

19 June 2009

ASX ANNOUNCEMENT ORCHARD INDUSTRIAL PROPERTY FUND (ASX: OIF)

Fund update and distribution guidance

Growthpoint Proposal

On 18 May 2009 Orchard Property Limited, as Responsible Entity for the Orchard Industrial Property Fund, announced that it had entered into an Implementation Agreement with Growthpoint Properties Limited for a proposed \$200 million recapitalisation of the Fund, together with the internalisation of management to form a “Stapled Group” (“**Proposal**”).

A Meeting Booklet comprising an Explanatory Memorandum, Notice of Meeting and Prospectus detailing all aspects of the Proposal will be despatched to Unitholders in late June 2009. A Unitholders Meeting is then proposed for late July 2009 to vote on the Proposal.

Estimated distribution guidance for half year ended 30 June 2009

Orchard Property Limited is pleased to provide estimated distribution details for the half year ended 30 June 2009 below:

Distribution rate (cents per unit)	0.75
Ex-distribution date	Wednesday, 24 June 2009
Record Date	Tuesday, 30 June 2009
Anticipated Payment Date	Monday, 31 August 2009

The Distribution Reinvestment Plan of the Fund will not be in operation for this distribution.

The payment of the distribution will depend on whether the Proposal proceeds. The Directors will review the Fund’s ability to pay the distribution if the Proposal does not proceed. If paid, it will be paid after the 30 June 2009 financial accounts are finalised.

Extended Debt Facility

The Fund previously announced new debt facility terms negotiated with the Fund’s financiers National Australia Bank and Westpac that extends the debt facility to 30 June 2012. This debt facility agreement has been executed by Orchard Property Limited, with the salient new terms being:

Item	Details
Facility amount	\$517.59 million
Term	To 30 June 2012
Margin	255 basis points, with a review to reflect market conditions on 1 July 2010 The margin is apportioned to a banking margin of 100 basis points on drawn amounts and a commitment fee of 155 basis points on the total facility amount
Default loan to value ratio (LVR)	Commencing at 75%, with a step down to 65% by 31 December 2009
Operating LVR	Less than 60% by 31 December 2009 and less than 55% by 31 December 2010. Free cash flow will be applied to debt reduction until the operating LVR is restored
Interest coverage ratio	Commencing at 1.2 times for the financial years ending 30 June 2009 and 2010, with a step up to 1.35 times for the financial year ending 30 June 2011 and 1.45 times from 1 July 2011
Re-arrangement fee	0.5% of facility amount – paid in March 2009
Other	A reduction of the facility amount of at least \$50 million is required to be committed to by 30 September 2009, with settlement proceeds received not later than 31 December 2009

Under the Proposal the debt facility will be varied with new terms, with a substantial reduction in debt levels from the proceeds of the \$200 million capital raising.

Timothy Collyer

Head of Funds Management and Fund Manager

Further information

For further information, please call Orchard Investor and Adviser Services on 1800 008 494.

Media queries

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About the Orchard Industrial Property Fund

The Orchard Industrial Property Fund is a publicly traded ASX listed property trust that specialises in the investment of industrial property. It currently owns interests in a diversified portfolio of 23 industrial properties throughout Australia. The Responsible Entity for the Fund is Orchard Property Limited, a subsidiary of Orchard Funds Management.