Annual Report

For the year ended 30 June 2010
Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ACN 124 093 901 AFSL 316409
Date of report: 29 September 2010

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28 BILSTON DRIVE, WODONGA, VIC


AP5

SUMMARY OF ANNUAL RESULTS

- Successful restructure and recapitalisation of Growthpoint Properties Australia (“the Group”), including a 1 for 10 consolidation of securities and the internalisation of management by the creation of a stapled group.
- $200 million equity raising comprising a placement and a rights issue completed in September 2009.
- Investment policy broadened to enable investment in office, retail and industrial real estate.
- Distributable profit of $22.4 million.
- Consolidated net profit of $46.7 million taking into account revaluation of properties and fair value adjustments to interest rate swaps.
- Total distribution for the year of 14.0 cents per stapled security, comprising 5.50 cents paid in February 2010 and 8.50 cents paid in August 2010, consistent with distribution guidance provided at the time of the restructure.
- 100% occupancy across the Group’s property portfolio.
- The Group retains a quality, well leased property portfolio with a weighted average lease expiry of 10 years as at 30 June 2010 and Woolworths as its largest tenant and largest source of income.

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OVERVIEW

CHAIRMAN'S LETTER

The recapitalisation and restructure of Growthpoint Properties Australia was successfully completed at the end of September 2009. I am pleased that we have been able to achieve our distribution guidance of 14.0 cents per stapled security.

For the year ending 30 June 2011, we are providing distribution guidance of 17.1 cents per stapled security (other than for securities acquired as part of the 2010 rights offer) ; 8.4 cents of which is to be paid in February 2011 and 8.7 cents in August 2011. Security holders who received securities as part of the 2010 rights offer will receive a pro-rata share of this distribution which reduces the expected distribution payable in February 2011 for such securities to 4.5 cents per stapled security.

Distributions are expected to be achieved through the continuation of Growthpoint Properties Australia's simple and proven business plan of owning modern well leased, investment grade Australian buildings and distributing 100% of earnings after deducting internal management expenses. Unlike most of our competitors, Growthpoint Properties Australia is not a developer, fund manager or a speculator but a pure landlord. We will, however, develop pre-committed buildings for our special tenants to suit their expanding needs and keep treasured relationships.

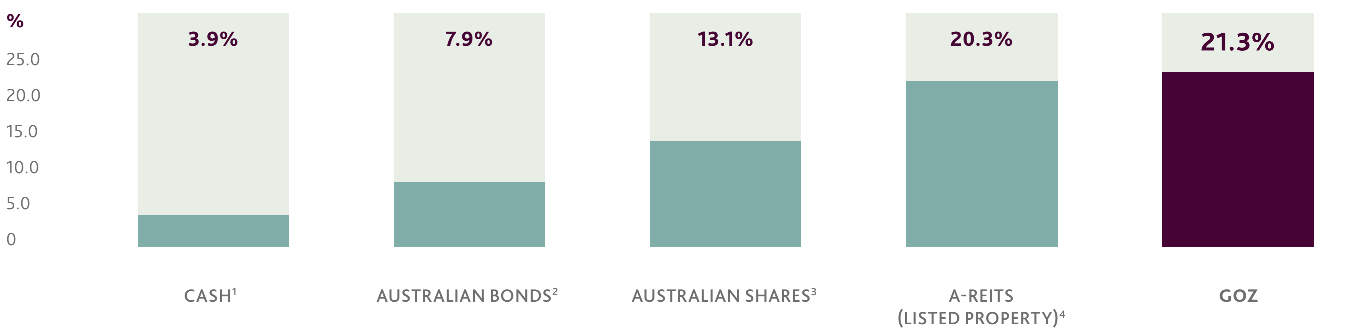
Growthpoint Properties Australia continues to vigorously manage its property portfolio and achieved 100% occupancy on 30 June 2010, which is unique among our peers. We continue to explore opportunities to improve earnings and to utilise surplus land on existing income producing properties.

Although competition for investment grade properties has increased, on 1 February 2010 we completed the acquisition of a 42,826 square metre distribution centre in Goulburn, NSW leased to Coles Group Limited for $65.5 million (before transaction costs). This provided an initial purchase yield of approximately 9.93% and was accretive to Growthpoint Properties Australia's earnings. This acquisition had the advantages of increasing our tenant base with another well known tenant and increasing our exposure to New South Wales.

Growthpoint Properties Australia's security holder base has been expanded through two rights offers and the exit of the Orchard Diversified Property Fund to include a number of additional security holders including two substantial security holders, being Growthpoint Properties Limited and Emira Property Fund. We welcome the new investors and appreciate the confidence they have shown in Growthpoint Properties Australia's future.

Growthpoint Properties Australia's property portfolio (prior to its acquisitions) was independently valued at December 2009 and we reported an increase in the value of the portfolio.

Due to our continued focus on delivering a stable yield to security holders, we outperformed the major indices for the year ended 30 June 2010 as demonstrated in the graph below.



GOZ COMPARATIVE TOTAL RETURN - Y/E 30 JUNE 2010

Source: 1. UBS Bill Index. 2. UBS Comp. Bond Index. 3. S&P/ASX300 Acc. Index. 4. S&P/ASX300 Prop Acc. Index.

My Board colleague, Timothy Collyer, has assembled a talented and enthusiastic team to take Growthpoint Properties Australia forward and their hard working and professional approach is encouraging for the future.

Lyn Shaddock, **Independent Chairman**

MANAGING DIRECTOR'S REPORT

It is my pleasure to report on a very successful inaugural year for Growthpoint Properties Australia. The key achievements for the year are detailed in the Directors' Report on pages 15 to 24 of this report, however, I would like to draw your attention, in particular, to the highlights listed below. These achievements, together with the property portfolio acquisition and related rights offer completed between 30 June 2010 and the date of this report, provide the Group with a sound platform for future growth.

Among other goals, Growthpoint Properties Australia strives for consistency and certainty of returns to its security holders. Despite ongoing financial uncertainty, I am pleased to report that the Group has achieved the key goals announced at the time of the restructure, namely:

1. Financial results and distributions in accordance with the Group's guidance.
2. Substantial growth in the Group's investment assets through acquisitions expected to be accretive for both the Group's earnings and distributions to security holders.[1]
3. Diversification of the Group's property portfolio, including investment in the commercial office sector via the purchase of two modern office buildings in South Brisbane.

Based on guidance provided in the "Rights Offer Booklet" dated 17 August 2010, a total distribution of 17.1 cents per stapled security is expected be payable to existing security holders for FY 2011 representing a pro forma income distribution yield of approximately 9% per annum (using a price of $1.90 per stapled security, being the rights offer price).[2]

Highlights for FY 2010

> Statutory profit of $46.7 million (including fair value movements in investment properties and financial derivatives).

> Distributable profit of $22.4 million.

> A final distribution of 8.5 cents per stapled security for the six months ended 30 June 2010, taking the full year distribution to 14.0 cents per stapled security.

> A recapitalisation and restructure of the Group successfully completed involving (among other things):
  - Equity raising of $200 million via a placement and rights issue.
  - Internalisation of management of the Group to become a stapled entity.
  - A broadening of the Group's investment mandate from solely industrial properties to include office and retail property assets.
  - Changes to the Board of the Group.
  - Growthpoint Properties Limited of South Africa becoming the Group's major security holder.

> Acquisition of a $65.5 million[3] modern distribution warehouse in Goulburn, NSW leased to the Coles Group for a remaining twelve years was completed in February 2010.

> Extension of the Group's interest rate hedging profile.

> Active leasing strategies to fill vacancies and extend a significant lease at 81 Derby Street, Silverwater, NSW

> Sale of a non-core asset at Preston, Victoria, VIC for over $9.5 million.

> A total return for the Group of 21.3% for the financial year ended 30 June 2010 (distributions plus security price appreciation), outperforming the S&P/ASX Property 300 Accumulation Index which returned 20.3%.

Queensland Property Portfolio Acquisition

The Group's second major acquisition since its restructure was the purchase of a modern property portfolio of 7 properties in Brisbane, QLD comprising office, car park and industrial property assets. The purchase price was $171.5 million[4] at an initial yield of 8.4%[5]. The portfolio acquisition was partially funded through a $101 million, 1 for 3 renounceable pro-rata rights issue with the remainder coming from debt.

Property Portfolio

Following the acquisitions referred to above, the Group's property portfolio comprises 32 quality properties spread across all mainland Australian States with a weighted average lease expiry of approximately 9.3 years.[6] Importantly, the portfolio enjoys 100% occupancy, no significant rental arrears and leases with annual rental increases either by CPI or fixed at between 2.5% and 4%. The Group does not expect to have any vacancies during the current financial year and approximately 82% of its leases (by rental) do not expire until FY17 or beyond.

Key tenants of the Group after its recent Queensland acquisitions include Woolworths (48% of rent), Coles Group (8% of rent), Sinclair Knight Merz (6% of rent), Star Track Express (4% of rent) and McMahon Contractors (3% of rent).

Strategy

Growthpoint Properties Australia's philosophy is to be a pure landlord. The Group invests in quality investment properties in prime business locations in Australia for a rental income that grows over time. The Group's key strategies ensure a specific focus:

> **100% investment in Australia** – all of the Group's investment properties are located in Australia where management understand the key markets. The Group does not intend to invest off-shore.

> **No funds management** – the Group does not have a funds management business, nor does it intend to become a funds manager. The Group intends to only manage properties that its security holders own and, accordingly, the Group's income is and will continue to be derived solely from rental income rather than funds/asset management fees.

> **Not a developer / develop to own** – the Group does not operate a property development business. It may purchase a property to be developed, fund construction of a development, or enter a joint venture where the Group becomes the ultimate owner of the property (or an interest therein) on completion of the development and where pre-commitment lease contracts are in place. The Group will not undertake speculative developments or develop properties for the purpose of selling to third parties.

> **Internalised management** – Growthpoint has internalised management via a stapled entity structure. Security holders of the Group own both the property trust and the manager/responsible entity of the property trust. There are no fees payable to third party or external managers for operating the business.

Outlook

The outlook is one of cautious optimism. Whilst the global economy still faces significant challenges, the Australian economy has performed relatively well and it appears will continue to do so over the coming 12 months. Tenant demand in most commercial property markets has been rising and property values have stabilised and begun to rise in some markets.

In accordance with our announced strategy, the Group intends to seek further investment opportunities to diversify the property portfolio by sector and geography via direct property acquisitions, property portfolio purchases and merger and acquisition opportunities where these transactions are considered to be of value to all security holders.

On behalf of the board and management of the Group, I thank you for your continued support of Growthpoint Properties Australia.

T.J. Collyer.

Timothy Collyer
Managing Director

1. Based on the Group's announced acquisitions as at the date of this Report since 1 June 2009. Refer to page 18 of the "Financial Year End Results and Equity Raising Presentation" released to the ASX on 17 August 2010 (reproduced in the Rights Offer Booklet dated 17 August 2010 sent to security holders) for details on assumptions made. **2.** Refer to "Financial Year End Results and Equity Raising Presentation" released to the ASX on 17 August 2010 (reproduced in the Rights Offer Booklet dated 17 August 2010 sent to security holders) for details of how this pro forma calculation has been made. **3.** Before transaction costs but including a $1.5m early settlement fee. **4.** Before transaction costs **5.** Initial yield means property net income at the time of purchase divided by purchase price, excluding transaction costs. 6. As at 30 June 2010 on a pro forma basis.

PROPERTY PORTFOLIO OVERVIEW

as at 29 September 2010 using pro forma figures as at 30 June 2010

PROPERTY ADDRESS	TYPE	MAJOR TENANT	INTEREST	LEASEHOLD EXPIRY
VICTORIA				
28 BILSTON DRIVE, WODONGA	INDUSTRIAL	WOOLWORTHS LIMITED	LEASEHOLD	2306
120 NORTHCORP BOULEVARD, BROADMEADOWS	INDUSTRIAL	WOOLWORTHS LIMITED	LEASEHOLD	2306
522-550 WELLINGTON ROAD, MULGRAVE	INDUSTRIAL	WOOLWORTHS LIMITED	LEASEHOLD	2306
38-40 ANNANDALE ROAD, TULLAMARINE	INDUSTRIAL	STAR TRACK EXPRESS	LEASEHOLD	2047
130 SHARPS ROAD, TULLAMARINE	INDUSTRIAL	LAMINEX GROUP	LEASEHOLD	2047
42-44 GARDEN STREET, KILSYTH	INDUSTRIAL	ARB CORPORATION	FREEHOLD	N/A
120 LINK ROAD, TULLAMARINE	INDUSTRIAL	THE REJECT SHOP	LEASEHOLD	2047
LOTS 2-4, 44-54 RAGLAN STREET, PRESTON	INDUSTRIAL	PAPER AUSTRALIA	FREEHOLD	N/A
LOT 1, 44-54 RAGLAN STREET, PRESTON[1]	INDUSTRIAL	CHEMIST WAREHOUSE	FREEHOLD	N/A
60 ANNANDALE ROAD, TULLAMARINE	INDUSTRIAL	WILLOW WARE AUSTRALIA	LEASEHOLD	2047
45-55 SOUTH CENTRE ROAD, TULLAMARINE	INDUSTRIAL	WILLOW WARE AUSTRALIA	LEASEHOLD	2047
75 ANNANDALE ROAD, TULLAMARINE	INDUSTRIAL	CATERPILLAR	LEASEHOLD	2047
31 GARDEN STREET, KILSYTH	INDUSTRIAL	CUMMINS FILTRATION	FREEHOLD	N/A
1304 FERNTREE GULLY ROAD, SCORESBY	INDUSTRIAL	VIP PLASTICS	FREEHOLD	N/A
6 KOORNANG ROAD, SCORESBY	INDUSTRIAL	VIP PLASTICS	FREEHOLD	N/A
QUEENSLAND				
70 DISTRIBUTION STREET, LARAPINTA	INDUSTRIAL	WOOLWORTHS LIMITED	LEASEHOLD	2072
5 VIOLA PLACE, BRISBANE AIRPORT	INDUSTRIAL	REPCO	LEASEHOLD	2047
45 NORTHLINK PLACE, VIRGINIA	INDUSTRIAL	QUANTUM FOOD SERVICES	FREEHOLD	N/A
3 VIOLA PLACE, BRISBANE AIRPORT	INDUSTRIAL	GE CAPITAL FINANCE	LEASEHOLD	2047
SOUTH AUSTRALIA				
599 MAIN NORTH ROAD, GEPPS CROSS	INDUSTRIAL	WOOLWORTHS LIMITED	FREEHOLD	N/A
12-16 BUTLER BOULEVARD, ADELAIDE AIRPORT	INDUSTRIAL	CHEAP AS CHIPS	LEASEHOLD	2048
10 BUTLER BOULEVARD, ADELAIDE AIRPORT	INDUSTRIAL	TOLL TRANSPORT	LEASEHOLD	2048
NEW SOUTH WALES				
134 LILLKAR ROAD, GOULBURN	INDUSTRIAL	COLES GROUP LIMITED	FREEHOLD	N/A
81 DERBY STREET, SILVERWATER	INDUSTRIAL	BLUE STAR PRINTING	FREEHOLD	N/A
WESTERN AUSTRALIA				
2 HORRIE MILLER DRIVE, PERTH AIRPORT	INDUSTRIAL	WOOLWORTHS LIMITED	LEASEHOLD	2047
TOTAL/WEIGHTED AVERAGE				
BRISBANE PORTFOLIO (ACQUIRED AUG/SEP 2010)				
32 CORDELIA STREET, SOUTH BRISBANE	OFFICE	SINCLAIR KNIGHT MERTZ	LEASEHOLD	3008
52 MERIVALE STREET, SOUTH BRISBANE	OFFICE	MACMAHON CONTRACTORS	LEASEHOLD	3008
32 CORDELIA STREET & 52 MERIVALE STREET, SOUTH BRISBANE	CARPARK	SECURE PARKING	LEASEHOLD	3008
13 BUSINESS STREET, YATALA	INDUSTRIAL	REWARD SUPPLY CO.	FREEHOLD	N/A
29 BUSINESS STREET, YATALA	INDUSTRIAL	CMC COIL STEELS	FREEHOLD	N/A
10 GASSMAN STREET, YATALA	INDUSTRIAL	NORMAN ELLISON CARPETS	FREEHOLD	N/A
670 MACARTHUR STREET, PINKENBA	INDUSTRIAL	RELIANCE WORLDWIDE	FREEHOLD	N/A
NEW PORTFOLIO TOTAL/WEIGHTED AVERAGE				
CONSOLIDATED PORTFOLIO				

1. This property has been sold and will settle on or prior to 30 June 2011.

VALUE ($M)	LAND AREA	LETTABLE AREA	VALUE PER SQM LETTABLE AREA	WALE (YEARS AT JUNE 2010)	YIELD
65.7	250,000	57,440	1,144	11.1	8.3%
59.5	250,000	57,861	1,028	11.1	8.3%
48.8	191,200	68,144	716	11.1	8.3%
35.3	75,325	44,424	795	9.0	9.0%
19.3	47,446	28,100	687	2.0	9.3%
17.8	55,990	25,887	688	7.2	9.3%
16.9	51,434	26,517	637	6.6	9.3%
15.8	42,280	26,980	586	3.2	10.5%
9.6	17,490	12,840	747	1.3	10.0%
13.4	34,726	16,276	823	7.8	9.3%
7.8	24,799	14,082	554	1.7	9.5%
6.6	16,930	10,280	642	6.3	9.3%
6.4	17,610	8,828	725	1.6	9.5%
5.3	12,154	7,621	695	1.6	10.8%
4.6	12,198	7,385	623	1.7	10.8%
147.5	250,900	75,425	1,956	11.7	8.1%
11.2	35,166	14,726	761	5.5	11.0%
3.6	3,304	1,870	1,925	6.2	9.5%
2.4	12,483	3,429	700	2.1	11.0%
53.2	233,500	67,238	791	11.1	8.3%
10.6	30,621	16,800	631	5.4	9.0%
7.3	16,100	8,461	863	7.6	9.0%
67.9	162,500	42,826	1,585	11.6	8.5%
13.4	13,490	7,984	1,678	7.2	8.8%
107.0	193,936	80,374	1,331	15.3	8.3%
756.9	**2,051,582**	**731,798**	**1,210**	**10.0**	**8.6%**
60.7	2,667	10,052	6,039	8.1	8.2%
62.4	2,331	9,453	6,601	4.8	8.1%
9.7	9,319	215 SPACES	44,930 (PER BAY)	4.4	9.0%
14.9	18,630	8,951	1,665	9.2	7.8%
10.8	16,460	8,680	1,244	6.8	8.3%
5.0	6,480	3,188	1,553	7.3	7.9%
8.2	10,360	5,577	1,470	5.1	8.0%
171.7	66,247	45,901	3,740	6.5	8.2%
928.5	**2,117,829**	**777,699**	**1,194**	**9.3**	**8.5%**


STAR TRACK
EXPRESS

02
DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of Growthpoint Properties Australia Limited ACN 124 093 901 ("the Company"), being the Responsible Entity of Growthpoint Properties Australia Trust ARSN 120 121 002 ("the Trust"), present their report for Growthpoint Properties Australia ("the Group") consisting of the Company and its controlled entities and the Trust and its controlled entities, for the year ended 30 June 2010.

The shares of the Company and the units of the Trust are combined and issued as stapled securities. The shares of the Company and the units of the Trust cannot be traded separately and can only be traded as stapled securities.

Directors

The following persons were Directors of the Company during the whole of the year and up to the date of this report (unless otherwise stated):

LYNDSAY SHADDOCK FAPI

> Independent Chairman and Director
> Chairman - Compliance Committee
> Member - Nomination, Remuneration and HR Committee
> Appointed as a Director on 5 August 2009

Lyn has over 50 years' experience in the property industry and has been involved with developments in Sydney, Melbourne, Brisbane, San Francisco and Kuala Lumpur, including some from inception to completion. His experience spans a range of business conditions and economic cycles.

Among other memberships, Lyn was a member of Sydney's Central Planning Committee (responsible for planning Sydney and administering major development approvals) from 1989 to 1993, the New South Wales Heritage Council from 1987 to 1991 and the New South Wales Executive of the Property Council from 1971 to 1991. In addition to being awarded honorary life membership of the Property Council of Australia (both nationally and in New South Wales), Lyn served as the President of New South Wales Division from 1980 to 1983 and Honorary Director and Chairman of the National Finance Committee from 1988 to 1996.

Lyn has served on numerous boards and committees and, in addition to his roles with the Group, he is Independent Chairman of Calibre Capital and is an adviser to Dexus Limited in relation to its development at 1 Bligh Street, Sydney. Lyn has been the Chairman of the responsible entity of the Trust (including the Company and the Company's predecessor) since the listing of the Trust in July 2007.

TIMOTHY COLLYER B.BUS (PROP), GRAD DIP FIN & INV, AAPI, F FIN

> Managing Director
> Appointed as a Director on 12 July 2010

Tim is a highly experienced property executive with over 20 years' experience in listed and unlisted property funds management, property investment and development, property valuation and property advisory. He has been involved with the Trust since shortly after its listing in July 2007 and has been the most senior executive officer of the restructured Group since August 2009.

Tim has worked across the office, industrial and retail property sectors in all States and Territories in Australia. He previously served as the Property Trust Manager at Australand Property Group for a period of six years where he was responsible for the management of its listed and unlisted property trusts. Tim has also held management positions at Heine Funds Management, where he was responsible for the management of an ASX listed A-REIT office fund, and at a major accounting firm within its real estate advisory group.

Tim holds a Bachelor of Business (Property) and a Graduate Diploma in Applied Finance and Investment. He is also an Associate of the Australian Property Institute and Fellow of the Financial Services Institute of Australasia. He serves on the Panel of Examiners for the qualification of property valuers at the Australian Property Institute.

GRANT JACKSON ASSOC. DIP. VALUATIONS, FAPI

> Independent Director
> Member - Audit and Risk Committee
> Member - Compliance Committee
> Appointed as a Director on 5 August 2009

Grant has over 24 years' experience in the property industry, including over 20 years as a qualified valuer. Grant has expertise in a wide range of valuation and property advisory matters on a national basis 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 BCOM, LLB, H DIP (COMPANY LAW)

> Independent Director
> Member - Compliance Committee
> Member - Nomination, Remuneration and HR Committee
> Appointed as a Director on 5 August 2009

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 BCOM (HONS) (ACC), CA (SA)

- Director (not deemed independent as CEO of Growthpoint Properties Limited)
- Chairman - Nomination, Remuneration and HR Committee
- Appointed as a Director on 5 August 2009

Norbert is the Chief Executive Officer and a Director of Growthpoint Properties Limited. He has over 20 years' experience in corporate finance dealing with listings, delistings, mergers, acquisitions and capital raisings, and over 10 years' experience in the listed property market.

ESTIENNE DE KLERK BCOM (INDUSTRIAL PSYCH), BCOM (HONS) (MARKETING), BCOM (HONS) (ACC), CA (SA)

- Director (not deemed independent as Executive Director of Growthpoint Properties Limited)
- Member - Audit Committee
- Appointed as a Director on 5 August 2009

Estienne is an Executive Director of Growthpoint Properties Limited. He has over 20 years' experience in banking and property finance and has been involved with listed property for over eight years.

DAVID SPRUELL B.COM. (HONS), FAICD, F FIN

- Independent Director
- Chairman - Audit and Risk Committee
- Appointed as a Director on 5 August 2009

David has 40 years' experience in investment management and financial services in the United Kingdom and Australia, including senior roles at Prudential and Allianz Australia. David is chairperson of the Workers Compensation Insurance Fund Investment Board in New South Wales, a Director of EDT Retail Management Ltd, Orchard Funds Ltd and Orchard Capital Investments Ltd.

DAVID HINDE B BUS (PROPERTY), GDIP BUS (ACC), GDIP APPLIED FIN & INV, CA, F FIN

- Appointed as a Director on 22 February 2007, resigned on 28 February 2010

David was Chief Executive Officer and Director of Orchard Funds Limited. He has 19 years' experience in funds management and has previously held management positions at Becton Property Group, MCS Property and Lend Lease.

GREG MCMAHON LLB (HONS), BCOM, GDIP APPLIED FIN & INV, MBA (EXEC)

- Appointed as a Director on 22 February 2007, resigned on 5 August 2009

Greg was previously a Director of Orchard Funds Limited. He was previously a partner in a legal firm specialising in corporate and funds management work. Greg is a past president of the Australian Direct Property Investment Association.

CHRIS THIRIS BA (ACC), MBA, CA, F FIN, CFTP

- Appointed as a Director on 25 June 2007, resigned on 5 August 2009

Chris is the acting Chief Executive Officer and Finance Director of Orchard Funds Limited. Chris has over 25 years' experience in financial roles and was previously Group Treasurer of Coles Myer.

Company Secretaries

The following persons acted as Company Secretary of the Company during the whole of the year and up to the date of this report (unless otherwise stated):

AARON HOCKLY BA, LLB, GDLP, ACIS

- Appointed Company Secretary on 13 October 2009

Aaron is a practising lawyer and chartered company secretary and has over 10 years' experience in corporate governance, financial services, corporate and commercial law, property finance and M&A both in-house and in private legal practice. He is responsible for the company secretarial, legal and compliance functions of Growthpoint Properties Australia and is currently completing a Masters in Finance. Aaron has been a director and chairman of a number of not-for-profit organisations and is currently the chairman and deputy chair (respectively) of two Melbourne-based arts companies.

MATT KILBRIDE LLB, B.EC, GRADUATE DIPLOMA IN COMPANY SECRETARIAL PRACTICE

- Appointed Company Secretary on 22 February 2007 and resigned on 13 October 2009.

Matt has held a number of senior Legal and Compliance roles at Orchard Funds Limited. He has over 20 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.

Meetings of Directors

The following table sets out the number of meetings of Directors held during the year ended 30 June 2010 and the number of meetings attended by each Director of (both limited to the period the relevant company was the responsible entity of the Trust):

- Growthpoint Properties Australia Limited ("GPAL") (formerly Orchard Management Limited), the Responsible Entity of the Trust since 5 August 2009; and
- Orchard Property Limited ("OPL"), the previous Responsible Entity of the Trust.

From the beginning of the reporting period until 5 August 2009, an Audit Committee of OPL (the former responsible entity of the Trust) comprising Messrs Spruell, Shaddock and Jackson was operating. The Company established an Audit and Risk Committee upon its appointment as responsible entity of the Trust on 5 August 2009. The initial and current members of the Audit and Risk Committee are Messrs Spruell, de Klerk and Jackson.

From the beginning of the reporting period until 5 August 2009, a Compliance Committee of OPL (the former responsible entity of the Trust) comprising Messrs Shaddock, Spruell and Jackson was operating. The Company established a Compliance Committee upon its appointment as responsible entity of the Trust on 5 August 2009. The initial and current members of the Compliance Committee are Messrs Shaddock, Marais and Jackson.

On 11 February 2010, the Company established a Nomination, Remuneration and HR Committee comprising Messrs Sasse, Shaddock and Marais.

Principal Activity

The principal activity is property investment. There has been no significant change in the nature of this activity during the year.

Consolidated Result

The consolidated net profit for the year attributable to members of the Group was $46,694,000 (2009: net loss of $210,050,000).

Review of Operations

During the year, the Group continued its strategy of investment in a portfolio of quality income producing real estate assets. At 30 June 2010, the Trust held a portfolio of 24 investment properties.

The result for the year was a net profit of $46,694,000. The major factors contributing to the profit were:

> Property fair value gains (including adjustment for straight-line rental receivable) of $16,744,000 (2009: loss of $185,997,000).

> An unrealised loss of $1,523,000 (2009: net loss of $46,041,000) due to the decrease in the fair value of the Group's interest rate swaps.

OPL BOARD	GPAL BOARD	AUDIT AND RISK COMMITTEE	COMPLIANCE COMMITTEE	NOMINATION, REMUNERATION & HR COMMITTEE
1	7	3	3	2

NUMBER OF MEETINGS HELD

		GPAL			
	OPL BOARD	BOARD	AUDIT AND RISK COMMITTEE	COMPLIANCE COMMITTEE	NOMINATION, REMUNERATION & HR COMMITTEE
L. SHADDOCK[1]	1/1	7/8	-	3/3	2/2
D. SPRUELL[1]	1/1	8/8	3/3	1/0	-
G. JACKSON[1]	1/1	6/8	3/3	3/3	-
D. HINDE	1/1	2/7	-	-	-
F. MARAIS[1]	-	6/8	-	2/3	1/2
N. SASSE[1]	-	8/8	1/0	-	2/2
E. DE KLERK[1]	-	7/8	3/3	-	-
G. MCMAHON	1/1	-	-	-	-
C. THIRIS	-	-	-	-	-

1. Appointed as director of GPAL on 5 August 2009

NUMBER OF MEETINGS ATTENDED / ELIGIBLE TO ATTEND

	2010	2009
	$'000	$'000
PROPERTY INCOME	66,909	61,936
PROPERTY EXPENSE	(7,608)	(6,819)
NET PROPERTY INCOME	59,301	55,117
NET INTEREST	(33,971)	(37,440)
MANAGEMENT FEE	(292)	(1,866)
FUND EXPENSES	(2,586)	(767)
DISTRIBUTABLE INCOME	22,452	15,044

Note: there were no dividends paid or declared on the Company's shares for the period.

DISTRIBUTIONS & DIVIDENDS

Some of the other key financial points are as follows:

- Property revenue of $66,909,000 (2009: $61,936,000).
- Earnings per stapled security (EPS) of 34.5 cents (2009: loss per stapled security 60.7 cents).
- Distributions to security holders of $22,347,000 (2009: $11,242,000) and distributions per stapled security (DPS) of 14.0 cents (no comparative provided as not meaningful after restructure of the Group).
- Net assets of $324,003,000 (2009: $116,610,000) and net tangible assets (NTA) per stapled security of $2.03 (no comparative provided as not meaningful after restructure of the Group).
- Property portfolio value of $747,300,000 (2009: $661,770,000).

Key achievements during the period were:

- Successful restructure and recapitalisation of the Group, including a 1 for 10 consolidation of securities and the internalisation of management by the creation of a stapled group.
- $200 million equity raising comprising a Placement and a Rights Issue completed in September 2009.
- Investment policy broadened to include investment in office, retail and industrial properties.
- New debt facility put in place with existing financiers National Australia Bank and Westpac Banking Corporation, extending to June 2012.
- Interest rate hedging restructured, providing an average hedged interest rate at 30 June 2010 of 5.91% per annum (prior to bank lending margin) for $330 million equating to 79% of the Group's debt, for an average duration of 3.0 years. Two further forward starting interest rate swaps were executed on 07 May 2010. The first has an effective date of 20 July 2010, taking the average hedged interest rate to 5.83% per annum (prior to bank lending margin) for $405 million equating to 97% of the Group's debt. The second has an effective date of 21 May 2011 and replaces a hedge currently in effect and extends the average duration of the overall swap portfolio to 3.8 years.
- Purchase of a modern distribution centre of 42,826 square metres located in Goulburn, NSW, leased to Coles Group Limited to February 2022 ("Goulburn acquisition"). The total consideration was $64 million, excluding an early completion fee of $1.5 million, returning an initial yield of approximately 9.93% based on the rent at the rental adjustment on 16 February 2010.
- Leasing of 14,082 square metres of vacant space at 45-55 South Centre Road, Tullamarine and leasing of 12,995 square metres of vacant space at 44-54 Raglan Street, Preston to bring portfolio occupancy to 100%.
- Final payment for the $31 million, 15,111 square metre expansion of the Woolworths Regional Distribution Centre at Perth Airport. As a result of the expansion, the lease has been extended three years to October 2025.
- Extension of the lease to Blue Star Print Group from 2012 to 2017 at 81 Derby Street, Silverwater, NSW.
- Management team consolidated with key executives appointed, corporate office established in Melbourne, new accounting and financial system integrated and external property manager appointed.
- Growthpoint Properties Limited, South Africa's largest listed diversified property company with assets of approximately AUD $5 billion, became a major security holder which provided financial stability to the Group and ongoing additional expertise.

Distributions and dividends

For the year ended 30 June 2010:

- An interim distribution of 5.50 cents per unit ($8,779,000) was paid on 26 February 2010.
- A final distribution of 8.50 cents per unit ($13,568,000) was approved and declared by the Directors in June 2010 and provided for in the financial statements at 30 June 2010. The distribution is payable on or about 31 August 2010.

The distribution of 14.0 cents per unit ($22,347,000) for the year to 30 June 2010 is 100% tax deferred.

The table on page 18 summarises distributable income earned.

Subsequent events

On 12 July 2010, Tim Collyer was appointed Managing Director of the Group. See above for details of his experience and professional qualifications.

On 16 August 2010, the Group entered into a transaction to acquire a property portfolio. Details of the acquisition are:

- Acquisition of seven high-quality Queensland properties comprising two office buildings, a car park and four industrial properties for a total price of $171.5 million (before transaction costs). Settlement of the purchase of one of the properties, 670 Macarthur Avenue, Pinkenba, is expected to occur on 19 August 2010 with the settlement of the purchase of the remaining properties expected to occur on 28 September 2010 (subject to the satisfaction of certain contractual conditions precedent, principally consents from government authorities).
- The acquisition is to be partly funded by utilising headroom and a $62 million upsizing in the Group's current debt facility (subject to a number of conditions precedent including the successful completion of the rights offer) and a 1 for 3 rights offer at $1.90 per stapled security which aims to raise approximately $101 million.

Further details of the above property portfolio acquisition and rights offer can be found in the ASX announcement and Rights Offer Booklet released on the ASX on 17 August 2010.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue to manage its existing property portfolio to increase its profitability and net asset value.

Director Holdings

The relevant interest of each director in the stapled securities of the Group, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this Directors' report is shown in the chart on page 20.

There are no options over stapled securities of the Group.

Indemnification and Insurance of Directors, Officers and Auditor

During the year covered by this report the Responsible Entity insured its Directors and Officers against liability to third parties and for costs incurred in defending any legal proceedings that may be brought against them in their capacity as Directors or Officers of the entity. This excludes a liability which arises out of a wilful breach of duty or improper use of inside information. The premium also insures the entity for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

The Auditor is indemnified by the Group against claims from third parties arising from the provision of audit services except where prohibited by the Corporations Act 2001, or due to negligence, fraudulent conduct, dishonesty or breach of trust by the auditor.

Non-Audit services

There were no non-audit services provided to the Group by the current auditor, KPMG.

DIRECTOR	STAPLED SECURITIES
	NO.
D. SPRUELL	95,445
G. JACKSON	15,566
L. SHADDOCK	200,000
N. SASSE	359,965
E. DE KLERK	236,329
T. COLLYER	21,964

DIRECTOR HOLDINGS

Environmental Regulations

As a property owner, the Group is subject to the normal environmental regulations of landowners within Australia. The Directors are not aware of any significant breaches during the period covered by this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25.

Rounding off

The Group is of a kind referred to in class order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with that class order, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report – audited

The Directors present the Remuneration Report for the Group. The report summaries key compensation policies for the year ended 30 June 2010 and provides detailed information on the compensation for Directors and other key management personnel. The report covers the period 5 August 2009 (the date of the creation of the stapled entity – see note 1 to the Financial Statements) to 30 June 2010. Prior to 5 August 2009, Directors and other key management personnel of the previous Responsible Entity were paid by the ultimate owner of that Responsible Entity, Orchard Funds Limited.

The Remuneration Report is set out under the following main headings:

1. **Principles of compensation**
2. **Directors' and executive officers' remuneration**

The specific remuneration arrangements described in the report apply to the Managing Director and the key management personnel as defined in AASB 124 and to the Company Secretary as defined in section 300A of the Corporations Act.

1. PRINCIPLES OF COMPENSATION

INTRODUCTION

The Nomination, Remuneration and HR Committee advises the

Board on compensation policies and practices generally, and makes specific recommendations on compensation packages and other terms of employment for Non-Executive Directors, Executive Directors and other Senior Executives.

The Nomination, Remuneration and HR Committee operates under the delegated authority of the Board. The duties of the Committee in relation to remuneration are to:

a) Recommend, for adoption by the Board, a remuneration package for the Chairman of the Board and the directors on a not less than annual basis.

b) Recommend, for adoption by the Board, a remuneration package, including bonus incentives and related key performance indicators, for the most senior executive officer of the Group both on appointment and on a not less than annual basis.

c) Review the most senior executive officer's recommendations for the remuneration packages, including bonus incentives and related key performance indicators, of other Group employees both on appointment and on a not less than annual basis.

d) Review the most senior executive officer's recommendations for any bonus payments which are in excess of that delegated to the most senior executive officer under the Group's "Delegations of Authority Policy". The Committee cannot approve payments which exceed the bonus pool approved by the Board without Board approval.

e) Make recommendations to the Board in relation to the introduction of, and amendments to, any employee share plan established by the Group.

In carrying out the Committee's remuneration functions, the Committee shall have regard to the following objectives:

a) Provide competitive rewards to attract, motivate and retain highly skilled directors and management.

b) Apply demanding and measurable key performance indicators including financial and non-financial measures of performance.

c) Link rewards to the creation of value for security holders.

d) Limit severance payments on termination to pre-established contractual arrangements that do not commit the Group to making unjustified payments in the event of non-performance.

The members of the Nomination, Remuneration and HR Committee during the year were:

> Norbert Sasse (Chairperson) – Non-executive director

> Lyn Shaddock – Independent, non-executive director

> Francois Marais – Independent, non-executive director

The Managing Director, in turn, reviews the performance and remuneration of the Senior Executives and makes recommendations on these to the Committee. The Managing Director's recommendations recognise the differing responsibilities and skills of Executives as well as different market influences that may affect their total compensation package.

FIXED COMPENSATION

Cash salaries are set at a level to attract and retain suitable qualified people to the Group. The salaries are benchmarked to market and reviewed annually by the Nomination, Remuneration and HR Committee, taking account of market conditions, external surveys and advice, skills availability and the Group and individual performance.

SHORT-TERM INCENTIVE BONUS

For short term cash bonuses the performance targets and reward levels are reviewed by the Managing Director and are approved by the Nomination, Remuneration and HR Committee. The payment of bonuses is approved by the Nomination, Remuneration and HR Committee following an assessment of the Group's financial performance for the previous 12 months as compared to budgeted results. Failure to achieve budget may result in no bonus payments being approved by the Nomination, Remuneration and HR Committee. Bonuses are paid in September of each year following the financial year in which they were earned.

LONG-TERM INCENTIVE

The Group is currently developing an employee share plan which is expected to be put to security holders for ratification at the Annual General Meeting in November 2010 before being introduced.

CONSEQUENCES OF PERFORMANCE ON SECURITY HOLDER WEALTH

In considering the Group's performance and benefits for security holder wealth, the Nomination, Remuneration and HR Committee have regard to the following indices in respect of the current financial year (previous years are not considered as they are not comparable following the formation of the new Group via the stapling). (*Note: chart included below, at the base of this page.)*

Dividends and distributions paid are considered one of the key financial performance targets in setting short-term

	2010
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE GROUP	$46,694,000
DIVIDENDS AND DISTRIBUTIONS PAID	$22,347,000
DISTRIBUTION PER SECURITY	$0.14
CHANGE IN STAPLED SECURITY PRICE	$0.20
TOTAL RETURN TO SECURITY HOLDERS	21.25%

CONSEQUENCES OF PERFORMANCE ON SECURITY HOLDER WEALTH

		SHORT TERM			POST EMPLOYMENT		
FOR THE PERIOD TO 30 JUNE 2010	NOTE	SALARY AND FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION BENEFITS	OTHER LONG TERM	TERMINATION BENEFITS
		$	$	$	$	$	$
DIRECTORS (CURRENT)							
MR L SHADDOCK (CHAIRPERSON)		67,842	-	-	-	-	-
MR D SPRUELL		41,494	-	-	3,734	-	-
MR G JACKSON		41,494	-	-	3,734	-	-
MR F MARAIS		45,228	-	-	-	-	-
MR N SASSE	1	-	-	-	-	-	-
MR E DE KLERK	1	-	-	-	-	-	-
DIRECTORS (FORMER)							
MR D HINDE	2	-	-	-	-	-	-
MR G MCMAHON	3	-	-	-	-	-	-
MR C THIRIS	3	-	-	-	-	-	-
EXECUTIVES (CURRENT)							
MR T COLLYER (MANAGING DIRECTOR)	4	207,025	-	2,753	9,641	-	-
MR A HOCKLY (COMPANY SECRETARY)	5	98,906	18,700	728	8,308	-	-
MR D ANDREWS (FINANCIAL CONTROLLER)	6	70,148	13,200	1,282	6,313	-	-
MR M GREEN (PORTFOLIO MANAGER)	4	85,626	24,400	686	7,706	-	-
EXECUTIVES (FORMER)							
MR P BURNS (FINANCIAL CONTROLLER)	7	26,712	-	-	2,467	-	-

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

incentives. The total paid for the year to 30 June 2010 is 14.0 cents per stapled security, in line with the forecast given during the equity raising completed in September 2009.

SERVICE CONTRACTS

It is the Group's policy that service contracts, excluding the Managing Director, are unlimited in term but capable of termination on one months' notice and that the Group retains the right to terminate the contract immediately, by making payment equal to one month's pay in lieu of notice. The Group has entered into service contracts with each key management person, excluding the Managing Director, on this basis. The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

Service contracts outline the components of compensation paid to each key management person but does not prescribe how compensation levels are modified year to year.

Tim Collyer, Managing Director, has a contract of employment dated 12 July 2010 with the Group. The contract specifies the duties and obligations to be fulfilled by the Managing Director and provides that the Board and the Managing Director will, early in each financial year, consult to agree objectives for achievement during that year.

The service contract is unlimited in term. Tim can resign by providing six months' written notice. Growthpoint can terminate his employment immediately for serious misconduct, bankruptcy, material breach of his employment agreement, failure to comply with a reasonable and lawful direction by the Board, committing an act which brings Growthpoint into disrepute or conviction of an offence punishable by imprisonment. Growthpoint can terminate Tim's employment for any other reason with nine months' notice.

SHARE-BASED PAYMENTS		
OPTIONS AND RIGHTS	TOTAL	S300A (1) (E) (I) PROPORTION OF REMUNERATION PERFORMANCE-RELATED
$	$	%
-	67,842	0%
-	45,228	0%
-	45,228	0%
-	45,228	0%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
-	219,419	0%
-	127,236	15%
-	90,943	15%
-	118,419	21%
-	29,179	0%

NOTES TO THE REMUNERATION TABLE

1. These directors are senior executives of Growthpoint Properties South Africa ("GRT"), the ultimate controlling entity of the Group and GRT has requested that such persons put themselves up for election as Directors. The Group paid GRT Directors' fees for their service of $50,000 each per annum (pro-rated for the period of service). The individuals themselves did not receive additional compensation for acting as Directors of the Group.
2. This director was appointed as the nominee of Orchard Diversified Property Fund ("ODPF"), a significant security holder until 31 May 2010 when it sold all of its securities in the Group. The Group paid ODPF Director's fees for his services of $50,000 per annum (pro-rated for the period of service). The individual did not receive additional compensation for acting as Director of the Group.
3. These Directors resigned on 5 August, the day of the restructure and therefore did not receive compensation from the Group (see note 1 above).
4. Messrs Collyer and Green were paid by the Group from 1 November 2009. Prior to 1 November 2009 they were not key management personnel.
5. Mr Hockly was appointed on 13 October 2009.
6. Mr Andrews was appointed on 16 December 2009.
7. Mr Burns was paid by the Group from 1 November 2009 until his resignation on 15 January 2010. Prior to 1 November 2009 he was not a key management person.

Growthpoint can make a payment to Tim in lieu of any notice required to be given.

On termination as Managing Director, Tim must resign as a director of Growthpoint and he is restrained from a number of activities in competition with or to the detriment of Growthpoint for a period of 6 months from the date of termination.

NON-EXECUTIVE DIRECTORS

An aggregate pool available for the remuneration of Non-Executive Directors will be put forward at the Annual General Meeting to be held in November 2010 for approval by security holders.

The annual fees payable to Non-Executive Directors (or the entity they were nominated by) are as follows:

- Base fee of $50,000 (inclusive of superannuation where applicable), effective from 5 August 2009.
- The Chairman is paid the base fee plus an additional $25,000 (inclusive of superannuation) to reflect additional workloads and responsibilities, effective from 5 August 2009.

Non-Executive Directors do not receive any retirement allowance upon retirement form the Board.

2. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration table only shows remuneration for the period 5 August 2009 to 30 June 2010. The restructure which occurred to staple the Trust and Company meant that Directors and Executives were paid by the Company from that date, unless otherwise noted. There are no comparatives as before the restructure the Trust did not have any employees and the Company was non-operating.

With regards to the former Directors (Messrs Hinde, McMahon and Thiris), in the prior year these key management personnel of the Company held office by virtue of their capacity as Directors of Orchard Funds Limited. Their remuneration was paid by Orchard Funds Limited and covered their duties for this entity and also for various other entities within the Orchard group. It is not possible to apportion their prior year remuneration across the various entities that they had responsibility for. This was disclosed in note 12 for the prior year audited accounts for the Company (formerly Orchard Management Limited).

Signed at Sydney, 16 August, 2010 in accordance with a resolution of the Directors.

David Spruell
Director
Growthpoint Properties Australia Limited

Note: Page numbers in this Directors' Report have been updated to page numbers of the Annual Report in which it appears for ease of reference.

AUDITOR'S INDEPENDENCE DECLARATION

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Australia Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Darren Scammell
Partner

Melbourne

17 August 2010

13

2 HORRIE MILLER DRIVE, PERTH AIRPORT, WA

03 CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

This is the Group's response to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (2nd edition)

Principle 1: Lay solid foundations for management and oversight

RECOMMENDATION 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

GROUP RESPONSE/PRACTICE:

The board of directors ("Board") is responsible for the overall governance of the Group, with the aim of increasing security holder value.

The Board has approved a "Delegations of Authority Policy" under which authority for certain matters not considered material to the operation or value of the Group as a whole have been delegated to nominated directors and executives of the Group. The extent of each delegation is primarily determined by the dollar value of the potential exposure to the Group. Certain matters have been deemed by the Board to be material to the Group regardless of value, such as the acquisition or disposal of real property and businesses and therefore require Board approval in all circumstances.

Among other things, the Board is responsible for:

1. Adoption and implementation of appropriate corporate governance practices.
2. Establishment of the Group's strategies and objectives.
3. Approval of material transactions.
4. Establishment of processes and controls with respect to financial reporting and financial records.
5. Adoption of relevant internal controls and risk management processes.

RECOMMENDATION 1.2: Companies should disclose the process for evaluating the performance of senior executives.

GROUP RESPONSE/PRACTICE:

The Managing Director's performance is reviewed annually by the Nomination, Remuneration and HR Committee. The performance of all other employees, including other executives, is reviewed half-yearly by the Managing Director. In addition, the performance of the Company Secretary in relation to corporate governance matters is reviewed regularly by the Chairman.

RECOMMENDATION 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1

GROUP RESPONSE/PRACTICE:

There have been no departures from Recommendations 1.1, 1.2 or 1.3.

The Group has undertaken performance evaluations in the manner set out in response to recommendation 1.2 above.

Principle 2: Structure the board to add value

RECOMMENDATION 2.1: A majority of the board should be independent directors.

GROUP RESPONSE/PRACTICE:

The board comprises a majority of independent directors. Refer to pages 16 and 17 of this report for more details.

RECOMMENDATION 2.2: The chair should be an independent director.

GROUP RESPONSE/PRACTICE:

The Chairman, Lyn Shaddock, is an independent director.

RECOMMENDATION 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.

GROUP RESPONSE/PRACTICE:

The Chairman is Lyn Shaddock and the role of chief executive officer is fulfilled by the Managing Director, Timothy Collyer.

RECOMMENDATION 2.4: The board should establish a nomination committee.

GROUP RESPONSE/PRACTICE:

The Board has established a Nomination, Remuneration and HR Committee. Refer to page 18 of this report for more details.

RECOMMENDATION 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

GROUP RESPONSE/PRACTICE:

In accordance with its charter, the Nomination, Remuneration and HR Committee regularly, and not less than twice annually, reviews the performance of the Board, its committees and individual directors.

RECOMMENDATION 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

GROUP RESPONSE/PRACTICE:

Refer to pages 16 and 17 of this report for details of the skills, experience, expertise and length of service of the Group's directors and their role with the Group including whether such persons are executive or non-executive and independent or non-independent.

The Board considers that a director is independent if the director is a non-executive director and satisfies criteria set by the Board from time to time including that the director:

> is not a substantial security holder in the Group or an officer of, or otherwise associated directly with, a substantial security holder of the Group where "substantial security holder" means 5% of more of the Group's voting securities;

> has not, within the last three years, been employed in an executive capacity by the Group or its related entities;

> is not an officer or otherwise associated directly or indirectly with a material supplier to, or customer of, the Group or its related entities;

> has no material contractual relationship with the Group or its related entities other than as a director of a company in the Group;

> has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's security holders; and

> is free from any business of other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group's security holders.

David Spruell has connections to the previous responsible entity of the Trust, Orchard Property Limited, and a previous substantial security holder in the Group, Orchard Diversified Property Fund, as an independent director of Orchard Funds Limited which is the ultimate parent company of both Orchard Property Limited and the responsible entity of the Orchard Diversified Property Fund. Francois Marais has connections to the Group's major security holder, Growthpoint Properties Limited, as its independent chairman. The roles of Messrs Spruell and Marais referred to above are both performed in an independent capacity and Orchard Funds Limited (including its related bodies corporate) no longer has any association with the Group. As a result, the Board does not believe that they impact on the independence of either director in performing their roles as directors of companies in the Group.

Directors are entitled to seek independent professional advice at the Group's expense provided that the Chairman approves the estimated costs in advance.

The Group recognises the importance of having directors with an appropriate range of skills, experience and background. The Nomination, Remuneration & HR Committee is required to assess the collective skills of the Board and determine whether the Board, as a whole, has the skills required to competently discharge its duties both when it considers appropriate and each time a non-executive director retires. This Committee is also charged with implementing a process for the identification of suitable candidate directors for recommendation to the Board which will ordinarily involve a search being undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills and other characteristics (which could include location, gender and/or age) sought having regard to:

> the skills required by the Board;

> the skills represented on the Board; and

> the Board's aim of appointing women to the Board (subject to suitable candidates being available).

The Nomination, Remuneration and HR Committee undertook a review, in the manner set out above, following the resignation of David Hinde as a director and recommended that the Board appoint Tim Collyer as Managing Director. This recommendation was accepted by the Board.

In considering nominations for the appointment of new directors from the Nomination, Remuneration & HR Committee, the Board considers a range of factors including:

> the integrity of the person;

> the qualifications, expertise and experience of the person and the extent to which these augment the skill set of the incumbent directors; and

> the reputation and standing of the person.

All non-executive directors are expected to voluntarily review their membership of the Board from time to time taking into account their length of service, age, qualifications and expertise relevant to the Group's then current operations, whilst giving consideration to the general interests of the Group as a whole.

The Nomination, Remuneration and HR Committee charter is available on the Group's website, www.growthpoint.com.au

Principle 3: Promote ethical and responsible decision-making

RECOMMENDATION 3.1:

Companies should establish a code of conduct and disclose the code or a summary of the code as to:

> **the practices necessary to maintain confidence in the company's integrity**

> **the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders**

> **the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.**

GROUP RESPONSE/PRACTICE:

The Board has established a code of conduct for all directors and employees of the Group, a copy of which is available on the Group's website www.growthpoint.com.au.

RECOMMENDATION 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

GROUP RESPONSE/PRACTICE:

The Board has established a Diversity Policy, a copy of which is available on the Group's website www.growthpoint.com.au

RECOMMENDATION 3.3:
Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

GROUP RESPONSE/PRACTICE:

The Board has established the following measurable objectives for achieving gender diversity:

> providing work experience opportunities to female graduates and undergraduates in order to encourage greater female involvement and participation in the property industry;

> the selection team for the recruitment of any employee will be obliged to encourage and appropriately advertise for applications from women and men, to consider male and female candidates and to interview at least one serious female candidate and one serious male candidate for any available position;

> female employees and other women are to be invited to Group events and activities to assist them to build relationships in and with the Group and the property industry; and

> to require management to identify and support emerging female executives by providing executive mentoring, including developing processes to identify women with the skills and capabilities of filling a Board position.

RECOMMENDATION 3.4:
Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

GROUP RESPONSE/PRACTICE:

As at the date of this report, approximately 16% of the Group's employees (one out of six in total) are women but none are in senior executive positions and there are no women on the Board.

As stated in its Diversity Policy, the Group will seek to increase the number of women at all levels of the Group over time, however, there are limited numbers of women in the property industry (particularly at senior management level) and no women applied for two of the three positions which became available during the financial year to which this report relates. The only woman who has applied to fill a vacancy at the Group was employed by the Group.

RECOMMENDATION 3.5:
Companies should provide the information indicated in the Guide to reporting on Principle 3.

GROUP RESPONSE/PRACTICE:

There have been no departures from recommendations 3.1, 3.2, 3.3, 3.4, or 3.5

Principle 4:
Safeguard integrity in financial reporting

RECOMMENDATION 4.1:
The board should establish an audit committee.

GROUP RESPONSE/PRACTICE:

The Board has established an Audit and Risk Committee. Refer to page 17 of this report for more details.

RECOMMENDATION 4.2:
The audit committee should be structured so that it:

> **consists only of non-executive directors**

> **consists of a majority of independent directors**

> **is chaired by an independent chair, who is not chair of the board**

> **has at least three members.**

GROUP RESPONSE/PRACTICE:

The Audit and Risk Committee comprises three members, all of whom are non-executive directors and a majority of whom are independent directors. The Chairman of the Committee, David Spruell, is an independent director and is not the Chairman of the Board. Refer to pages 16, 17 and 18 of this report for more details.

RECOMMENDATION 4.3:
The audit committee should have a formal charter.

GROUP RESPONSE/PRACTICE:

The Board has established a formal charter for the Audit and Risk Committee.

RECOMMENDATION 4.4:
Companies should provide the information indicated in the Guide to reporting on Principle 4.

GROUP RESPONSE/PRACTICE:

Refer to pages 16 and 17 of this report for details of the members of the Audit and Risk Committee including their qualifications.

Refer to page 18 of this report for details of meetings of the Audit and Risk Committee.

There have been no departures from recommendations 4.1, 4.2, 4.3 or 4.4.

Principle 5:
Make timely and balanced disclosure

RECOMMENDATION 5.1:
Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

GROUP RESPONSE/PRACTICE:

The Group has established a number of policies designed to ensure compliance with ASX Listing Rule disclosure requirements including "Continuous Disclosure Policy", "Delegations of Authority Policy", "Media and Public Comments Policy"

The policies referred to above ensure:

1. Full and timely disclosure to the ASX.

2. Procedures are in place to ensure the Group identities information required to be disclosed to the ASX and that such information is disclosed in a clear and factual manner.
3. External presentations, media releases and other public statements are reviewed internally and, where necessary, released to the ASX in advance of being provided to third parties (unless an ASX Listing Rule exception applies).
4. The ability of persons to make public comment is clearly delineated to certain nominated persons, primarily the Managing Director, Norbert Sasse and Estienne de Klerk.
5. Where an external statement has not been signed off by the Board, it is signed off by a nominated delegate of the Board.
6. All directors and employees are aware of their obligations to ensure the Group complies with the ASX Listing Rules and of the limits of their respective authority.

The Group has also entered into an "Information Sharing Protocol" with Growthpoint Properties Limited which limits the use of any information provided to Growthpoint Properties Limited in its capacity as parent company of the Company and majority unit holder of the Trust and contains, among other things, a restriction on trading in the Group's securities while it is in possession of information which has not been disclosed to the ASX.

RECOMMENDATION 5.2:
Companies should provide the information indicated in the Guide to reporting on Principle 5.

GROUP RESPONSE/PRACTICE:

There have been no departures from recommendations 5.1 or 5.2.

Principle 6: Respect the rights of shareholders

RECOMMENDATION 6.1:
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

GROUP RESPONSE/PRACTICE:

Given the relatively small number of security holders in the Group, the Board has not established a specific policy promoting effective communication with security holders. The need for such a policy will be reconsidered by the Board within 12 months from the date of this report.

Instead, the Group has adopted a number of "old media" and "new media" strategies to engage with security holders including:

1. **(Mail)** Sending an "Investor Update" to all security holders to update them on the Group's developments recognising that less than half of the Group's security holders have elected to receive annual and half-year reports for the Group and that such reports are, due to regulatory requirements, lengthy documents. An initial mail-out occurred in May 2010 and it is expected that a further mail-out will occur in October 2010.
2. **(Telephone)** Establishing an investor services line providing investors with a number to connect directly to the Group (the cost to Australian callers is the cost of a local call). The Group ensures that a trained telephone operator is available to answer calls to this line during normal business hours in Melbourne and that management is available to assist with more complicated information requests.
3. **(Mail and email)** Creating a property portfolio booklet detailing the Group's property investments (to be sent late 2010). Investors who have not elected to receive annual reports but who would like to receive a copy of this booklet can request a copy by calling the investor services line on 1800 260 453 or by emailing their request to info@growthpoint.com.au.
4. **(Internet)** Providing fulsome details of the Group and its investment portfolio, directors, executives, key investment policies and distributions as well as detailed investor presentations and other ASX announcements via its website, www.growthpoint.com.au.
5. **(Email)** From time to time, the Group will email security holders copies of key ASX announcements. Security holders who would like to be included in the this email distribution list can provide their email address to the Group's share registry, Computershare, or can email a request to info@growthpoint.com.au.

The above are continually evaluated by the Board and management of the Group to ensure security holders receive appropriate communication.

Due to changes in the make-up of the Group's security holder register and to facilitate increased security holder participation and attendance at annual general meetings, the Group intends to hold its 2011 annual general meeting in Sydney and its 2012 annual general meeting in Brisbane.

The Board does not currently believe it to be in the interests of security holders as a whole to utilise webcasting or similar mass communication means bearing in mind the relatively small number of security holders and the costs involved in such communications.

The Group's website is in the process of being re-developed and a revised website is expected to be released before the end of the 2010 calendar year.

RECOMMENDATION 6.2:
Companies should provide the information indicated in the Guide to reporting on Principle 6.

GROUP RESPONSE/PRACTICE:

The departures from recommendation 6.1 and the reasons for such departures are listed above.

The Group will continue to communicate with security holders through:

1. Direct mail outs of its "Investor Updates" to all security holders.

2. Direct mail outs of annual reports, half year reports and property portfolio reports to security holders who elect to receive them.
3. Providing fulsome details of the Group and its investment portfolio, directors, executives, key investment policies and distributions as well as detailed investor presentations and other ASX announcements via its website, www.growthpoint.com.au.
4. Emailing copies of key ASX announcements to security holders who have provided their email address to the Group in the manner noted above.

Principle 7: Recognise and manage risk

RECOMMENDATION 7.1:
Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

GROUP RESPONSE/PRACTICE:

The Group has the following polices in place for the oversight and management of material business risks:

1. Delegations of Authority Policy – prescribing limits of authority for individual directors and management.
2. Investment policies – details are available at www.growthpoint.com.au
3. Business Continuity Plan.
4. Disaster Recovery Plan.
5. Valuation Policy – requires directors valuations and external valuations of the Group's real properties not less than every 6 months and every 2 years, respectively. This policy also provides guidance for valuation principles and the appointment and rotation of external valuers.
6. Compliance Plan – outlines key compliance objectives, risks and measures.
7. Operational Compliance Manual – provides guidance to all employees on day-to-day operational compliance practices and procedures.
8. Information sharing protocol between the Group and Growthpoint Properties Limited which limits the use of any information provided to Growthpoint Properties Limited in its capacity as parent company of the Company and majority unit holder of the Trust.

As at the date of this report, management is in the process of formulating a new, integrated risk management framework. The Audit and Risk Committee is overseeing the process with the Board expected to sign-off on the new framework at its scheduled meeting in November 2010.

RECOMMENDATION 7.2:
The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

GROUP RESPONSE/PRACTICE:

As at the date of this report, management is in the process of formulating a new, integrated risk management framework. The Audit and Risk Committee is overseeing the process with the Board expected to sign-off on the new framework at its scheduled meeting in November 2010.

Due to the small number of Group employees and the external audits of:

1. the Group's external property manager's accounts;
2. the Group's consolidated accounts;
3. the Trust's accounts;
4. the Company's accounts;
5. the Trust's compliance plan; and
6. the Company's compliance with its Australian Financial Services Licence,

the Board does not believe a dedicated internal audit function is required.

The Audit and Risk Committee provides risk oversight for the Group although ultimate responsibility for risk oversight remains with the Board.

RECOMMENDATION 7.3:
The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

GROUP RESPONSE/PRACTICE:

The Board received assurance from the Managing Director (being the person acting in the capacity as chief executive officer) and the Financial Controller (being the person acting in the capacity as chief financial officer) that the declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) for the consolidated accounts for the Group dated 16 August 2010 and included in this report is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

RECOMMENDATION 7.4:
Companies should provide the information indicated in the Guide to reporting on Principle 7.

GROUP RESPONSE/PRACTICE:

There have been no departures from recommendations 7.1 or 7.3. The departures from recommendation 7.2 and the reasons for such departures are listed above.

Principle 8: Remunerate fairly and responsibly

RECOMMENDATION 8.1:
The board should establish a remuneration committee.

GROUP RESPONSE/PRACTICE:

The Board has established a Nomination, Remuneration and HR Committee. Refer to pages 16, 17 and 18 of this report for more details.

The Board has established a charter for the Nomination, Remuneration and HR Committee which is the primary written policy for the Group's remuneration policy.

RECOMMENDATION 8.2:
The remuneration committee should be structured so that it:

> **consists of a majority of independent directors**

> **is chaired by an independent chair**

> **has at least three members.**

GROUP RESPONSE/PRACTICE:

The Nomination, Remuneration and HR Committee comprises three members, all of whom are non-executive directors and a majority of whom are independent directors. The Chairman of the Committee, Norbert Sasse, is the Chief Executive Officer of the Group's major security holder, Growthpoint Properties Limited, and is therefore not deemed to be an independent director. The Board has determined that Norbert Sasse's appointment as the Chairman of the Nomination, Remuneration and HR Committee is appropriate having regard to:

1. The small number of directors and their existing responsibilities.
2. The reason for Norbert Sasse not being deemed to be independent (i.e. his role as CEO of the Group's major security holder) is unlikely to have any adverse impact, from security holders' perspective, on his role in determining executive remuneration.
3. The interest of Growthpoint Properties Limited wanting to ensure executives are renumerated appropriately and in a manner which maximises security holder value aligns with the interests of all security holders.
4. The Committee comprises a majority of independent directors.

Refer to page 18 of this report for more details on the Nomination, Remuneration and HR Committee.

No employees are involved in determining their own remuneration.

RECOMMENDATION 8.3:
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

GROUP RESPONSE/PRACTICE:

Non-executive directors are entitled to receive an annual fee (including superannuation where applicable) and are not eligible for any other form of remuneration from the Group. Refer to pages 22 and 23 of this report for more details of non-executive director remuneration.

The only executive director, Tim Collyer, is entitled to receive an annual salary, superannuation, insurance and an annual short term incentive bonus and is also eligible to participate in the Group's employee share plan which is expected to be introduced following the Group's annual general meeting in November 2010. Refer to pages 22 and 23 of this report for more details of executive director remuneration.

Other executives are entitled to receive an annual salary, superannuation, insurance and an annual short term incentive bonus and are also eligible to participate in the Group's employee share plan which is expected to be introduced following the Group's annual general meeting in November 2010. Refer to pages 22 and 23 of this report for more details of executive remuneration.

RECOMMENDATION 8.4:
Companies should provide the information indicated in the Guide to reporting on Principle 8.

GROUP RESPONSE/PRACTICE:

Refer to pages 16, 17 and 18 of this report for details of the members of the Nomination, Remuneration and HR Committee including their experience and qualifications.

Refer to page 18 of this report for details of meetings of the Nomination, Remuneration and HR Committee.

Non-executive directors are not entitled to any termination benefits from their loss of office.

The charter for the Nomination, Remuneration and HR Committee and details of the Group's investment policies are available on the Group's website, www.growthpoint.com.au.


THE

130 SHARPS ROAD, TULLAMARINE, VIC

This report covers Growthpoint Properties Australia Limited and Growthpoint Properties Australia Trust, together being a stapled group. Growthpoint Properties Australia Limited is the Responsible Entity for Growthpoint Properties Australia Trust. The financial report is presented in Australian currency.

Growthpoint Properties Australia Trust and its Responsible Entity, Growthpoint Properties Australia Limited, are both domiciled in Australia. The Responsible Entity's registered office and principal place of business is Level 10, 379 Collins Street, Melbourne, Victoria, 3000.

A description of the nature of the stapled group's operations and its principal activities is included in the Directors' Report which is not part of the financial report.

The financial report was authorised for issue by the directors on 16 August 2010. The directors have the power to amend and reissue the financial report.

04
FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010	Notes	2010	2009
		$'000	$'000
Revenue			
Property revenue	13	**66,909**	61,936
Straight line adjustment to property revenue	13	**9,021**	9,130
Net changes in fair value of investment properties	13	**16,744**	(185,997)
Loss on sale of investment properties	13	**-**	(2,186)
Net gain / (loss) on derivatives		**(1,523)**	(46,041)
Net investment income / (loss)		**91,151**	(163,158)
Expenses			
Property expenses	13	**(7,608)**	(6,819)
Responsible Entity management fees	21	**(292)**	(1,866)
Other expenses from ordinary activities		**(2,586)**	(767)
Total expenses		**(10,486)**	(9,452)
Profit / (loss) from operating activities		**80,665**	(172,610)
Interest income		**279**	1,095
Borrowing costs	7	**(34,250)**	(38,535)
Net finance costs		**(33,971)**	(37,440)
Profit / (loss) for the year		**46,694**	(210,050)
Profit/ (loss) attributable to:			
Owners of the Trust		**46,637**	(210,050)
Owners of the Company		**57**	-
		46,694	(210,050)
Distribution to security holders	9	**(22,347)**	(11,242)
Change in net assets attributable to security holders / Total Comprehensive Income		**24,347**	(221,292)
Basic and diluted earnings / (loss) per stapled security (cents)	24	**34.5**	(60.7)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010	Notes	**2010**	2009
		$'000	$'000
Current assets			
Cash and cash equivalents	18	**16,739**	7,010
Trade and other receivables	10	**1,100**	2,847
Assets held for sale	11	**9,586**	-
Total current assets		**27,425**	9,857
Non-current assets			
Trade and other receivables	10	**28,126**	19,105
Plant & equipment	12	**103**	-
Investment properties	13	**719,174**	642,665
Total non-current assets		**747,403**	661,770
Total assets		**774,828**	671,627
Current liabilities			
Trade and other payables	14	**6,012**	24,247
Provision for distribution payable		**13,568**	2,596
Derivative financial instruments	16	**789**	15,412
Total current liabilities		**20,369**	42,255
Non-current liabilities			
Interest bearing liabilities	15	**416,630**	506,082
Derivative financial instruments	16	**13,826**	6,680
Total non-current liabilities		**430,456**	512,762
Total liabilities		**450,825**	555,017
Net assets		**324,003**	116,610
Security holders' funds			
Contributed equity	19	**515,579**	332,514
Retained profits / (accumulated losses)		**(191,576)**	(215,904)
Total security holders' funds		**324,003**	116,610

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010	2010	2009
	$'000	$'000
Total equity at the beginning of the year	**116,610**	337,504
Net income recognised directly in equity	**-**	-
Profit / (loss) for the year	**46,694**	(210,050)
Total recognised income and expense for the year	**46,694**	(210,050)
Transactions with security holders in their capacity as security holders:		
Contributions of equity, net of transaction costs	**189,206**	398
Return of capital	**(6,160)**	-
Distributions provided or paid	**(22,347)**	(11,242)
Total equity at the end of the year	**324,003**	116,610
Total recognised income and expense for the year is attributable to:		
- Trust	**46,637**	(210,050)
- Company	**57**	-
Growthpoint Properties Australia	**46,694**	(210,050)

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2010	Notes	2010	2009
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		71,335	63,017
Payments to suppliers		(15,588)	(7,619)
Borrowing costs		(33,437)	(37,825)
Interest received		282	1,095
Net cash inflow from operating activities	18 (b)	22,592	18,668
Cash flows from investing activities			
Net proceeds from sale of investment properties		-	24,086
Payments for investment properties		(85,393)	(28,768)
Payments for plant & equipment		(145)	-
Net cash inflow / (outflow) from investing activities		(85,539)	(4,682)
Cash flows from financing activities			
Proceeds from external borrowings		15,200	-
Repayment of external borrowings		(114,211)	(8,922)
Proceeds from equity raising		200,000	-
Equity raising costs		(10,938)	(380)
Distributions paid to security holders		(11,375)	(15,234)
Return of capital to unitholders		(6,160)	-
Cash acquired on stapling		160	-
Net cash outflow from financing activities		72,676	(24,536)
Net increase / (decrease) in cash and cash equivalents		9,729	(10,550)
Cash and cash equivalents at the beginning of the period		7,010	17,560
Cash and cash equivalents at the end of the period		16,739	7,010

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Reporting entity

Growthpoint Properties Australia was formed by the stapling of two entities comprising Growthpoint Properties Australia Limited (formerly Orchard Management Limited) and its controlled entities and Growthpoint Properties Australia Trust (formerly Orchard Industrial Property Fund) and its controlled entities. The Responsible Entity for Growthpoint Properties Australia Trust is Growthpoint Properties Australia Limited. Growthpoint Properties Australia is also referred to as "the Group".

The Group was established for the purpose of facilitating a joint quotation of Growthpoint Properties Australia Limited ("the Company") and its controlled entities and Growthpoint Properties Australia Trust ("the Trust") and its controlled entities on the Australian Securities Exchange (ASX Code: GOZ). The constitutions of the Company and the Trust ensure that, for so long as the two entities remain jointly quoted, the number of shares in the Company and the number of units in the Trust shall be equal and the shareholders and the unitholders are identical. The Company, both in its personal capacity and in its capacity as the Responsible Entity of the Trust, must at all times act in the best interests of the Group.

To account for the stapling, Australian Accounting Standards require an acquirer (the Trust) to be identified and an acquisition to be recognised.

The financial report includes financial statements for Growthpoint Properties Australia, the stapled consolidated entity, which is domiciled in Australia as at and for the twelve months ended 30 June 2010. Note that the comparative information is for the Trust only.

Note 2: Basis of preparation

(A) STATEMENT OF COMPLIANCE

This consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS's) and interpretations adopted by the International Accounting Standards Board (IASB)

The consolidated financial statements were authorised for issue by the Board of Directors on 16 August 2010.

(B) BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

> derivative financial instruments measured at fair value;

> assets held for sale are measured at fair value; and

> investment property is measured at fair value.

(C) FUNCTIONAL AND PRESENTATIONAL CURRENCY

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

The Group is of a kind referred to in class order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with that class order, to the nearest thousand dollars, unless otherwise stated.

(D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with AASB's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

> Note 13 – Investment properties.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

> Note 13 – Investment properties.

Note 3: Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

(A) BASIS OF CONSOLIDATION

(I) BUSINESS COMBINATIONS

The Group has adopted revised AASB 3 Business Combinations (2008) and amended AASB 127 Consolidated and Separate Financial Statements (2008) for business combinations occurring in the financial year starting 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The accounting policy is applied prospectively and had no material impact on earnings per stapled security.

The Group has applied the acquisition method for the business combination disclosed in note 23.

For every business combination, the Group identifies the acquirer. In the stapling transaction outlined in note 23, judgement has been applied to determine that the Trust is the acquirer by virtue of its comparative size to the Company.

Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

(II) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. Where control of an entity is obtained during a period, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a period its results are included for that part of the period during which control existed. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(B) VALUATION OF INVESTMENT IN PROPERTY

Investment properties are initially measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity.

Subsequent to initial recognition as assets, investment properties are revalued to fair value. Directors revalue the permanent property investments either on the basis of valuations determined by independent valuers on a periodic basis or, in respect of properties acquired during the period, on the basis of the valuation prepared at the time of acquisition. The Group assesses at each balance date whether these valuations appropriately reflect the fair value of investment properties (refer note 13).

Subsequent capital expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the capital expenditure will flow to the entity and the cost of that capital expenditure can be measured reliably.

Any gains or losses arising from changes in fair value of the properties are recognised in the income statement in the period in which they arise.

(C) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised on trade-date – the date on which the Group commits to sell or purchase the asset. Financial assets are derecognised when the right to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially the risks and rewards of ownership. Financial instruments are designated on initial recognition, and investments held at fair value through profit or loss are re-evaluated at each reporting date for designation into this category.

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(II) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that all amounts due will not be able to be collected 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 significant delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within property revenue. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off. Subsequent recoveries of amounts previously written off are credited against property revenue in the income statement.

(III) TRADE AND OTHER PAYABLES

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

(IV) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.

(V) DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument. The Group takes out certain derivative contracts as part of its financial risk management (note 5), however it has not elected to qualify these for hedge accounting.

Note 3: Significant accounting policies (cont.)

(C) FINANCIAL INSTRUMENTS (CONT.)

(V) DERIVATIVES (CONT.)

Interest rate swaps

As noted above the interest rate swaps do not qualify for hedge accounting. Changes in fair value of such derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

(D) REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable as detailed below for each category of revenue. All revenue is stated net of the amount of goods and services tax (GST).

PROPERTY REVENUE

Revenue from investment properties is recognised on a straight-line basis over the life of the lease for leases where the revenue under the lease terms is fixed and determinable. For leases where the revenue is determined with reference to market reviews, inflationary measures or other variables, revenue is not straight-lined and is recognised in accordance with the lease terms applicable for the period.

INTEREST INCOME

Interest income is recognised on a proportional basis using the effective interest rate method taking into account interest rates applicable to financial assets.

(E) LEASE INCENTIVES AND COMMISSIONS

Any lease incentives provided to the tenant under the terms of a lease such as fit-outs or rent free periods are recognised as an expense on a straight-line basis over the term of the lease.

Leasing commissions paid to agents on signing of lease agreements are recognised as an expense on a straight-line basis over the term of the lease.

(F) DISTRIBUTIONS AND DIVIDENDS

Provision is made for the amount of any distribution or dividend declared, determined or publicly recommended by the Directors on or before the end of the period but not distributed at the balance sheet date.

(G) BORROWING COSTS

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are incurred for the construction of any qualifying asset capitalised during the period of time that is required to complete and prepare the asset for its intended use.

(H) INCOME TAX

Under current income tax legislation no income tax is payable by the Trust provided taxable income is fully distributed to security holders or the security holders become presently entitled to all the taxable income.

For the Company, income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the 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 are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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.

(I) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

(J) NET TANGIBLE ASSET BACKING PER STAPLED SECURITY

Basic net tangible asset backing per stapled security is determined by dividing the net assets attributable to security holders (excluding intangible assets) by the number of stapled securities outstanding at balance date.

Diluted net tangible asset backing per stapled security adjusts the figures used in the determination of basic net tangible asset backing per stapled security by taking into account amounts unpaid on stapled securities.

(K) PRESENTATION OF FINANCIAL STATEMENTS

The Group applies AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per stapled security.

(L) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 **Financial Instruments** includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.
- AASB 124 **Related Party Disclosures** (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for the Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 **Further amendments to the Australian Accounting Standards arising from the Annual Improvements Process** affect various AASBs resulting in minor change for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements are not expected to have any significant impact on the financial statements.
- AASB 2009-8 **Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions** resolves diversity in practise regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 – Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2009-10 **Amendments to Australian Accounting Standards – Classification of Rights Issue** [AASB 132] (October 2010) clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all exiting owners of the same class of its own non-derivative equity instruments. The amendments, which will become mandatory for the Group's 30 June 2011 financial statements, are not expected to have any impact on the financial statements.
- IFRIC 19 **Extinguishing Financial Liabilities with Equity Instruments** addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. IFRIC 19 will become mandatory for the Group's 30 June 2011 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.

(M) EARNINGS PER STAPLED SECURITY (EPS)

Basic EPS is determined by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of equivalent securities outstanding during the financial year.

Diluted EPS adjusts the figures used in the determination of basic EPS by taking into account amounts unpaid on securities and the effect of all dilutive potential ordinary securities.

(N) PLANT AND EQUIPMENT

(I) RECOGNITION AND MEASUREMENT

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within other income in profit of loss.

(II) DEPRECIATION

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit of loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and equipment 2 – 12 years
- Fixtures and fittings 4 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end adjusted if appropriate.

Note 3: Significant accounting policies (cont.)

(O) IMPAIRMENT

(I) FINANCIAL ASSETS (INCLUDING RECEIVABLES)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default of delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant of prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collectively impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(P) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value.

(Q) EMPLOYEE BENEFITS

(I) DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit of loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(II) TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(III) SHORT TERM BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Note 4: Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(A) INVESTMENT PROPERTY

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio at least once every two years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and when appropriate counter-notices, have been served validly and within the appropriate time.

(B) TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(C) DERIVATIVES

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price or the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a substitute instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Note 5: Financial risk management

OVERVIEW

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk (including interest rate risk).

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes form measuring and managing risk, and the management of capital as well as relevant quantitative disclosure on risks.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring risk management policies and making appropriate recommendations to the Board. The Committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitor compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

FINANCIAL INSTRUMENTS USED BY THE GROUP

The Group's principal financial instruments, other than derivatives, comprise of bank loans.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. The Group also enters into derivative transactions (interest rate swaps) to manage the interest rate risks arising from the Group's operations. It is the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is cash flow interest rate risk. The Board of Directors reviews and agrees policies for managing this risk and this is summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

(A) DERIVATIVE FINANCIAL INSTRUMENTS

The Group is exposed to financial risk from movement in interest rates. To reduce its exposure to adverse fluctuations in interest rates, the Group has employed the use of interest rate swaps whereby the Group agrees with a bank to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps are recognised as adjustments to interest expense over the life of each contract swap, thereby adjusting the effective interest rate on the underlying obligations.

The gain or loss from re-measuring the interest rate swaps at fair value is recognised in the income statement immediately, as hedge accounting under AASB 139 has not been adopted.

Swaps effective at 30 June 2010 covered 79% of the loan principal outstanding at that date (2009: 101%).

Note 5: Financial risk management (cont.)

FINANCIAL INSTRUMENTS USED BY THE GROUP (CONT.)

(B) CREDIT RISK

Credit risk is the risk that counterparties to a financial asset will fail to discharge their obligations, causing the Group to incur a financial loss. The Group has significant derivative financial instruments held with two major Australian banks, National Australia Bank Limited and Westpac Banking Corporation, counterparties which are considered to be high quality financial institutions. At balance date, the fair value of the financial instruments is in a liability position.

At balance date the agreed notional principal amount of interest rate swap contracts in effect for the Group is $330,000,000 (2009: $512,700,000). A further forward start swap was executed in May 2010 but did not take effect until 20 July 2010. At that date, the interest rate swaps in effect for the Group totalled $405,000,000.

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Cash at bank is held with a major Australian bank.

Tenants for each of the properties held by the Group are assessed for creditworthiness before a new lease commences. This assessment is also undertaken where the Group acquires a tenanted property. If necessary, a new tenant will be required to provide lease security (such as personal, director or bank guarantees, a security deposit, letter of credit or some other form of security) before the tenancy is approved. Tenant receivables are monitored by property managers and the Group's portfolio manager on a monthly basis. If any amounts owing under a lease are overdue these are followed up for payment. Where payments are outstanding for a longer period than allowed under the lease, action to remedy the breach of the lease can be pursued including legal action or the calling of security held by the Group under the lease. Where it is assessed it is not likely that the amount outstanding will be received by the Group an allowance is made for the debt being doubtful.

(C) NET FAIR VALUES

The carrying values of the Group's financial assets and liabilities included in the Balance Sheet approximate their fair values. Refer to Note 4 for the methods and assumptions adopted in determining net fair values.

(D) MARKET RISK

The Group's primary exposure to market risk arises from changes in interest rates relating to its syndicated bank loan amounting to $418,500,000 (2009: $508,511,025).

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates.

The following table sets out the carrying amount of the financial instruments that are exposed to interest rate risk.

	Fixed / Floating	**2010**	2009
		$'000	$'000
Financial assets			
Cash and cash equivalents	Floating	**16,739**	7,010
		16,739	7,010
Financial liabilities			
Derivative financial instruments	Floating	**14,615**	22,092
Interest bearing liabilities – hedged*	Fixed	**330,000**	512,700
Interest bearing liabilities – unhedged/(overhedged)	Floating / (fixed)	**88,500**	(4,189)
		433,115	530,603

* Note – hedge accounting has not been adopted.

The following sensitivity analysis is based on the interest rate risk exposures in existence at balance sheet date. At 30 June 2010, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit after tax and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2010	2009	**2010**	2009
	$'000	$'000	$'000	$'000
Consolidated				
+100 bps (2009 +100 basis points)	**12,596**	14,761	**12,596**	14,761
-100 bps (2009 -100 basis points)	**(14,588)**	(15,538)	**(14,588)**	(15,538)

The movements in profit are primarily due to fair value gains/losses on financial derivatives from the interest rate increase/decrease. The fair value gains/losses, in this sensitivity analysis, would be unrealised and non-cash in nature unless the interest rate swaps were closed or sold.

(E) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its obligations in relation to investment activities or other operations of the Group. The Group manages its liquidity risk by ensuring that on a daily basis there is sufficient cash on hand or available loan facilities to meet the contractual obligations of financial liabilities as they fall due. The Board sets budgets to monitor cash flows. At balance date, the Group had cash and cash equivalents totalling $16,739,000 (2009: $7,010,000).

Financing arrangements

The Group had access to the following borrowing facilities at the reporting date:

	2010	2009
	$'000	$'000
Bank loan facilities		
Total facilities	**480,000**	517,590
Used at balance date	**418,500**	508,511
Unused at balance date	**61,500**	9,079

The bank loan facility matures in June 2012.

Maturities of financial liabilities

The maturity of financial liabilities (including trade and other payables, provision for distribution and interest bearing liabilities) at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows, including interest payments based on variable rates at 30 June.

	2010	2009
	$'000	$'000
6 months or less	**31,360**	56,791
6 to 12 months	**17,001**	22,138
1 to 5 years	**491,135**	600,656
More than 5 years	**3,610**	7,470
Total contractual cashflows	**543,106**	687,055
Carrying amounts of financial liabilities	**448,920**	562,827

(F) CAPITAL MANAGEMENT

The Group's capital management strategy is discussed in note 19(d).

Note 6: Segment information

The Group operates wholly within Australia and derives rental income solely from property investments and therefore only has one operating segment.

Note 7: Borrowing costs

	2010	2009
	$'000	$'000
Bank interest expense and charges	**33,222**	38,150
Amortisation of borrowing costs	**1,028**	385
	34,250	38,535

Note 8: Income tax expense

Under current income tax legislation no income tax is payable by the Trust provided taxable income is fully distributed to security holders or the security holders become presently entitled to all the taxable income.

The Company has carried forward tax losses in the order of $101,000 (2009: nil). Deductible tax losses do not expire under current legislation. A deferred tax asset has not been recognised for the tax losses because it is not probable that future taxable profit will be available within a reasonable timeframe to apply against Company tax losses on hand.

Note 9: Distributions

	2010	2009
	$'000	$'000
Profit/(loss) from operating activities	**46,694**	(210,050)
Less non-distributable items:		
- Straight line adjustment to property revenue	**(9,021)**	(9,130)
- Net changes in fair value of investments	**(16,744)**	185,997
- Loss of sale of investment properties	**0**	2,186
- Net loss on derivatives	**1,523**	46,041
Distributable income	**22,452**	15,044
Distributions on ordinary stapled securities provided for or paid during the year	**22,347**	11,242

Period for distribution	Total distribution	Total stapled securities	Distribution per stapled security
	$'000	'000	cents
Half year to 31 December 2009	8,779	159,620	5.50
Half year to 30 June 2010	13,568	159,620	8.50
			14.00

The distribution of 14.0 cents per stapled security ($22,347,000) for the year to 30 June 2010 is 100% tax deferred.

No comparative is provided for the table above as in the prior year the stapling transaction had not occurred, nor had the 1for 10 consolidation of securities, which renders a comparative meaningless.

Note 10: Trade and Other Receivables

	2010	2009
	$'000	$'000
Current		
Rent receivables	**723**	1,131
Provision for impairment of receivables	**(230)**	(219)
Prepayments	**607**	1,935
	1,100	2,847

(A) IMPAIRED RENT RECEIVABLES

As at 30 June 2010 current rent receivables of the Group with a nominal value of $230,000 (2009: $219,000) were impaired. The amount of the provision was $230,000 (2009: $219,000). The impaired rent receivables relate to a tenant who has vacated the property at Lot 1, 44-54 Raglan Street, Preston. Action to recover this amount is being taken. During the period the Board approved a write off of $562,000 of rent receivables relating to this matter as it was deemed there was no likelihood of recovering this amount.

Movements in the provision for impairment of receivables are as follows:

	$'000
At 30 June 2009	(219)
Provision for impairment recognised in the period	(573)
Bad debt written off	562
At 30 June 2010	(230)

The provision for impaired receivables has been deducted from "property revenue" in the Statement of Comprehensive Income.

(B) FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 5 for more information on the risk management policy of the Group.

	2010	2009
	$'000	$'000
Non-current		
Rent receivables	**28,126**	19,105
	28,126	19,105

Rent receivables represent the non-current portion of straight-line rental income receivable (refer note 3(d)).

Note 11: Assets classified as held for sale

On 15 June the Group signed a contract of sale over the property at Lot 1, 44-54 Raglan Street, Preston Victoria 3072 with settlement to occur on or before 30 June 2011. As such this property was reclassed from investment property to assets available for sale. The value transferred was $9,586,000 which represents the fair value less costs to sell the property.

Note 12: Plant and equipment

	IT equipment	Furniture and fittings	Total
	$'000	$'000	$'000
Balance at 1 July 2009	-	-	**-**
Additions	119	27	**146**
Disposals	-	-	**-**
Depreciation for the year	(38)	(5)	**(43)**
Carrying amount as at 30 June 2010	81	22	**103**

Note 13: Investment properties

Property Address			Latest External Valuation Date	Valuation	Consolidated Book Value 2010	2009
				$'000	$'000	$'000
70 Distribution Street	Larapinta	QLD	31-Dec-09	142,000	**147,500**	141,400
599 Main North Road	Gepps Cross	SA	31-Dec-09	50,700	**53,200**	52,203
10 Butler Boulevard	Adelaide	SA	31-Dec-09	7,100	**7,300**	7,000
12-16 Butler Boulevard	Adelaide	SA	31-Dec-09	10,600	**10,600**	9,600
28 Bilston Drive	Wodonga	VIC	31-Dec-09	64,250	**65,700**	64,750
522-550 Wellington Road	Mulgrave	VIC	31-Dec-09	47,000	**48,800**	43,395
2 Horrie Miller Drive	Perth Airport	WA	31-Dec-09	105,000	**107,000**	101,657
3 Viola Place	Brisbane	QLD	31-Dec-09	2,100	**2,400**	2,700
5 Viola Place	Brisbane	QLD	31-Dec-09	11,100	**11,200**	11,550
40 Annandale Road	Tullamarine	VIC	31-Dec-09	34,500	**35,300**	34,582
60 Annandale Road	Tullamarine	VIC	31-Dec-09	13,400	**13,400**	12,950
75 Annandale Road	Tullamarine	VIC	31-Dec-09	6,500	**6,600**	6,400
45-55 South Centre Road	Tullamarine	VIC	31-Dec-09	8,500	**7,800**	8,200
130 Sharps Road	Tullamarine	VIC	31-Dec-09	19,250	**19,300**	18,700
120 Link Road	Tullamarine	VIC	31-Dec-09	17,000	**16,900**	15,850
31 Garden Street	Kilsyth	VIC	31-Dec-09	6,400	**6,400**	6,700
42-44 Garden Street	Kilsyth	VIC	31-Dec-09	17,800	**17,800**	15,150
45 Northlinks Place	Virginia	QLD	31-Dec-09	3,600	**3,600**	3,250
81 Derby Street	Silverwater	NSW	31-Dec-09	12,750	**13,400**	12,450
120 Northcorp Boulevard	Broadmeadows	VIC	31-Dec-09	60,000	**59,500**	57,178
1304 Ferntree Gully Road	Scoresby	VIC	31-Dec-09	6,500	**5,300**	6,650
6-10 Koornang Road	Scoresby	VIC	31-Dec-09	5,600	**4,600**	5,305
44-54 Raglan St Lot 1 (i)	Preston	VIC	31-Dec-09	9,425	**-**	9,654
44-54 Raglan St Lot 2 - 4	Preston	VIC	31-Dec-09	17,375	**15,800**	14,496
134 Lillkar Road	Goulburn	NSW	31-Dec-09	65,500	**67,900**	-
Sub-totals				**743,950**	**747,300**	**661,770**
Less: amounts classified as receivables (rental income recognised on a straight line basis)					(28,126)	(19,105)
Total investment properties					**719,174**	**642,665**

(i) A contract of sale has been signed for this property and it has been reclassed to assets available for sale under current assets – see note 11 for further information.

(A) VALUATION BASIS

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for comparable properties in similar location and condition and subject to similar leases.

External valuations for all properties were obtained at December 2009, which were conducted by Jones Lang LaSalle and Colliers International. The 30 June 2010 valuations for all properties were based on director valuations.

At each reporting date the Directors update their assessment of the fair value of each property in accordance with the accounting policy detailed at note 3(b).

The Group determines a property's value within a range of reasonable fair value estimates and, in making that assessment, considers information from a variety of sources including:

> Current prices for comparable investment properties, as adjusted to reflect differences for location, building quality, tenancy profile and other factors.

> Discounted cash flow projections based on reliable estimates of future cash flows.

> Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from analysis of market evidence.

At reporting date the key assumptions used by the Group in determining fair value were in the following ranges for the Group's portfolio of properties:

	2010	2009
Discount rate	**9.5% - 11.0%**	9.5% - 10.0%
Terminal yield	**8.75% - 11.0%**	8.5% - 10.0%
Capitalisation rate	**8.1% - 11.0%**	8.3% - 11.4%
Expected vacancy period	**6-12 months**	6-18 months
Rental growth rate	**2.5% - 4.0%**	2.5% - 4.0%

(B) UNCERTAINTY AROUND PROPERTY VALUATIONS

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. In recent years the lower levels of liquidity and available credit have translated into a general weakening of market sentiment towards real estate during 2008 & 2009 and the number of real estate transactions was significantly reduced. The commercial real estate market has improved in 2010 with larger transactions taking place and buyer confidence lifting.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for comparable property in terms of investment characteristics such as location, lettable and land area, building characteristics, property condition, lease terms and rental income potential, amongst others.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

(C) CONTRACTUAL OBLIGATIONS

Refer to note 26 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Note 13: Investment properties (cont.)

(D) AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR INVESTMENT PROPERTIES

	2010	2009
	$'000	$'000
Rental income	**66,909**	61,936
Straight line adjustment to rental income	**9,021**	9,130
Net gain/(loss) from fair value adjustment	**16,744**	(185,997)
Loss on sale of investment properties	**-**	(2,186)
Direct operating expenses from property that generated rental income	**(7,608)**	(6,819)
	85,066	(123,936)

(E) LEASING ARRANGEMENTS

The majority of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	2010	2009
	$'000	$'000
Minimum lease payments under noncancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	**59,610**	57,640
Later than one year but not later than 5 years	**231,295**	233,185
Later than 5 years	**373,924**	431,644
	664,829	722,469

(F) RECONCILIATION

	2010	2009
	$'000	$'000
At fair value		
Opening balance	**642,665**	809,902
Acquisitions / capital expenditure	**69,351**	45,032
Disposals	**-**	(24,086)
Reclassification to available for sale	**(9,586)**	-
Net loss on disposals	**-**	(2,186)
Net gain/(loss) from fair value adjustment	**16,744**	(185,997)
Closing balance at 30 June	**719,174**	642,665

Note 14: Trade and other payables

	2010	2009
	$'000	$'000
Trade payables	**65**	-
Non-trade payables	**46**	-
GST payable	**594**	-
Accrued expenses - capex	**-**	16,024
Accrued expenses - other	**1,544**	8,223
Prepaid rent	**3,763**	-
	6,012	24,247

Note 15: Interest bearing liabilities

	2010	2009
	$'000	$'000
Secured		
Bank loans	**416,630**	506,082
Total secured noncurrent borrowings	**416,630**	506,082

(A) TOTAL SECURED LIABILITIES

The total secured liabilities (current and noncurrent) are as follows:

	2010	2009
	$'000	$'000
Secured		
Bank loans	**416,630**	506,082
Total secured noncurrent borrowings	**416,630**	506,082

(B) ASSETS PLEDGED AS SECURITY

The bank loans and bills payable of the Group are secured by first mortgages over the Group's freehold land and buildings, including those classified as investment properties.

The carrying amounts of assets pledged as security for current and noncurrent borrowings are:

	2010	2009
	$'000	$'000
Current		
Floating charge		
- Cash and cash equivalents	**16,739**	7,010
- Receivables	**1,100**	2,847
- Assets held for sale	**9,586**	-
	27,425	9,857

Note 15: Interest bearing liabilities (cont.)

(B) ASSETS PLEDGED AS SECURITY (CONT.)

	2010	2009
	$'000	$'000
Non-current		
First mortgage		
- Investment properties	**719,174**	642,665
- Receivables	**28,126**	19,105
Floating charge		
- Plant and equipment	**103**	-
Total noncurrent assets pledged as security	**747,403**	661,770
Total assets pledged as security	**774,828**	671,627

(C) BANK LOAN

The bank loan is provided under a syndicated Australian dollar facility. The facility has variable interest rates and is repayable in June 2012.

The interest rate (including bank margin) at 30 June 2010 was 8.06% (2009 – 5.77%). Refer to note 16 for details on interest rate swaps.

(D) RISK EXPOSURES

Information about the Group's exposure to interest rate changes is provided in note 5.

(E) FAIR VALUE

The carrying amounts approximate the fair values of borrowings at balance date.

Note 16: Derivative financial instruments

	2010	2009
	$'000	$'000
Interest rate swap contracts – carried at fair value through profit and loss:		
Total current derivative financial instrument liabilities	**789**	15,412
Total non-current derivative financial instrument liabilities	**13,826**	6,680
	14,615	22,092

(A) INSTRUMENTS USED BY THE GROUP

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies (refer to note 5). The gain or loss from re-measuring the interest rate swaps at fair value is recognised in the income statement immediately.

INTEREST RATE SWAP CONTRACTS – CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS

Swaps in effect at 30 June 2010 covered 79% (2009 – 101%) of the loan principal outstanding. Two further forward rate swaps were executed in May 2010.The first has an effective date of 20 July 2010. At that date, swaps in effect covered 97% of the loan principal outstanding. The second has an effective date of 21 May 2011 and replaces a swap currently in place. The current average fixed interest rate is 5.91% (2009 – 6.24%) and the variable rate (excluding bank margin) is 4.79% (2009 – 3.22%) at balance date.

The contracts require settlement of net interest receivable or payable each 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

At balance date these contracts were liabilities with fair value of $14,615,000 (2009 – a liability of $22,092,000) for the Group. In the year ended 30 June 2010 there was a loss from the decrease in fair value of $1,523,000 for the Group (2009 – loss of $46,041,000).

(B) RISK EXPOSURES

Information about the Group's exposure to credit risk and interest rate risk is provided in note 5.

(C) FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

> Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

> Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

> Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	**Total**
30 June 2010				
Derivative financial liabilities		14,615		**14,615**
	-	14,615	-	**14,615**
30 June 2009				
Derivative financial liabilities	-	22,092	-	**22,092**
	-	22,092	-	**22,092**

Note 17: Net tangible asset backing

	2010	2009
	$	$
Basic and diluted NTA per stapled security	2.03	n/a
	'000	'000
Number of stapled securities outstanding at the end of the period used in the calculation of basic and diluted net tangible asset backing (NTA) per stapled security (note 3(j)).	159,620	n/a

At 30 June 2009 the stapling transaction had not occurred, nor had the 1 for 10 consolidation of securities (see note 20 for details). Therefore, comparison with NTA per unit at 30 June 2009 is not meaningful.

Note 18: Cash flow information

	2010	2009
	$'000	$'000
(a) Reconciliation of cash at end of year		
Cash and cash equivalents balance	**16,739**	7,010
(b) Reconciliation of net operating profit to net cash inflow from operating activities		
Net profit / (loss) for the period	**46,694**	(210,050)
Fair value adjustment to investment property	**(16,744)**	185,997
Loss on sale of investment properties	**-**	2,186
Fair value adjustment to derivatives	**1,523**	46,041
Amortisation of borrowing costs	**774**	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
- Increase in receivables	**(8,791)**	(10,371)
- Decrease / (increase) in prepayments	**1,328**	51
- Increase / (decrease) in payables	**(2,192)**	4,814
Net cash inflow from operating activities	**22,592**	18,668

Note 19: Contributed equity

	2010	2010	2009	2009
	No. ('000)	$'000	No. ('000)	$'000
Opening balance at 1 July	**346,176**	**332,514**	345,000	332,115
Issues of ordinary stapled securities during the year:				
Distribution reinvestment plan issues	-	-	1,176	399
Security placement	**347,564**	**55,610**	-	-
1 for 10 consolidation	**(624,366)**	-	-	-
Rights issue	**90,246**	**144,390**	-	-
Cost of raising capital	-	**(10,935)**	-	-
Return of capital	-	**(6,000)**	-	-
	(186,556)	**183,065**	1,176	399
Closing balance at 30 June	**159,620**	**515,579**	346,176	332,514

(B) ORDINARY STAPLED SECURITIES

Ordinary stapled securities entitle the holder to participate in dividends and distributions and the proceeds on winding up of the Group in proportion to the number of and the amounts paid on the stapled securities held.

On a show of hands every holder of ordinary stapled securities present at a meeting in person or by proxy, entitled to one vote, and upon a poll each unit is entitled to one vote.

(C) DISTRIBUTION REINVESTMENT PLAN

There was a distribution reinvestment plan in place for the Trust but it was suspended once the restructure occurred and has not been updated to reflect the stapled structure. The Group is currently developing a new plan.

Under the previous distribution reinvestment plan unitholders could elect to have all or part of their distribution entitlements satisfied by the issue of new ordinary units rather than by being paid in cash. Units were issued under the plan at a discount to the market price.

(D) CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that the Group can continue to provide returns for security holders 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 Group may adjust the amount of dividends and distributions paid to security holders, return capital to security holders, vary the level of borrowings, issue new securities or sell assets.

During the year, the Group implemented several capital management initiatives, namely:

> Successful restructure and recapitalisation of the Group, including a 1 for 10 consolidation of securities and the internalisation of management by the creation of a stapled group.

> $200 million equity raising comprising a Placement and a Rights Issue completed in September 2009.

> New debt facility put in place with existing financiers National Australia Bank and Westpac Banking Corporation, extending to June 2012.

> Interest rate hedging restructured, providing an average hedged interest rate of 5.91% per annum (prior to bank lending margin) for $330 million equating to 79% of the Group's debt, for an average duration of 3.0 years as at 30 June 2010. Two further forward starting interest rate swaps were executed on 07 May 2010. The first has an effective date of 20 July 2010, taking the average hedged interest rate to 5.83% per annum (prior to bank lending margin) for $405 million equating to 97% of the Group's debt. The second has an effective date of 21 May 2011 and replaces a hedge currently in effect and extends the average duration of the overall swap portfolio to 3.8 years.

The Group monitors capital by using a number of measures, such as gearing, interest cover and loan to valuation ratio. The gearing ratio is calculated by dividing interest bearing liabilities by total assets.

During 2010, the Group's strategy was to maintain gearing within the range 50% to 65%. At 30 June 2010, the gearing ratio was 53.8% (2009: 75.4%). The gearing ratios at 30 June 2010 and 30 June 2009 were as follows:

	2010	2009
	$'000	$'000
Total interest bearing liabilities	**416,630**	506,082
Total assets	**774,828**	671,627
Gearing ratio	**53.8%**	75.4%

Note 20: Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 3(a):

Name of entity	Country of incorporation	Class of units / shares	Equity holding* 2010	Equity holding* 2009
			%	%
Wholesale Industrial Property Fund	Australia	Ordinary	**100**	100
Rowville Property Trust	Australia	Ordinary	**100**	100
Kilsyth 1 Property Trust	Australia	Ordinary	**100**	100
Kilsyth 2 Property Trust	Australia	Ordinary	**100**	100
Queensland Property Trust	Australia	Ordinary	**100**	100
New South Wales Property Trust	Australia	Ordinary	**100**	100
Coolaroo Property Trust	Australia	Ordinary	**100**	100
Broadmeadows Leasehold Trust	Australia	Ordinary	**100**	100
Scoresby 1 Property Trust	Australia	Ordinary	**100**	100
Scoresby 2 Property Trust	Australia	Ordinary	**100**	100
Scoresby 3 Property Trust	Australia	Ordinary	**100**	100
Laverton Property Trust	Australia	Ordinary	**100**	100
Preston 1 Property Trust	Australia	Ordinary	**100**	100
Preston 2 Property Trust	Australia	Ordinary	**100**	100
Goulburn Property Trust	Australia	Ordinary	**100**	-
Growthpoint Properties Australia Limited	Australia	Ordinary	**100**	-
Growthpoint Nominees (Aust) Pty Limited	Australia	Ordinary	**100**	-

* The proportion of ownership interest is equal to the proportion of voting power held.

Note 21: Related party disclosures

RESPONSIBLE ENTITY

Prior to its resignation on 5 August 2009, the previous Responsible Entity was Orchard Property Limited, which is a subsidiary of Orchard Funds. Orchard Funds consists of Orchard Funds Limited and its subsidiaries.

Orchard Management Limited ("OML") was acquired by the Group on 5 August 2009 as part of the restructure and recapitalisation of the Group, as disclosed in note 23.

On 5 August 2009, OML (subsequently renamed Growthpoint Properties Australia Limited) was appointed as Responsible Entity of the Growthpoint Properties Australia Trust.

Note 21: Related party disclosures (cont.)

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation comprised:

	2010	2009
	$	$
Short-term employee benefits	**746,226**	-
Other long term employee benefits	**-**	-
Post-employment benefits	**42,498**	-
Termination benefits	**-**	-
Share-based payments	**-**	-
	788,724	-

There are no comparatives as before the restructure the Trust did not have any employees and the Company was non-operating.

Key management personnel of Orchard Property Limited (the Responsible Entity until 5 August 2009) were paid by Orchard Funds Limited. During the year, the Group paid (or provided for) $17,740 (2009 – $175,000) to Orchard Property Limited as reimbursement for the remuneration cost of the three independent directors, Messrs Shaddock, Spruell and Jackson.

INDIVIDUAL DIRECTORS AND EXECUTIVES COMPENSATION DISCLOSURES

Information regarding individual directors and executives compensation and some equity instruments disclosure as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

MOVEMENTS IN SECURITIES

The movement in the number of ordinary stapled securities in the Group held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows (figures for the year to 30 June 2009 and up to 5 August 2009 represent Units held in the Trust before the stapling):

2010					
Security holder	**Opening units 1 July**	**1 for 10 consolidation and conversion to stapled securities**	**Acquired securities**	**Disposed securities**	**Closing securities 30 June**
	No.	No.	No.	No.	No.
D. Spruell	**329,448**	(296,503)	62,500	-	**95,445**
G. Jackson	**77,828**	(70,045)	7,783	-	**15,566**
G. McMahon [1]	**107,272**	-	-	-	**n/a**
L. Shaddock	**500,000**	(450,000)	150,000	-	**200,000**
D. Hinde [2]	**80,000**	(72,000)	-	-	**n/a**
C. Thiris [1]	**50,000**	-	-	-	**n/a**
N. Sasse [3]	**-**	-	359,965	-	**359,965**
E. De Klerk [3]	**-**	-	236,329	-	**236,329**
T. Collyer [4]	**-**	-	21,964	-	**21,964**
P. Burns [5]	**-**	-	3,107	(3,107)	**n/a**

1. Resigned from the Board on 5 August 2009. 2. Resigned from the Board on 28 February 2010. 3. Represents the Directors' interests from his appointment to the Board on 5 August 2009. 4. Represents the Executive's interest from his employment with the Group on 1 November 2009. 5. Represents the Executive's interest from his employment with the Group on 1 November 2009 until his resignation on 15 January 2010.

2009				
Unitholder	**Opening units 1 July**	**Acquired units**	**Disposed units**	**Closing units 30 June**
	No.	No.	No.	No.
D. Spruell	300,000	29,448	-	329,448
G. Jackson	75,000	2,828	-	77,828
G. McMahon	107,272	-	-	107,272
L. Shaddock	500,000	-	-	500,000
D. Hinde	80,000	-	-	80,000
C. Thiris	50,000	-	-	50,000

No shares were granted to key management personnel during the reporting period as compensation in 2009 and 2010.

KEY MANAGEMENT PERSONNEL LOAN DISCLOSURES

The Group has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

RESPONSIBLE ENTITY'S/MANAGER'S FEES AND OTHER TRANSACTIONS

Under the terms of the Trust's Constitution, the previous, external Responsible Entity (Orchard Property Limited) was entitled to receive a management fee of 0.40% calculated by reference to the monthly total assets of the Trust. Orchard Property Limited, did not waive any of its management fee for the period ended 05 August 2009 (2009: waived $1,350,000), consistent with the Trust's Product Disclosure Statement dated 31 May 2007.

For the period ended 05 August 2009, in accordance with the Constitution, Orchard Property Limited received a total fee of $238,728 (2009 - $1,866,316). Under the current stapled structure, the management of the Trust is internalised and no external Responsible Entity or management fees are paid.

No performance fee or other fees were paid or payable during the year.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Group and the Responsible Entity were as follows:

	2010	2009
	$	$
Management fees for the year by the Group to the previous Responsible Entity	**238,728**	1,866,316
Aggregate amounts payable to the previous Responsible Entity at the reporting date	**-**	-

TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS

The following transactions occurred with significant shareholders including Growthpoint Properties South Africa, the ultimate parent entity:

	2010	2009
	$	$
Orchard Funds Limited and subsidiaries:		
Payment of administration expense, 5/09/09 to 30/10/09	**406,727**	-
Recovery of expenses	**10,775**	-
Payment of nominee Directors' fees	**28,562**	-
Growthpoint Properties Limited (South Africa)		
Payment of Directors' fees which would otherwise be due to its senior executives, Messrs de Klerk and Sasse	**90,457**	-
Underwriting fee	**4,331,694**	-

Note 21: Related party disclosures (cont.)

OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2010	2009
	$	$
Payment of nominee Directors' fees	50,000	-

Note 22: Remuneration of auditors

During the year to 30 June 2010 the following fees were paid or payable for services provided by the auditor of the Group:

	2010	2009
	$	$
(a) Audit services		
KPMG - Audit and review of financial reports	141,430	-
PriceWaterhouseCoopers Australian firm - Audit and review of financial reports	-	125,000
(b) Non-audit services		
Other assurance services		
PriceWaterhouseCoopers Australian firm -Investigating accountants report in relation to the recapitalisation and restructure of the Group	-	253,000
Taxation services		
PriceWaterhouseCoopers Australian firm -Due diligence and tax structuring advice in relation to the recapitalisation and restructure of the Group	-	295,697

Following the restructuring of the Group, the auditor was changed from PriceWaterhouseCoopers Australia to KPMG with effect from 5 August 2009.

Note 23: Business combination/stapling

(A) SUMMARY OF TRANSACTION

On 18 May 2009, Orchard Property Limited, the previous Responsible Entity of the Orchard Industrial Property Fund ("OIPF"), announced 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 OIPF. On 30 July 2009, unitholders overwhelmingly voted in favour of resolutions for the proposal and implementation occurred on 5 August 2009.

Key features of the recapitalisation and restructure included:

> A $55.6 million placement to GPL which occurred on 5 August 2009 (see note 19).

> Unitholders received a return of capital of $6,160,000 and used those funds to purchase all of the shares in Orchard Management Limited ("OML").

> OIPF was deemed to have acquired OML in the stapling transaction for no consideration (refer below).

> The internalisation of management and the change in Responsible Entity from Orchard Property Limited to OML.

> OIPF and OML were renamed Growthpoint Properties Australia Trust and Growthpoint Properties Australia Limited respectively.

> Change of the Trust structure with unitholders acquiring shares in the Responsible Entity, Growthpoint Properties Australia Limited, and the units of the Trust being "stapled" to shares in the Company. The stapled group is known as Growthpoint Properties Australia.

> The securities (units and shares) of the stapled group were consolidated at the ratio of one new stapled security for every 10 old stapled securities held (see note 19).

> A $144.4 million rights issue, underwritten by GPL, was completed in September 2009 (see note 19).

For relevant stapling arrangements Australian Accounting Standards require an acquirer to be identified. In relation to the stapling of the Company and the Trust, the Trust has been identified as the acquirer due to its large relative size to the Company. The Standards also require that all of the acquiree's net assets identified be attributed to a non-controlling interest by the acquirer.

(B) PRE-EXISTING RELATIONSHIP

The internalisation of the Trust management right is considered settlement of a "pre-existing relationship". This is treated separately from the business combination, with any gains and losses arising taken directly to profit and loss.

As the management agreement can be terminated at any point without payment and the contract terms are considered neither favourable or unfavourable when compared to current market values, no gain or loss needs to be recognised.

(C) FAIR VALUE OF NET ASSETS ACQUIRED (PURCHASE PRICE ALLOCATION)

The assets and liabilities arising from the acquisition of the Company at the date of stapling were as follows:

	Acquiree's carrying amount	**Fair value**
	$'000	$'000
Cash	157	157
Trade and other payables	(128)	(128)
	29	29

As per the accounting policy adopted by the Group (see note 3(a)), non-controlling interest is measured using the share of identifiable net assets acquired.

(D) GOODWILL MEASURING NON-CONTROLLING INTEREST AT THE NON-CONTROLLING INTEREST'S SHARE OF NET IDENTIFIABLE ASSETS ACQUIRED.

As the Company was acquired for nil consideration by the Trust and all of the acquiree's net assets identified were attributed to a non-controlling interest, there is no goodwill on consolidation.

Note 24: Earnings per stapled security

	2010	2009
Weighted average number of stapled securities on issue for the year	**135,270,990**	345,871,131
Basic & diluted earnings / (loss) per stapled security - cents	**34.5**	(60.7)

On 5 August 2010 there was a 1 for 10 consolidation of securities.

Note 25: Contingent liabilities

The Group has no contingent liabilities as at the date of this report.

Note 26: Commitments

(A) CAPITAL COMMITMENTS

CAPITAL EXPENDITURE OBLIGATIONS ASSOCIATED WITH LEASES

This section discusses the capital expenditure obligations that apply to six properties in the Group. During the first five years from the date of lease commencement of each of these properties, the tenant can call for up to $80 million to be spent on capital expenditure that expands or upgrades the properties. As at 30 June 2010, $38.2 million of capital expenditure is available to the tenants of these properties to utilise.

The lease commencement date for four of the properties was 30 July 2006 and the lease commencement dates for the other two properties was 28 February 2007 and 4 October 2007, respectively.

In each case, the tenant must provide six months notice of the works and at least six months notice prior to the end of the five year period. The works can extend for up to nine months post the five year capital expenditure period. The cost of the works is paid for at completion of the project (unless agreed otherwise) and the rent is increased according to the percentage yield in the lease at the date the lease commenced which range from yields of 6.24% to 7.04%. Dependent upon the quantum of capital expenditure at an individual property, the lease term may be extended for a period up to 15 years, with a maximum lease term remaining of 15 years.

The Group has no other significant capital, lease or remuneration commitments in existence at reporting date, which have not been recognised as liabilities in these financial statements.

Note 27: Parent entity disclosures

As at, and throughout, the financial year ending 30 June 2010 the parent of the Group (or the acquirer in the stapling, see note 23) was Growthpoint Properties Australia Trust.

	2010	2009
	$'000	$'000
Result of the parent entity		
Profit / (loss) for the period	46,637	(210,050)
Other comprehensive income / (expense)	(22,347)	(11,242)
Total comprehensive income / (expense) for the period	24,290	(221,292)
Financial position of the parent entity at year end		
Current assets	27,181	9,857
Total assets	774,481	671,627
Current liabilities	33,451	42,255
Total liabilities	463,907	555,017
Net assets	310,574	116,610
Total equity of the parent entity comprising of:		
Contributed equity	502,187	332,514
Retained losses	(191,613)	(215,904)
Total equity	310,574	116,610

Note 28: Subsequent events

On 12 July 2010, Tim Collyer was appointed Managing Director of the Group. See above (page 16) for details of his experience and professional qualifications.

On 16 August 2010, the Group entered into a transaction to acquire a property portfolio. Details of the acquisition are:

> Acquisition of seven high-quality Queensland properties comprising two office buildings, a car park and four industrial properties for a total price of $171.5 million (before transaction costs). Settlement of the purchase of one of the properties, 670 Macarthur Avenue, Pinkenba, is expected to occur on 19 August 2010 with the settlement of the purchase of the remaining properties expected to occur on 28 September 2010 (subject to the satisfaction of certain contractual conditions precedent, principally consents from government authorities).

> The acquisition is to be partly funded by utilising headroom and a $62 million upsizing in the Group's current debt facility (subject to a number of conditions precedent including the successful completion of the rights offer) and a 1 for 3 rights offer at $1.90 per stapled security which aims to raise approximately $101 million.

Further details of the above property portfolio acquisition and rights offer can be found in the ASX announcement and Rights Offer Booklet released on the ASX on 17 August 2010.

DIRECTORS' DECLARATION

In the opinion of the Directors:

(a) the attached Financial Statements and notes, and the Remuneration Report in the Directors' Report, set out on pages 8 to 12*, are in accordance with the Corporations Act 2001, including:

(i) complying with Australia Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the financial year ended on that date; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Financial Controller for the financial year ended 30 June 2010

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

D Spruell
Director

Sydney, 16 August 2010

**Note: The Remuneration Report appears on pages 20-24 of this Annual Report.*

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the stapled security holders of Growthpoint Properties Australia Limited and Growthpoint Properties Australia Trust

Report on the consolidated financial report

We have audited the accompanying consolidated financial report of Growthpoint Properties Australia (the Group) comprising Growthpoint Properties Australia Trust (the Trust) and the entities it controlled at the year's end or from time to time during the financial year , which comprises the consolidated statement of financial position as at 30 June 2010, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 29 and the directors' declaration.

Directors' responsibility for the financial report
The directors of Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Australia Trust are responsible for the preparation and fair presentation of the consolidated 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 control relevant to the preparation and fair presentation of the consolidated 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 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated 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 consolidated 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 consolidated financial report is free from material misstatement.

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

We performed the procedures to assess whether in all material respects the consolidated financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting

KPMG

Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Group's financial position and of its performance.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2010 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.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2010. The directors of Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Australia Trust are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion
In our opinion, the remuneration report of Growthpoint Properties Australia for the year ended 30 June 2010, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Darren Scammell
Partner
Melbourne

17 August 2010

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05
SECURITY HOLDER INFORMATION

ABOUT GROWTHPOINT PROPERTIES LIMITED

Growthpoint Properties Limited of South Africa ("Growthpoint") is the majority security holder in Growthpoint Properties Australia.

Growthpoint is an internally managed property investment group, incorporated and registered as a public company and listed on the Johannesburg Securities Exchange Limited (JSE). Growthpoint has recently been included in the JSE Top 40 index, the FTSE EPRA/NAREIT Emerging Index and the MSCI Emerging Market Index.

Since 2001, Growthpoint has built a sizeable and high quality portfolio through the acquisition of direct property portfolios as well as merger and acquisition activity within the South African listed property sector. Growthpoint has also benefited from its strategic relationships with South Africa's leading property developers and brokers.

Growthpoint is the largest listed property group on the JSE and has property assets valued at approximately A$5 billion and a market capitalisation of approximately A$3.8 billion. This represents significant growth since 2001, when Growthpoint's total assets and market capitalisation were less than A$15 million. Growthpoint's securities are widely held by some of South Africa's leading institutional investors who collectively hold in excess of 75% of Growthpoint's issued securities. Growthpoint has four substantial security holders each holding in excess of 5% of total securities on issue, including the Government Employees Pension Fund managed by the Public Investment Corporation which holds 27% of total Growthpoint securities on issue.

Growthpoint has consistently delivered growing income and capital growth to its security holders.

Further information regarding Growthpoint is available at www.growthpoint.co.za.

ASX ADDITIONAL INFORMATION

Substantial security holders

The number of stapled securities held by the Group's substantial security holders as disclosed in substantial holding notices received as at 28 September 2010 is as follows:

NAME	STAPLED SECURITIES
GROWTHPOINT PROPERTIES LIMITED	143,890,925
STRATEGIC REAL ESTATE MANAGERS (PTY) LTD ON BEHALF OF EMIRA PROPERTY FUND	19,425,832

20 largest security holders *(as at 24 September 2010)*

NAME	NUMBER OF STAPLED SECURITIES HELD	PERCENTAGE OF TOTAL STAPLED SECURITIES (%)
CITICORP NOMINEES PTY LIMITED	163,982,962	77.07%
STRATEGIC REAL ESTATE MANAGERS (PTY) LTD <EMIRA PROPERTY FUND A/C>	19,425,832	9.13%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,565,686	1.68%
NATIONAL NOMINEES LIMITED	946,316	0.44%
ANZ NOMINEES LIMITED <CASH INCOME A/C>	603,822	0.28%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	428,488	0.20%
MRS CLAIRE MARIA D'ADORANTE	400,000	0.19%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIPOOLED A/C>	382,926	0.18%
GABA PTY LTD <SUPER FUND A/C>	350,000	0.16%
BRIDES PTY LTD <DGL SUPERANNUATION FUND A/C>	300,000	0.14%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <APN A/C>	299,134	0.14%
PERPETUAL TRUSTEES CONSOLIDATED LIMITED <CLIME ASSET MANAGEMENT A/C>	287,174	0.13%
SHADDOCK PROPERTIES PTY LTD <APPRECIATING NOM STAFF A/C>	280,000	0.13%
BOND STREET CUSTODIANS LIMITED <DMINE - GS1028 A/C>	275,690	0.13%
G J ALT PTY LTD <NO 2 A/C>	240,000	0.11%
MR PETER HOWELLS	230,000	0.11%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PISELECT A/C>	226,311	0.11%
DRAKEBURY PTY LTD <D & E LOWENSTERN FAMILY A/C>	210,667	0.10%
COMTEMPLATOR PTY LTD <ARG PENSION FUND A/C>	207,777	0.10%
WAPIMALA PTY LIMITED <LONERGAN SUPER FUND A/C>	200,000	0.09%
TOTAL	**192,842,785**	**90.63%**

Distribution of security holders *(as at 24 September 2010)*

RANGE	TOTAL HOLDERS	STAPLED SECURITIES	PERCENTAGE OF TOTAL STAPLED SECURITIES
1 – 1,000	577	356,206	0.17%
1,001 – 5,000	1,338	3,730,027	1.75%
5,001 – 10,000	436	3,282,287	1.54%
10,001 – 100,000	419	10,461,057	4.92%
100,001 AND OVER	35	194,948,296	91.62%
TOTAL	**2,805**	**212,777,873**	**100%**

As at 24 September 2010 there were 212,777,873 fully paid stapled securities held by 2,805 individual security holders. The stapled securities are listed on the ASX and each stapled security is comprised of one share in Growthpoint Properties Australia Limited and one unit in Growthpoint Properties Australia Trust.

31 GARDEN STREET, KILSYTH, VIC

COMPANY DIRECTORY

GROWTHPOINT PROPERTIES AUSTRALIA

Growthpoint Properties Australia Limited ABN 33 124 093 901; AFSL No 316409
Growthpoint Properties Australia Trust ARSN 120 121 002

Level 10, 379 Collins Street, Melbourne VIC 3000 Australia

Phone: (03) 8681 2900, Fax: (03) 8681 2910

www.growthpoint.com.au

Investor Services Line: 1800 260 453

SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES

Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia

Phone (within Australia): 1300 850 505

Phone (outside Australia): +61 3 9415 4000

Fax: +61 3 9473 2500

www.computershare.com

AUDITOR

KPMG

147 Collins Street, Melbourne VIC 3000 Australia

2010/2011 SECURITY HOLDER CALENDAR[1]

Distribution paid for the half year ended 30 June 2010	31 August 2010
Annual Tax Statement for year ended 30 June 2010 mailed	31 August 2010
Annual General Meeting	25 November 2010
Results for the half year ended 31 December 2010 announced to ASX	21 February 2011
Distribution paid for the half year ended 31 December 2010	28 February 2011
Half year report published	30 March 2011
Results for the year ended 30 June 2011 announced to ASX	22 August 2011
Distribution paid for the half year ended 30 June 2011	31 August 2011
Annual Tax Statement for year ended 30 June 2010 mailed	31 August 2011
2011 Annual Report published	30 September 2011

1. Dates subject to change by the Board

GROWTHPOINT
PROPERTIES

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