

Industrial Property Trust

Continuous Disclosure Notice – 25 November 2010

The Australian Securities and Investments Commission requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing eight disclosure principles. These eight principles are contained in Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors.

This document has been prepared by Australian Unity Property Limited ("AUPL") as the responsible entity of the Industrial Property Trust (Trust) to update investors on the information relevant to the disclosure principles. This document should be read in conjunction with the 30 June 2010 Annual Report, available from our website australianunityinvestments.com.au/ipt

This document has been updated as at 25 November 2010 (with financial information as at 23 November 2010), from its previous issue on 22 June 2010 to reflect an update to the Trust's portfolio information.

Disclosure Principle 1 – Gearing ratio

The gearing ratio of the Trust, calculated as total interest bearing liabilities divided by total assets was 48.90%, as at 23 November 2010 and is based on unaudited accounts. (52.83% based on 30 June 2010 audited accounts).

The gearing ratio calculates the extent to which the Trust's total assets are funded by interest bearing liabilities. It gives an indication of the potential risks investors face in terms of external liabilities that rank ahead of them. If the Trust's gearing ratio under its debt facilities increases, the Trust will have a higher reliance on external liabilities to Trust assets and a greater exposure to funding costs if interest rates rise. This will have a negative impact on the cash distributions and the value of the Trust.

Disclosure Principle 2 – Interest cover

The Trust's interest cover is calculated by using the following formula:

$$\text{Interest cover} = \frac{(\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses})}{\text{Interest expense}}$$

Where:

EBITDA = earnings before interest, tax, depreciation and amortisation
Interest expense = Interest expense on debt facilities, net of hedging arrangements and interest income, adjusted for various AIFRS treatments including property

The Trust's interest cover ratio as at 23 November 2010 was 2.22 times (2.15 times based on 30 June 2010 audited accounts).

Interest cover indicates the ability of the Trust to meet interest payments from operating cash. It is an indicator of the Trust's financial health and is a key to assessing the sustainability of, and risks associated with, the Trust's level of borrowing. If the Trust's interest cover decreases then the risk of the Trust not being able to meet interest payments will increase.

Disclosure Principle 3 – Trust borrowing

The Trust's borrowings as at 23 November 2010 is summarised in the table below:

Borrowing details	
Borrowing facility drawn amount	\$18.22m
Borrowing facility limit	\$19.50m
Borrowing facility maturity	October 2012
% of borrowings hedged	100%
Weighted hedge expiry	2.10 years

As at the date of this document, the Trust is in compliance with the lender's requirements.

Disclosure Principle 4 – Portfolio diversification

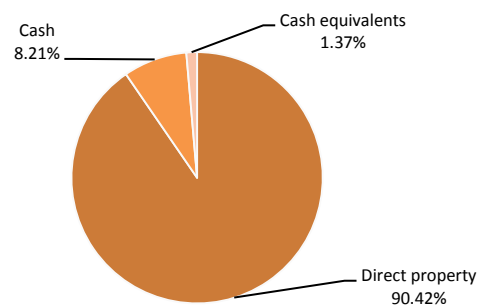
The information in the graphs and tables below is taken from the values as at 23 November 2010 (unless stated otherwise) and is not based on audited financial records. The Trust's composition and diversification will change over time as properties are acquired or disposed and tenancies are re-let.

Direct property portfolio

Property	Independent valuation			Book value	% of portfolio
	Date	\$M	Cap rate %	\$M	
Property 1	September 2010	18.10	9.50	18.10	53.74
Property 2	June 2010	5.30	8.25	5.38	15.97
Property 3	June 2010	4.90	9.25	4.90	14.55
Property 4	June 2010	3.55	10.25	3.55	10.54
Property 5	June 2010	1.75	8.00	1.75	5.20

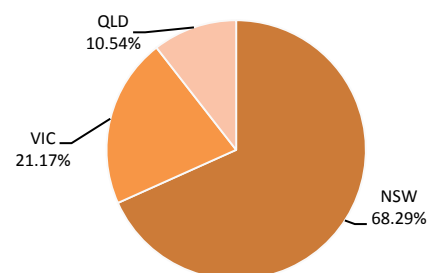
Asset allocation

Asset class	\$M	% of portfolio
Direct property	33.68	90.42
Unlisted property investments	Nil	Nil
Australian REITs	Nil	Nil
Cash	3.06	8.21
Cash equivalents (Other)	0.51	1.37
Total	37.25	100.00



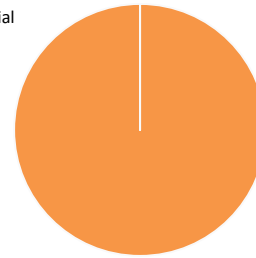
Direct property geographic allocation

Location	\$M	% of portfolio
NSW	23.00	68.29
VIC	7.13	21.17
QLD	3.55	10.54
Total	33.68	100.00

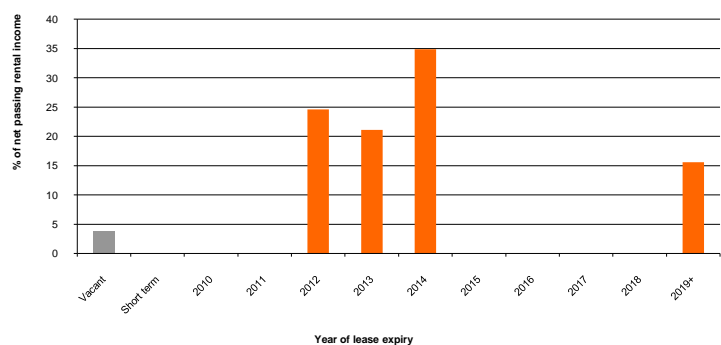


Direct non-development property by sector

Sector	\$M	% of portfolio
Industrial	33.68	100.00
Total	33.68	100.00

Industrial
100%**Direct property occupancy and lease details**

Occupancy rate by area	97.30%	
Weighted average lease expiry by income	4.07 years	
Major tenants and % of base rental income	Yates a Div of Orica Aust P/L	45.60%
	Lindsay Australia Ltd	16.31%
	Cameron Transport	14.00%
	Alchemia Ltd	11.51%
	Ancon Building Products Ltd	7.49%

Direct property lease expiry profile**Investment strategy**

The Trust aims to have a diversified tenant base to provide stability of income through periods of economic change and change in any individual property.

The Trust invests in industrial property and related assets. The portfolio comprises industrial properties located in New South Wales, Victoria and Queensland. The Trust may also sell properties as appropriate to optimise the performance of the Trust, manage risk and to meet Trust obligations.

The Trust will generally only hold real property assets in Australian capital cities and major regional centres. The Trust may invest in real property outside of Australia, such as New Zealand, if it is considered beneficial.

The Trust may invest in other managed funds, property syndicates or listed Australian Real Estate Investment Trusts, (Australian REITs) that hold industrial property and related assets, including those managed by members of the Australian Unity Group.

Property development

There were no development projects in the Trust as at the date of this document.

Disclosure Principle 5 – Valuation policy

Regular valuation of underlying property assets is an important aspect of managing the Trust in the best interests of all investors. The valuations are conducted by qualified independent valuers in accordance with industry standards.

We have a policy of generally obtaining independent valuations on our properties each year.

Disclosure Principle 6 – Related party transactions

All transactions we enter into in relation to the Trust, including those with related parties, are conducted on arm's length commercial terms.

Entities within the Australian Unity Group may provide registry, accounting and tax services to the Trust for fees charged at a commercial rate.

Policies and guidelines are in place to manage risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. All decisions in relation to conflicts of interest and all related party transactions are documented. Policies and guidelines are generally reviewed annually.

Details of related party transactions are outlined on section 16 of the 30 June 2010 Annual Report for the Trust.

Disclosure Principle 7 – Distribution practices

Distributions are currently met from net income and net realised capital gains and are paid quarterly.

It is not our intention to source distribution payments from sources other than net income and net realised capital gains, although we may do so if we consider it to be in the interests of our investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is sustainable. We would notify investors if this occurred.

Disclosure Principle 8 – Withdrawal rights

Withdrawals are currently by offer only and are made available at times when the Trust has sufficient liquidity to allow for withdrawals.

Since investors approved important changes to the Trust in 2009, we have been working towards the introduction of a quarterly limited withdrawal facility. This facility was originally scheduled to begin in October 2010.

Although significant improvement has been made, we consider that the capital position of the Trust is not at a point where it is yet able to provide a continuous and regular withdrawal facility. Unfortunately, this means that the quarterly limited withdrawal facility has not commenced.

Please note, however, that we do intend to make the facility available as soon as practicable and we are actively managing the Trust to enable this.

As a result of deferring the withdrawal facility in October, the Trust remains 'illiquid' for the purposes of the Corporations Act.

For further enquiries

Please contact us either by telephone, email or mail as shown below:

Contact us

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