

Special Purpose Consolidated Income Statement (Audited)

For the 12 Months Ended 31 December 2008

	Consolidated	
	12 Months Ended	12 Months Ended
	31 Dec 2008	31 Dec 2007
	\$000	\$000
Revenue		
Rent	32,470	30,859
Gain on disposal of investment property	-	250
Total revenue	32,470	31,109
Less: Cost of Sales (Direct property related expense:	(1,147)	(624)
Gross profit	31,323	30,485
Operating expenditure		
Audit fees	69	28
Consulting fees	24	25
Directors fees	265	115
Management fees - base fee	2,268	2,017
- incentive fee	-	1,531
Administration and other expenditure	567	450
Total operating expenses before interest	3,193	4,166
Realised operating profit/(loss) before interest and taxation	28,130	26,319
Interest received	101	119
Less interest expense	(8,786)	(7,699)
Net borrowing costs	(8,685)	(7,580)
Realised operating profit/(loss) before taxation	19,445	18,739
Unrealised net change in value of investment property	(43,128)	26,463
Unrealised Revaluations - Swaps	(9,355)	2,741
Net profit/(loss) before taxation	(33,038)	47,943
Total Taxation	1,126	(3,493)
Net profit/(loss) after taxation for the period	(31,912)	44,450
Basic Earnings per Share (See Note)	(15.09)	21.21

Property For Industry Limited

Special Purpose Statement of Changes in Equity (Audited)

For the 12 Months Ended 31 December 2008

	Consolidated	
	12 Months Ended 31 Dec 2008	12 Months Ended 31 Dec 2007
	\$000	\$000
Net profit/(loss) after taxation for the period	(31,912)	44,450
Realised surplus (deficit) on sale of investment property	-	-
Total recognised revenues and expenses for the period	(31,912)	44,450
Add: Contributions from owners, dividend reinvestments	2,217	2,729
Less: Dividends to owners	(15,148)	(14,311)
	(44,843)	32,868
Equity at beginning of the period	307,338	274,470
Equity at end of the period	262,495	307,338

Special Purpose Consolidated Balance Sheet (Audited)

As at 31 December 2008

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$000	\$000
Current assets		
Cash and cash equivalents	533	-
Accounts receivable	377	638
Prepayments and other current assets	2,122	798
Investment property held for resale	22,135	12,051
Interest rate swaps	-	4,230
Taxation Recoverable	-	803
Total current assets	25,167	18,520
Non current assets		
Investment property	357,373	424,624
Capital work-in-progress	3,526	2,081
Total non current assets	360,899	426,705
Total assets	386,066	445,225
Current liabilities		
Bank overdraft	-	1,300
Trade accounts payable and accruals	2,967	2,664
Interest rate swaps	5,124	-
Provision for taxation	384	-
Goods and services tax	83	38
Bank loan	-	6,000
Total current liabilities	8,558	10,002
Non current liabilities		
Deferred Taxation	3,013	7,885
Term loan	112,000	120,000
Total non current liabilities	115,013	127,885
Owners' equity		
Capital issued	162,523	160,309
Retained earnings	99,972	147,029
Total equity	262,495	307,338
Total liabilities and equity	386,066	445,225

Special Purpose Consolidated Cash Flow Statement (Audited)

For the 12 Months Ended 31 December 2008

	Consolidated	
	12 Months Ended 31 Dec 2008 \$000	12 Months Ended 31 Dec 2007 \$000
Cash flows from operating activities		
Cash was received from:		
Receipts from customers	32,581	30,545
Interest received	101	119
	32,682	30,664
Cash was applied to:		
Payments to suppliers	4,991	5,244
Income tax paid	2,780	3,458
Net goods and services tax	(45)	608
	7,726	9,310
Net cash inflows/(outflows) from operating activities	24,956	21,354
Cash flows from investing activities		
Cash was provided from:		
Sale of investment property	27,150	5,550
Deposit on sale of investment property	-	-
Loans from subsidiaries	-	-
	27,150	5,550
Cash was applied to:		
Purchase and development of investment properties	14,144	26,632
Loans to subsidiaries		
Repayment of Vendor Mortgage		
Capitalisation of interest for development properties	412	291
	14,556	26,923
Net cash inflows/(outflows) from investing activities	12,594	(21,373)
Cash flows from financing activities		
Cash was provided from:		
Contributions from shareholders	2,217	2,729
Draw down of term loan:	(14,000)	16,500
	(11,783)	19,229
Cash was applied to:		
Interest on loans	8,786	7,699
Dividends paid	15,148	14,311
	23,934	22,010
Net cash inflows from financing activities	(35,717)	(2,781)
Net increase/(decrease) in cash held	1,833	(2,800)
Opening cash brought forward	(1,300)	1,500
Cash at the end of the period	533	(1,300)
Cash balances in statement of financial position		
Cash balances comprise the following:		
Bank	533	(1,300)
Total cash at bank and money market deposits	533	(1,300)

Property For Industry Limited

Note to the Special Purpose Financial Statements (Audited)

These special purposes financial statements have been prepared solely to satisfy Property For Industry's 31 December 2008 NZX reporting obligations, and not for any other statutory or regulatory reporting purpose.

The 31 December 2008 financial statements have been prepared in accordance with NZ IFRS. The 31 December 2007 financial statements were presented on a NZ IFRS basis last year.

The Company has obtained independent valuations for its entire property portfolio as at 31 December 2008 resulting in a decrease of approximately \$43.128m recorded during the period, taking the portfolio value of investment properties to \$379,508m.

Performance Summary (Audited)**EARNINGS PER SHARE**

The calculation of basic earnings per share at 31 December 2008 was calculated as follows:

	12 Months Ended 31 Dec 2008 \$000	12 Months Ended 31 Dec 2007 \$000
Profit attributable to ordinary shareholders		
Basic Earnings (Net profit/(loss) after taxation for the period)	(31,912)	44,450
add back deferred tax	(4,872)	(91)
less unrealised Property revaluation loss	43,128	(29,204)
less unrealised (gains)/losses on Swaps	9,355	
less gain on disposal of investment property	-	(250)
Net profit/ (loss) attributable to shareholders	<u>15,699</u>	<u>14,905</u>

Weighted average number of ordinary shares

Issued ordinary shares at 1 January	210,508,187	208,567,101
Dividend reinvestments	1,926,262	1,941,086
Issued ordinary shares at 31 December	212,434,449	210,508,187
Weighted average number of ordinary shares for period to 31 December	211,467,583	209,575,156
Basic Earnings (Net profit after Taxation)	(15.09)	21.21
Distributable Earnings per share	7.42	7.11

All profits were derived from continuing operations. There are no preference shares.

NET TANGIBLE ASSETS

	31 Dec 2008 \$000	31 Dec 2007 \$000
Net Tangible Assets	262,495	307,338
Deferred Tax Liability*	3,013	7,885
Net Tangible Assets (excl deferred tax)	265,508	315,223
Net tangible assets cents per share (NZ IFRS)	124	146
Net tangible assets (excl deferred tax) cents per share	125	150

* NZ IFRS assumes capital gains and capital losses on disposal of buildings are taxable and deductible respectively. The net impact of this is added back to give the total assuming that no deferred tax will subsequently arise.