

Industrial Property Trust

Announcement – 7 July 2009

Property revaluations and update

All of the Trust's properties were independently valued during the June 2009 quarter resulting in a net fall in value of \$4.5m or 8.65% on prior book value. The lower valuations are primarily attributed to the challenging economic environment, tightening credit markets, and valuers generally adopting more conservative assumptions, higher capitalisation rates, and conservative assumptions regarding leasing up allowances. Overall, valuations for the Trust have fared better than the broader industrial property market over recent times.

The fall in property values corresponds to a reduction in the Trust's net assets of \$4.5m or 21.17% incorporating the gearing effect of borrowings. During the quarter the Trust's borrowings were reduced by \$600,000. As a result of this reduction and the new valuations, the Gearing Ratio is currently 63.85% as at 30 June 2009. (The gearing ratio represents total interest bearing liabilities over total assets.)

We have also recently taken advantage of historically low market interest rates to lock in interest costs for varying terms of up to 4 years. Fixing interest rates will give the Trust greater certainty over future borrowing costs.

The distribution for the period ended 30 June 2009 is intended to be paid on 7 July 2009. The current economic environment has created difficult conditions in which to lease properties. Over the next quarter the Trust will have leases expiring at Sparks Avenue Fairfield and Redland Drive Mitcham in Victoria, and Hi-Tech Court, Eight Mile Plains in Queensland. We are actively working with external leasing agents to source tenants for the properties. However, we expect that distributions for the next quarter and potentially the following quarter may be impacted by the vacancies and associated leasing costs.

In a very positive result for the Trust, a tenant has been secured for a term of 3 years plus a 3 year option for the warehouse component of the Wetherill Park property in New South Wales (which represents approximately 85% of the property's lettable area).

Please refer to other pages of this website or contact Investor Services on 13 29 39 for up to date information about the Trust.