



INDUSTRIAL SECTOR HIGHLIGHTS – EUROPE

Portfolio value

\$241 million (2008: \$314 million)

Like for like earnings (6.4%)

Occupancy (by area)

87.8% (2008: 85.1%)

Lease duration (by income)

3.1 years (2008: 3.6 years)



Liverpool Street, Kopenhagener Straße, Osloer Straße, Friemersheim, Duisburg

The European portfolio is valued at \$241 million and contributed \$23.1 million or 4% of the Group's net property income in the year to 30 June 2009.

Following a continued focus on leasing and tenant retention, occupancy and lease durations are at 87.8% and 3.1 years respectively. The European industrial portfolio comprises 20 industrial properties located in France and Germany, accommodating 31 tenants across more than 376,000 square metres.

Revaluations

In the year to 30 June 2009 the entire European industrial portfolio was revalued externally, resulting in a devaluation of \$104 million to \$241 million. The European portfolio weighted average capitalisation rate over the year increased by 1.7% to 8.1% (2008: 6.4%).

Leasing

Leasing enquiries in France and Germany remains weak with resulting downward pressure on rental levels. In the year to 30 June 2009 we leased 8,700 square metres in France and 30,300 square metres in Germany, including a 15,000 square metre renewal to Schenker in Friedewald.

Rent reviews

In France and Germany, leases covering 63% and 33% of the industrial portfolio's property income were subject to index reviews respectively. The average rental increases were approximately 1%.

Property sales

As part of the property sale program we are seeking to sell the whole of our French and German portfolios over the next two years. Agents have been appointed and marketing has commenced with initial focus on the German properties. In July 2009 we had exchanged contracts to sell one property in Löbau, Germany for \$2 million (€960,000).

INDUSTRIAL PORTFOLIO EUROPE

INDUSTRIAL PROPERTIES **20**
SQUARE METRES **376,700**

FRANCE

LYON

1 property
€6 million

PARIS

5 properties
€26 million

GERMANY

BERLIN

1 property
€8 million

DUISBURG

1 property
€15 million

DÜSSELDORF

1 property
€12 million

ELLHOFEN

3 properties
€27 million

FRIEDEWALD

1 property
€3 million

KNETZGAU

1 property
€8 million

LANGENFELD

2 properties
€12 million

LANGENWEDDINGEN

1 property
€5 million

LÖBAU

1 property
€1 million

UNNA

1 property
€13 million

WORMS

1 property
€4 million