

Welcome to the 2010 Annual General Meeting

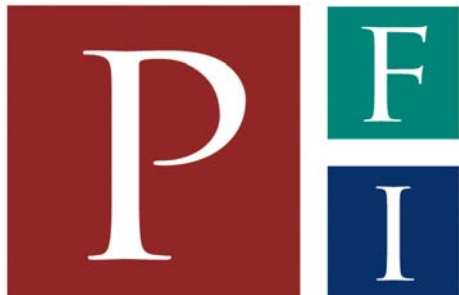
PROPERTY FOR INDUSTRY LIMITED



Chairman's Address

AGM 2010

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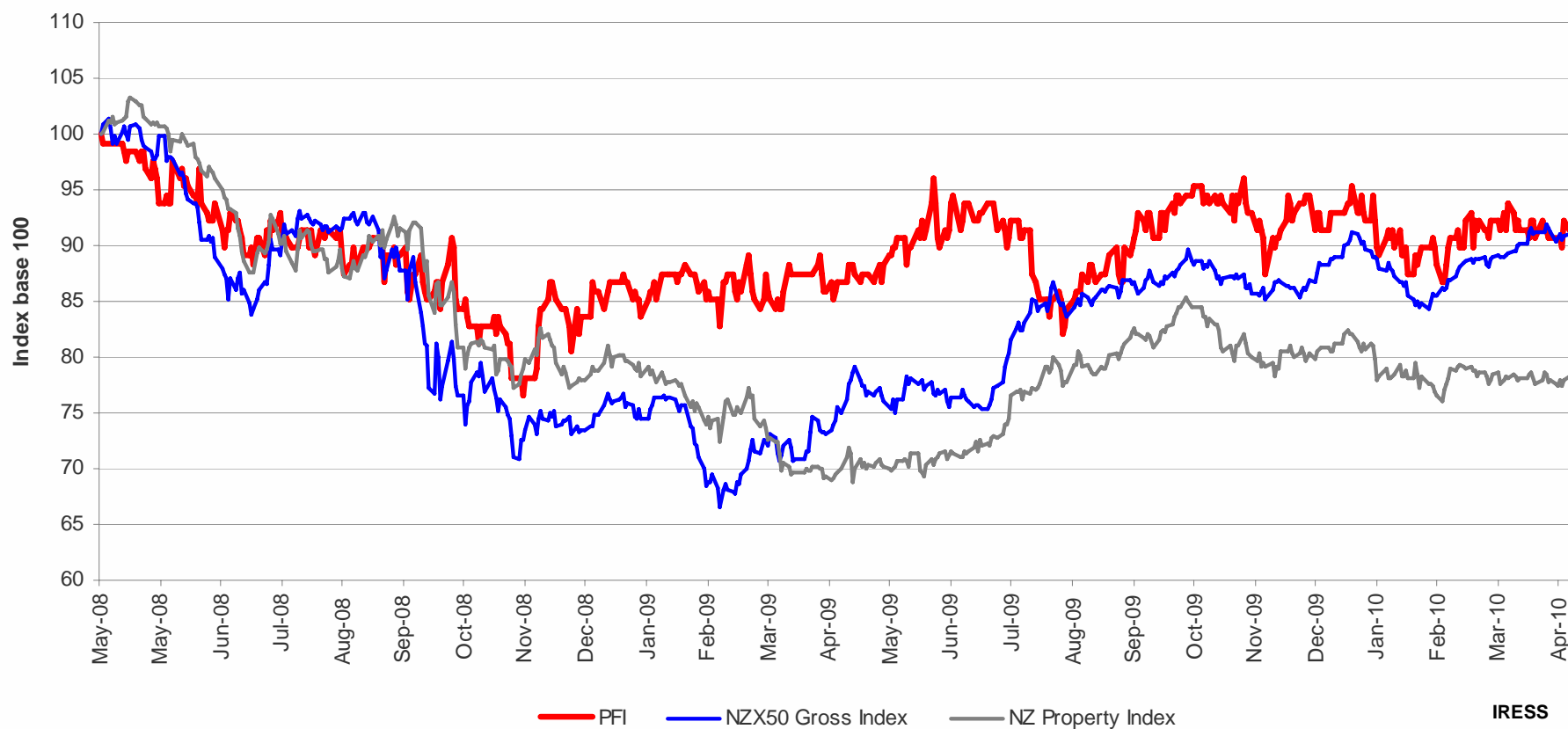


PFI AGM 2010

Meeting Agenda

1. Chairman's address
2. General Manager's presentation
3. Discussion relating to these two presentations
4. Financial statements and auditor's report
5. Resolutions:
 - To elect a director
 - To adopt a new constitution
 - To authorise the board to fix the fees of the auditors
6. General Business
7. Close of meeting/lunch/informal time

PFI Share Price Performance Compared with NZX 50 and NZX Property



2009 Full Year Financial Results

Rentals	\$31.428m	↓ 3.2%
Distributable Profit	\$15.920m	↑ 1.4%
Earnings Per Share	7.46 cents per share	↑ 0.5%
Net Dividend	7.18 cents per share	↔ 0.0%

DHL Acquisition



2010 First-Quarter Financial Results

Rentals	\$8.193m	↑ 3.2%
Distributable Profit	\$4.686m	↑ 18.1%
Earnings Per Share	2.18 cents per share	↑ 16.5%
Net Dividend	1.55 cents per share	↔ 0.0%

Tax Changes

- Decrease in company tax rate and PIE tax cap from 30% to 28% (effective 1 January 2011)
- Tax depreciation rate on buildings reduced from 3% to 0% (effective 1 January 2011)
- Fitout will continue to be depreciable
- Deductions for repairs and maintenance still available
- Distributable earnings per share estimated to be reduced by approximately 4-5% in year ending 31 December 2011

Outlook

- Increased tax
- Interest costs up
- Continued pressure on tenants

Outlook

- PFI's high occupancy (99.9%)
- Tenant requirements
- Resilience of industrial property
- PFI outperformed wider industrial market in 2009

PFI's Attributes

- 15-year track record
- Board dominated by independent directors
- Transparent management contract
- Conservative gearing threshold
- Liquidity through NZX listing
- Quality, well-located, generic/flexible industrial properties

Manager's Address

AGM 2010

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Occupancy

PFI has 113 tenants occupying 55 properties

- 2009 tenant retention program completed in 2008
- 2010 tenant retention program 50% dealt with
- Numerous lease restructurings completed or in progress
- New developments continuously marketed for lease
- 23 new tenants contracted in 18 months
- 99.9% occupancy

2011 & Beyond – Tenant Retention / Lease Restructuring

- 2010 Lease Expiries – circa \$1.6m
- Intense Management focus on 2011 expiring leases & beyond
- 2011 Lease expiries \$2.84m
- Akzo Nobel (exp 7/2011) now leased “back filled” in advance

**Tenant Retention – Caroma
(\$485,000 for 6 years)**



**Largest New Leasing – PMP Maxum
(\$314,391 for 7 years)**



Peninsula Business Park Akzo Nobel Lease Restructure exp 7/2011



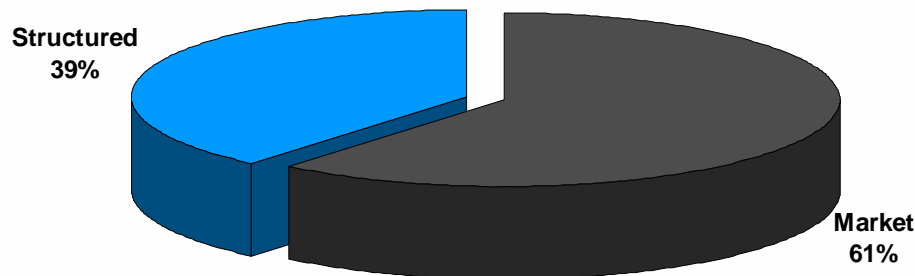
Three Defaults

Former Tenant	Old Rent p.a.	New Rent p.a.	New Tenant
Constant Couriers	\$230,000	\$220,000	Parcel Express
Eastern Hi Fi Group Ltd	\$314,931	\$314,931	PMP Maxum Ltd
Sierra Coffee Company (1997) Ltd	\$52,800	\$40,000	Café

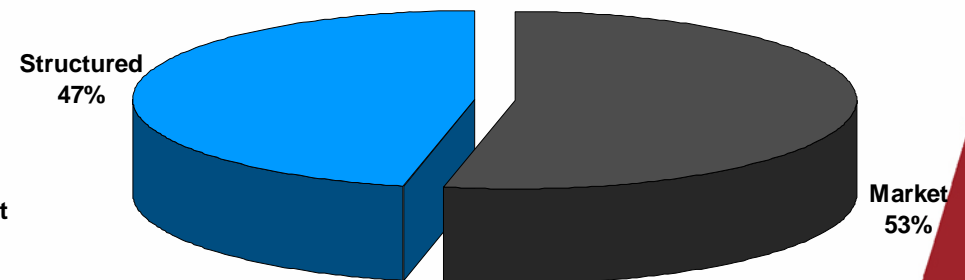
Rent Reviews

- 2009 reviews add \$450k to rent roll
- Modest rent growth via CPI based reviews despite softening in market rents
- Structured rent reviews shield company rent roll from market conditions

2002 Rent Review composition



2010 Rent Review composition



Sales / Acquisition



Development Projects

Before

76 Carbine Road

After



Before

8 Hugo Johnston Drive

After



Development Pipeline Near Term

Progress 2010 / 2011

	Scheme	Approx Cost \$m	Land Area (ha)	
Seaview Business Park	Business Park	7.2	1.113	
6a Donnor Place	Industrial	3.5	0.35	
44 Mandeville Street	Office/ Showroom	2.6	0.14	
326 Rosebank Road ✓	Office/ Warehouse	1.35	0.1575	Fully committed
49a Nesdale Avenue	Office/ Warehouse	4.5	0.6557	
Peninsula Business Park ✓	Business Park	10.0	0.8	Completed / committed
		29.15 17.8	3.2162 2.26	

Capital Management – Debt Capital

	April 2010
Debt	\$123m
Gearing	33.1%
Weighted average swap rate	6.637%
Weighted average swap maturity	3.61 years
% debt hedged	59.3%
Overall weighted cost debt *	6.44% <small>* Including margins and line fees</small>

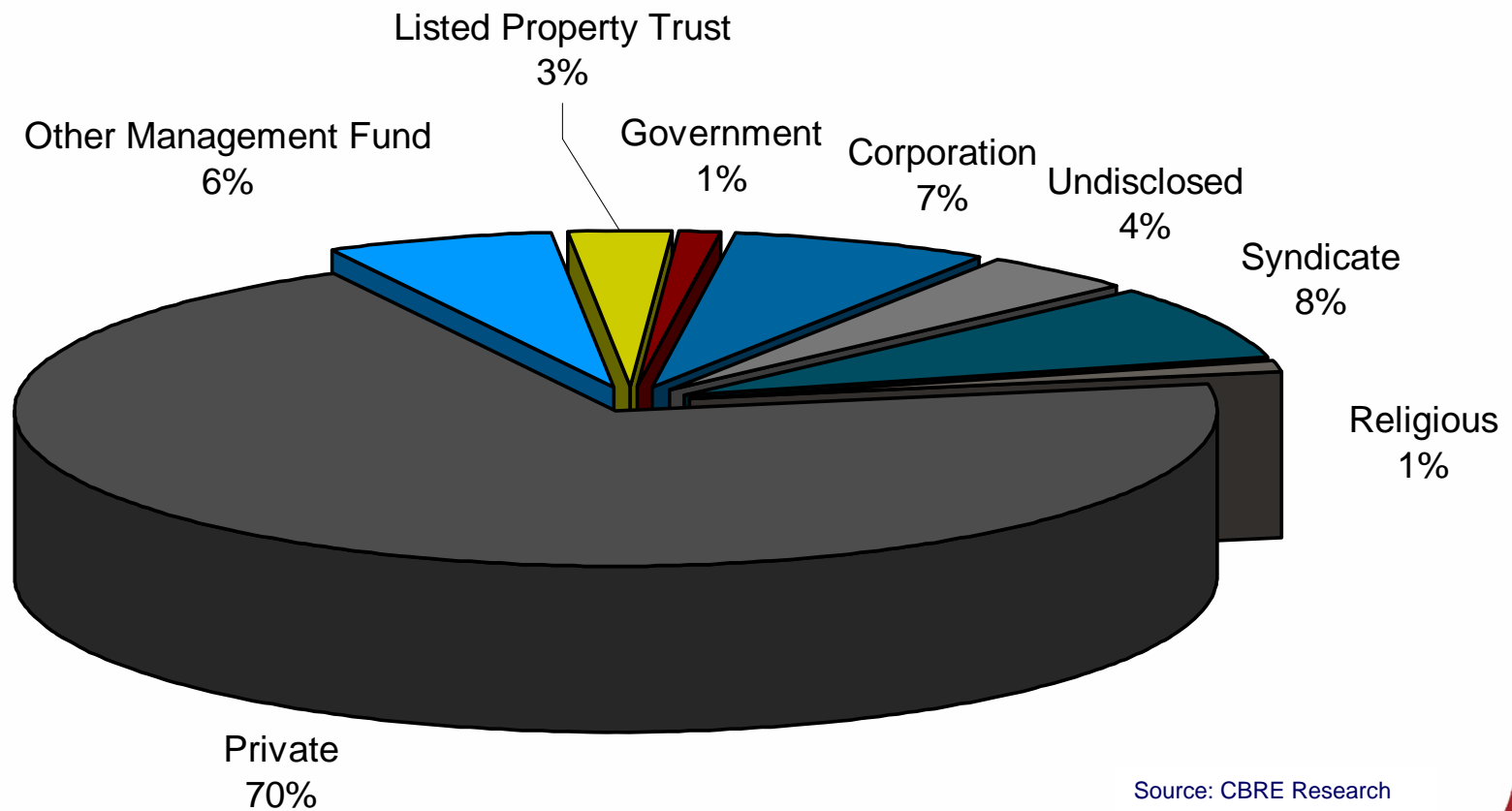
Interest rate risk management policy working well, good balance between flexibility whilst shielding business from future adverse movement in interest rates

Capital Management – Equity Capital

- Dividend Reinvestment Plan – effectively covers maintenance Capex – provides small amounts of capital frequently
- \$2.310 million raised
- 15.93% Participation in 2009
- Plan allows shareholders to re-invest dividends at discount to market share price of 2.5%

Relative Valuation Resilience

Purchaser Ownership Type – Sales > \$5.0m 2009



Yields – Basis Point Change

		Current Yield	Dec 09 – Mar 10 Bps	June 07 – Mar 10 Bps
RETAIL	Prime CBD	6.88	0	+ 43
	Regional	8.0	+ 6	+ 142
	Power Centre	8.5	+ 1	+ 128
OFFICE	CBD Premium	8.15	+ 23	+ 178
	CBD Grade A	9.2	- 1	+ 191
	Suburban Grade A	8.89	+ 3	+ 142
	Suburban Grade B	9.32	- 2	+ 150
INDUSTRIAL	Prime Industrial	8.49	-6	+ 93
	Secondary Industrial	9.93	0	+ 205

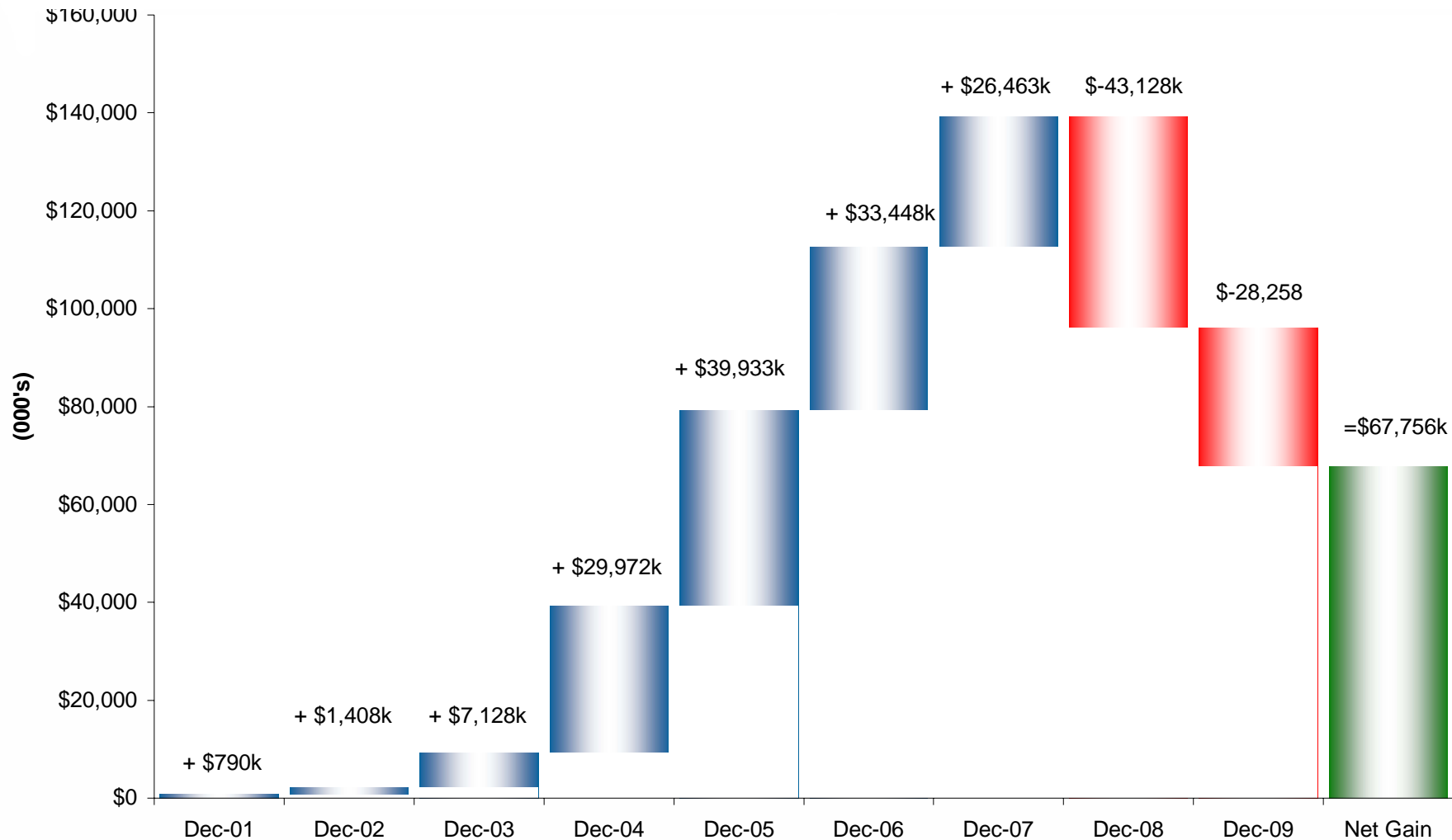
Source: CBRE Research

2010 – 80 Queen Street

Sold 7.62% Yield

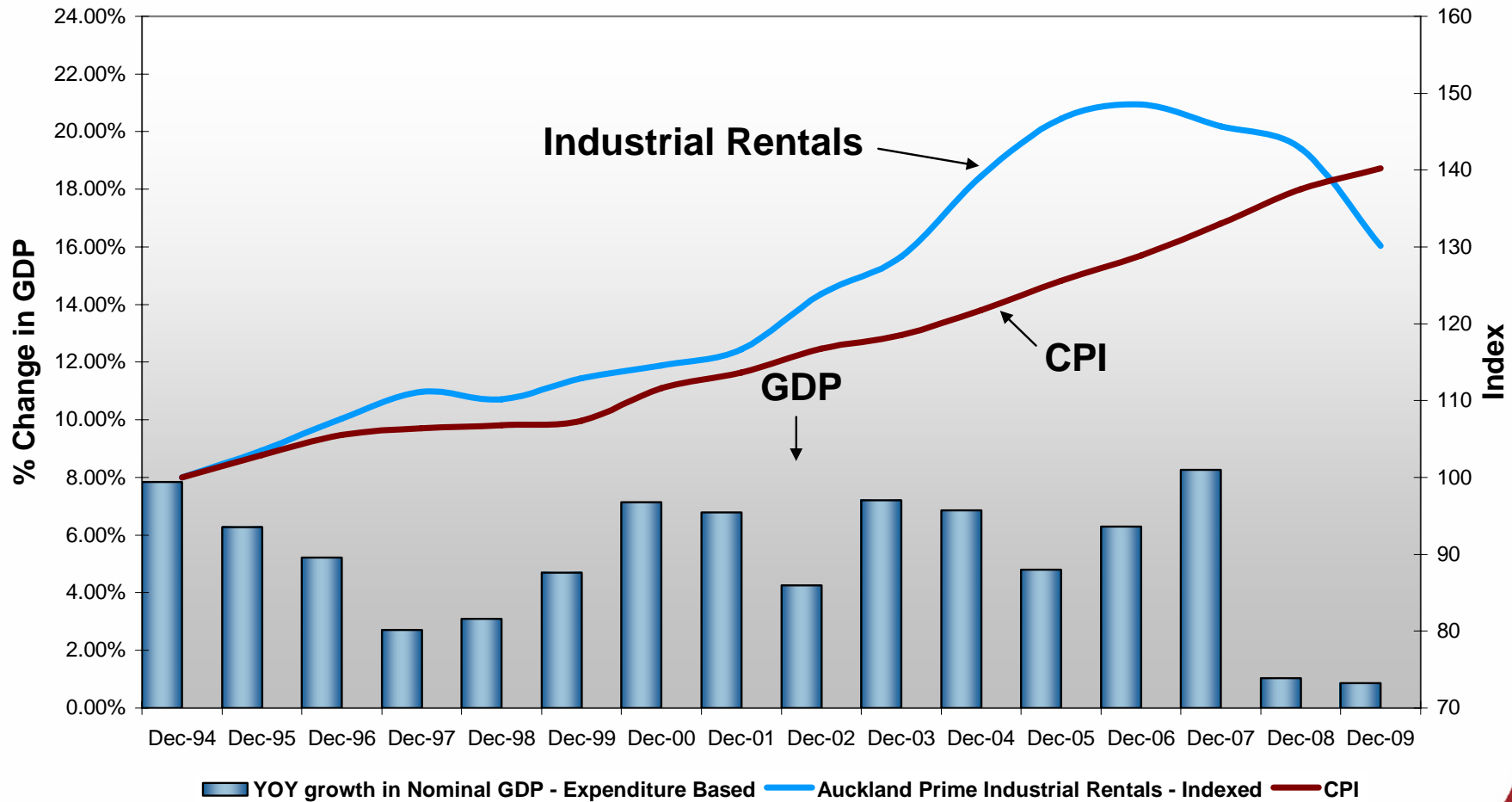


Cumulative Portfolio Revaluation Gain/(Loss) FY01-09



Industrial Rentals – 15 years

Auckland Prime Industrial Rentals vs. GDP vs. CPI



Macro Outlook

Economy – Local / Global

- Slow recovery – fragile and volatile
- Credit markets improving but challenges remain
- Reserve Bank stimulus likely to continue longer than originally expected

Industrial Property

- Steady but unspectacular GDP growth forecast
- Some positive signs including manufacturers' and exporters' confidence improving in latest survey
- As domestic economy improves supply chains being “re stocked”

PFI Response

- Intense portfolio management with focus on revenue and occupancy
- Development of PFI's small non income producing land portfolio to continue
- Longer range lease restructuring (2-4 years out) to further ensure income reliability will also strengthen valuations
- Opportunist acquisitions continue to be researched and reviewed

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