast of liquidity requirements on the basis of expected cash flows. The OFL Group also monitors the maturity profiles of borrowings and puts in place strategies to ensure that all maturing obligations are settled or refinanced within the required timeframes.

Maturities of financial liabilities

The Company's financial liabilities are non-interest bearing with maturity of less than 6 months. The contractual cash flows equal the carrying amounts of the liabilities.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the market risk that comprises interest rate risk.

(i) Interest rate risk

Exposure to interest rate risk impacts interest income earned on financial assets. The Company is not exposed to any significant interest rate risk as it does not earn any interest on its cash balances.

Capital risk management

The OFL Group's capital management strategy seeks to maximise the shareholder value through optimising the level and use of capital resources as well as the mix of debt and equity financing. It is the OFL Group's objectives to ensure sufficient capital resources to support its operational requirements, comply with capital and distribution requirements under the constitutions, relevant regulatory authorities and debt covenants; and safeguard the OFL Group's ability to continue as a going concern. The OFL Group monitors the adequacy of its capital requirements, cost of capital and gearing ratio as part of its overall strategic plan and corporate action. The OFL Group is able to alter its capital mix by issuing new securities, activating distribution reinvestment plan, activating security buy-back program and adjusting the amount of distribution to members.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Company also makes judgements in applying certain accounting policies. The estimates and judgements made by the Company do not have any risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 4: SEGMENT INFORMATION

The Company carries out business in the management of investment funds and operates within Australia.

The Company has adopted Australian accounting standard AASB 8 Operating Segments (which supersedes AASB 114 Segment Reporting) in the preparation of these financial statements. AASB 8 Operating Segments is mandatory for annual reporting periods on or after 1 January 2009, and early adoption is permissible. As a result of early adopting this standard the Company is not required to include segmental disclosures.

NOTE 5: EXPENSES

Loss before income tax includes the following expenses:

	2009 \$	2008 \$
Professional fees		
Accounting and audit fees	1,208	2,150
Legal and filing fees	1,544	18,241
	<u>2,752</u>	<u>20,391</u>
	=====	=====
Finance costs		
Bank charges	178	59
	<u>178</u>	<u>59</u>
	=====	=====
Other expenses		
Traveling expenses	-	4,288
Subscriptions & Memberships	-	895
	<u>-</u>	<u>5,183</u>
	=====	=====

During the year fees for services provided by the auditor, PricewaterhouseCoopers were charged to the ultimate parent entity as disclosed in Note 13.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 6: INCOME TAX REVENUE

(a) Income tax revenue

	2009 \$	2008 \$
Current tax	1,494	-
Deferred tax	(615)	7,690
	<u>879</u>	<u>7,690</u>
	=====	=====
Income tax revenue is attributable to profit from continued operations	<u>879</u>	<u>7,690</u>
	=====	=====
Deferred income tax (expense) / revenue included in income tax comprises:		
Increase in deferred tax assets (Note 8)	(615)	7,690
	=====	=====

(b) Numerical reconciliation of income tax revenue to prima facie tax payable

	2009 \$	2008 \$
Loss before income tax	(2,930)	(25,633)
Tax at the Australian tax rate of 30%	(879)	(7,690)
Income tax revenue reported in the income statement	<u>(879)</u>	<u>(7,690)</u>
	=====	=====

NOTE 7: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2009 \$	2008 \$
Cash and cash equivalents	99,764	99,941
	=====	=====

(a) Reconciliation to Cash Flow Statement

Balance of cash and cash equivalents per Cash Flow Statement	99,764	99,941
	=====	=====

(b) Interest rate risk exposure

The balance of cash and cash equivalents comprises cash at bank with no interest earned. The Company does not have any significant exposure to interest rate risk with regard to cash and cash equivalents, as noted in note 2.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

2009	2008
\$'000	\$'000
-	615

Movements	Tax loss for the period ended 30 June 2009 \$	Audit fees \$	Total \$
At 22 February 2007	-	-	-
Credited to the income statement	7,075	615	7,690
Transfer of tax loss to the tax head entity	(7,075)	-	(7,075)
At 30 June 2008	-	615	615
At 1 July 2008	-	615	615
Credited to the income statement	1,494	(615)	879
Transfer of tax loss to the tax head entity	(1,494)	-	(1,494)
At 30 June 2009	-	-	-

	2009	2008
	\$	\$
Advances from parent entity	19,758	16,449
Accruals	-	2,050
	<u>19,758</u>	<u>18,499</u>

Page 21

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 10: CONTRIBUTED EQUITY

	2009 \$	2008 \$
100,000 fully paid ordinary shares	100,000	100,000
	=====	=====

The Company issued 100,000 fully paid ordinary shares at \$1 par value to SAI Group Pty Ltd (previously OFM), a related party until December 2008, on 22 February 2007. On 29 February 2008, the shares were sold by SAI Group Pty Ltd, a related party until December 2008, to Orchard Funds Limited.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 11: DIVIDENDS

No dividends were paid during the reporting period (2008: Nil).

NOTE 12: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of the Company during the financial year:

- (i) *Executive directors*
David Hinde
Chris Thiris (retired on 5 August 2009)
- (ii) *Non-executive directors*
Grant Ross (retired on 30 January 2009)
Greg McMahon (retired on 5 August 2009)

Other than the above directors there were no other persons who had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial period.

Estienne De Klerk, Grant Jackson, Francois Marais, Norbert Sasse, Lyndsay Shaddock and David Spruell were appointed as directors on 5 August 2009 and continue in office at the date of this report.

There have been no transactions between the directors (and their related parties) and the Company during the financial period.

Set out below are details of transactions between Orchard Funds Limited (the ultimate parent entity during the year and ultimate parent entity from 1 June 2008) and SAI Group Pty Ltd (the ultimate parent entity until 31 May 2008), and thereafter a related party, and the directors (and their related parties).

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 12: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(b) Key management personnel compensation

The key management personnel of the Company held office by virtue of their capacity as directors of Orchard Funds Limited (the ultimate parent entity from 1 June 2008) and SAI Group Pty Ltd (the ultimate parent entity until 31 May 2008). Their total remuneration was paid by Orchard Funds Limited (from 1 April 2008) and prior to that date by SAI Group Pty Ltd and covered their responsibilities as directors of Orchard Funds Limited / SAI Group Pty Ltd and other entities in the respective groups. It is not possible to apportion their remuneration across the various entities they have responsibility for. Therefore, the following table details the total compensation they received in their capacity as directors of the Orchard Funds Limited / SAI Group Pty Ltd groups during the 2009 and 2008 financial years.

	2009 \$	2008 \$
Short-term employee benefits	1,402,488	1,781,031
Post-employment benefits	43,406	58,451
Long-term benefits	3,796	-
Share-based payments	4,695	12,116
	1,454,385	1,851,598
	=====	=====

(c) Transactions with Orchard Funds Limited - (the parent entity during the year and ultimate parent entity from 1 June 2008)

(i) Equity and debt instruments disclosures related to key management personnel

Information on transactions with key management personnel or entities related to them, other than compensation, is set out below:

Shareholdings

Key management personnel and their related parties held 5,554,303 (2008: 10,207,255) shares in Orchard Funds Limited (the parent entity during the year and ultimate parent entity from 1 June 2008). This represents 1.1% (2008: 20.8%) of the issued capital of the Company.

There were no shares granted during the reporting period as compensation.

Convertible notes

In March 2007 Orchard Group Capital Limited, a related party, issued convertible notes ("SAI Notes").

On 15 December 2008 Orchard Funds Limited's, the ultimate parent entity, shareholders and the holders of SAI Notes approved the conversion of SAI Notes into OFL shares.

Key management personnel and their related parties held Nil (2008: 5,750) convertible notes on the same terms as other note holders.

(ii) Other transactions with key management personnel

There were no other transactions between the key management personnel (and their related parties) and Orchard Funds Limited, the ultimate parent entity, during 2009 and 2008.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 12: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Transactions with SAI Group Pty Ltd - a related party until December 2008

(i) Equity and debt instruments disclosures related to key management personnel

Set out below are details of transactions between SAI Group Pty Ltd (the parent entity until 31 May 2008 and a related party until 31 December 2008) and the key management personnel and their related parties.

Shareholdings

Key management personnel and their related parties held 6,267,758 shares in SAI Group Pty Ltd as at 30 June 2008. This represented 26.0% of the issued capital of SAI Group Pty Ltd.

There were no shares granted during the reporting period as compensation.

Options

The SAI Group established the Orchard Group Pre-IPO Long Term Incentive (LTI) Plan to reward employees for contributing to growth in the value of the Orchard Group. The LTI plan was also intended to provide retention incentive for participating employees.

On 23 August 2007, SAI Group Pty Ltd, a related entity until December 2008, granted options to employees participating in the LTI plan. The options were granted with an effective date of 1 July 2006 (if a person was a current employee at that time) or otherwise on the date that a person commenced employment with SAI Group Pty Ltd. During 2008, options held by David Hinde and Chris Thiris totalling 243,576 and 52,084 respectively were forfeited.

Key management personnel held a total of 156,340 options at 30 June 2008.

(ii) Loans to key management personnel

Details of loans made by SAI Group Pty Ltd to directors, including their related parties, are set out below.

	2009 \$	2008 \$
Balance at start of the year	3,161,061	2,963,508
Loan repayments received	(3,235,738)	(102,382)
Other movements	-	73,105
Interest charge	74,677	226,830
	-----	-----
	-	3,161,061
	=====	=====

Of the total loan balance \$nil (2008: \$123,105) is unsecured.

Terms of loans

SAI Group Pty Ltd had issued loans to key management personnel (and their related parties) for the purpose of them acquiring shares in SAI Group Pty Ltd. The term of each loan was 3 years from the date of the loan. Interest was charged by reference to the Benchmark interest rate in Division 7A of the Income Tax Assessment Act. For 2009 and 2008 the rate was equal to the Fringe Benefits Tax (FBT) rate. Interest was payable in arrears annually on 31 December until the loan was repaid.

SAI Group Pty Ltd had a first ranking lien on each share acquired under the loan agreements. In some instances further loans equating to the interest for the period, had been issued on the same terms as the share loans.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 12: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Transactions with SAI Group Pty Ltd - a related party until December 2008 (continued)

(iii) Loans to key management personnel (continued)

Individual loans

2008 - Grant Ross

During 2008, amounts totalling \$73,105 were added to the loan balance. These amounts represent \$20,965 of receivables from a related party and \$52,140 of sundry receivables. This represents a consolidation of the director's outstanding amounts to SAI Group Pty Ltd. Interest is being charged on these amounts.

Allowances

No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to key management personnel.

(iv) Other transactions with key management personnel

The following transactions occurred during 2008:

Grant Ross

SAI Group Pty Ltd (the ultimate parent entity at the time) provided office accommodation of \$13,896 and IT support to the value of \$3,485 (total \$17,381) to a related party of Grant Ross for the period July to October 2007. The amounts were charged on an arm's length basis. At 30 June 2008, the amounts have been incorporated in the loan balance for Grant Ross.

NOTE 13: REMUNERATION OF AUDITORS

During the financial period fees for services provided by the auditor were charged to the then ultimate parent entity. Approximately \$30,000 (2008: \$27,000) of the total fees would be attributable to the Company.

NOTE 14: CONTINGENCIES

There are no contingent assets or liabilities at 30 June 2009 (2008: Nil).

NOTE 15: COMMITMENTS

There are no commitments at 30 June 2009 (2008: Nil).

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Parent entity

With effect from 29 February 2008 the ultimate parent entity of the Company is Orchard Funds Limited, a company incorporated in Australia. Prior to this date the parent entity was SAI Group Pty Ltd (previously OFM), a related party until December 2008.

The ultimate parent entity until 31 May 2008 was SAI Group Pty Ltd, a related party until December 2008. In May 2008 SAI Group Pty Ltd was restructured whereby Orchard Funds Limited and its subsidiaries, including the Company, were demerged from SAI Group Pty Ltd, a related party until December 2008, and continued operating as a separate corporate group. As a result, with effect from 31 May 2008 the ultimate parent entity was Orchard Funds Limited, a company incorporated in Australia.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 12.

(c) Transactions with related parties

The following transactions occurred with related parties during the financial period:

	2009 Amounts \$	2008 Amounts \$
<i>Advances and (receipts) - net</i>		
Parent entity	(4,803)	23,524
<i>Transfer of tax loss to tax head entity</i>		
Tax head entity	1,494	7,075

(d) Outstanding balances with related parties

The following balance is outstanding at the reporting date in relation to transactions with related parties:

	2009 Amounts \$	2008 Amounts \$
<i>Other payables (advances)</i>		
Parent entity	(21,252)	(23,524)
<i>Receivable related to tax funding agreement</i>		
Tax head entity	1,494	7,075

(e) Terms and conditions

The terms and conditions of the tax funding agreement are set out in Note 1.

The other transactions are made on normal commercial terms and conditions.

Outstanding balances are unsecured and are repayable in cash.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 17: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Growthpoint Properties Australia Limited (previously Orchard Management Limited) was a wholly owned subsidiary within the Orchard Funds Limited Group ("OFL Group") until 5 August 2009. Orchard Property Limited ("OPL"), a related entity (a wholly owned subsidiary of Orchard Funds Limited), was the Responsible Entity of Orchard Industrial Property Fund ("the Fund") until 5 August 2009.

On 18 May 2009 OPL announced that it had entered into an Implementation Agreement with a large South African public company, Growthpoint Properties Limited ("GPL"), regarding a proposal to recapitalise and restructure the Fund.

Subsequent to year end, on 30 July 2009, the Fund's unit holders voted in favour of recapitalisation and restructure of the Fund proposal.

Key features of the recapitalisation and restructure are as follows:

- A \$55.6 million placement to GPL which occurred on 5 August 2009. The Fund raised \$55.6 million via a placement of 347,563,813 new units to GPL at a price of 16 cents per unit, resulting in GPL owning 50.1% of the Fund.
- The shares in the Company were sold by the OFL Group to the unitholders of the Fund for a consideration of \$6.2 million. The Fund offset the amount due from the unitholders by undertaking a capital return from the Fund to the unitholders of \$6.2 million.
- The internalisation of management and the change in Responsible Entity from Orchard Property Limited to Growthpoint Properties Australia Limited on 5 August 2009.
- The Fund and the Company were renamed Growthpoint Properties Australia Trust and Growthpoint Properties Australia Limited respectively.
- Change of the Fund structure with unitholders acquiring shares in the Company, and the units of the Fund being "stapled" to shares in the Company. The new stapled entity is known as Growthpoint Properties Australia.
- The Board composition of the stapled group has changed.
- The securities (units and shares) of the stapled group have been consolidated at the ratio of one stapled security for every 10 stapled securities held.
- A \$144.4 million rights issue, underwritten by Growthpoint, which occurred on 22 September 2009. The Stapled Entity raised \$144.4 million via the issue of 90,243,619 stapled securities at a price of \$1.60 per stapled security, which is expected to result in Growthpoint owning approximately 76.2% of Growthpoint Properties Australia.

Apart from the above, the directors are not aware of any event or circumstance since the end of financial year not otherwise dealt with in this report that has or may significantly affect the operation of the Company, the result of those operations, or the state of affairs of the Company in the subsequent financial year.

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009

NOTE 18: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOWS FROM OPERATING ACTIVITIES

	2009 \$	2008 \$
Loss for the period	(2,051)	(17,943)
Changes in assets and liabilities		
Decrease/ (Increase) in deferred tax assets	615	(615)
(Decrease) / increase in accruals	(2,050)	2,050
Net cash outflows from operating activities	(3,486)	(16,508)
	=====	=====

GROWTHPOINT PROPERTIES AUSTRALIA LIMITED
(previously Orchard Management Limited)
ACN 124 093 901

DIRECTORS' DECLARATION
30 JUNE 2009

In the directors' opinion:

- (a) The financial statements and notes set out on pages 9 to 28 are in accordance with the Corporations Act 2001, including:
 - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2009 and its performance for the financial period ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Grant Jackson
Director

Melbourne
23 September 2009

PricewaterhouseCoopers
ABN 52 780 433 757

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2 Southbank Boulevard
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Independent auditor's report to the members of Growthpoint Properties Australia Limited (formerly Orchard Management Limited)

Report on the financial report

We have audited the accompanying annual report of Growthpoint Properties Australia Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

**Independent auditor's report to the members of
Growthpoint Properties Australia Limited (formerly Orchard Management
Limited) (continued)**

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

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Growthpoint Properties Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).



PricewaterhouseCoopers



Charles Christie
Partner

24/11

Melbourne
September 2009