



Pure Industrial Real Estate Trust

November 2011

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NON-GAAP MEASURES

There are a number of non-GAAP measures used in this presentation, including funds from operations (FFO) and adjusted funds from operations (AFFO). The REIT believes that these non-GAAP measures are appropriate measures of the operating performance of the REIT. These and other non-GAAP measures do not have any standardized meaning prescribed by GAAP. The REIT's calculation of these measures may differ from the methodology used by other issuers and, accordingly, may not be comparable to such other issuers.

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Investment Highlights

- **Canada's only pure-play industrial REIT**
 - Pure Industrial Real Estate Investment Trust ("PIRET" or the "REIT") owns 62 industrial properties totaling approximately 4.1 million S.F.
 - Market capitalization of approximately \$210M (approximately \$430M in GBV)
- **High quality portfolio, which provides platform for national scale**
 - Well located, high quality, single and multi-tenant industrial real estate properties
 - Geographic presence in seven provinces, providing national scale and diversification
 - 99% occupied by credit worthy tenants
- **Industrial sector yielding stable and predictable cash flow**
 - According to ICREIM Index, industrial real estate has provided the most stable return among asset classes¹
 - "Self-correcting" mechanism provides supply-demand equilibrium: built-to-suit construction and short development cycle
 - Canadian industrial market has experienced 16 years of consecutive positive net absorption (1993 - 2008)
- **Experienced management team, recently internalized at no cost**
 - Recently completed the internalization of management at no cost to the REIT
 - Management expects incremental G&A to be marginal, when offset with internalized property management revenues
 - Scalable platform at limited incremental costs going-forward
- **Attractive valuation**
 - Current distribution and AFFO yield of 7.2% and 7.8% (2012E consensus), respectively

1. For the years 1996 - 2006

PIRET - Overview

PIRET is Canada's only publicly traded REIT that focuses exclusively on industrial real estate

Capitalization		Overview	
Unit price (November 10, 2011)	\$ 4.14	2007 IPO and Acquisitions	<ul style="list-style-type: none"> August 2007: Completed \$21.2M IPO: Acquired 10 properties, representing 475,000 S.F. for \$40.3M December 2007: Acquired 8 properties, representing 345,000 S.F. for \$29.5M (\$8.5M equity issue)
Average daily volume <i>(C\$ Millions)</i>	79,300		
Market capitalization	\$ 209.9	2010 - 2011 YTD Acquisitions and Equity Financings	<ul style="list-style-type: none"> Acquired \$350.5M in assets¹ representing 3.3M S.F. and completed approximately \$159.9M of equity financings
Cash ¹	2.7		
Debt ¹	247.2		
Enterprise value	\$ 454.4	Proven Growth Strategy	<ul style="list-style-type: none"> Assets 99% occupied 49 consecutive monthly cash distributions Continued tenant and geographic diversification through accretive acquisitions
Gross book value	\$ 430.3		
Distribution per unit	\$ 0.30	Prudent Capital Structure	<ul style="list-style-type: none"> Debt/GBV of 57% 2012E payout ratio of 92.8%
Yield	7.2%		
AFFO Payout ratio (2012E) ²	92.8%		
Debt/GBV ¹	57%		

1. Pro forma pending announced acquisitions (see slide 7)

2. Source: Consensus estimates

PIRET - Business Strategy



5645 - 70th - Edmonton, Alberta



1601 Dickson Street - Montréal, Quebec



8184 Place Marien - Montréal, Quebec

Strong Real Estate Fundamentals

- High quality properties acquired at or below replacement cost
- National platform with diversification across major markets, industry and tenant
- Strong credit quality tenants with long term leases
- High quality construction with modern and functional design (high ceilings, ample turning radius, numerous dock doors, etc.)

Prudent Financial Management

- Conservative financial leverage
 - Target debt / GBV range of 60% or less
- 5 and 10 year fixed rate mortgages
- Approximately \$17.2M in undrawn operating lines
- Active management of debt rollover

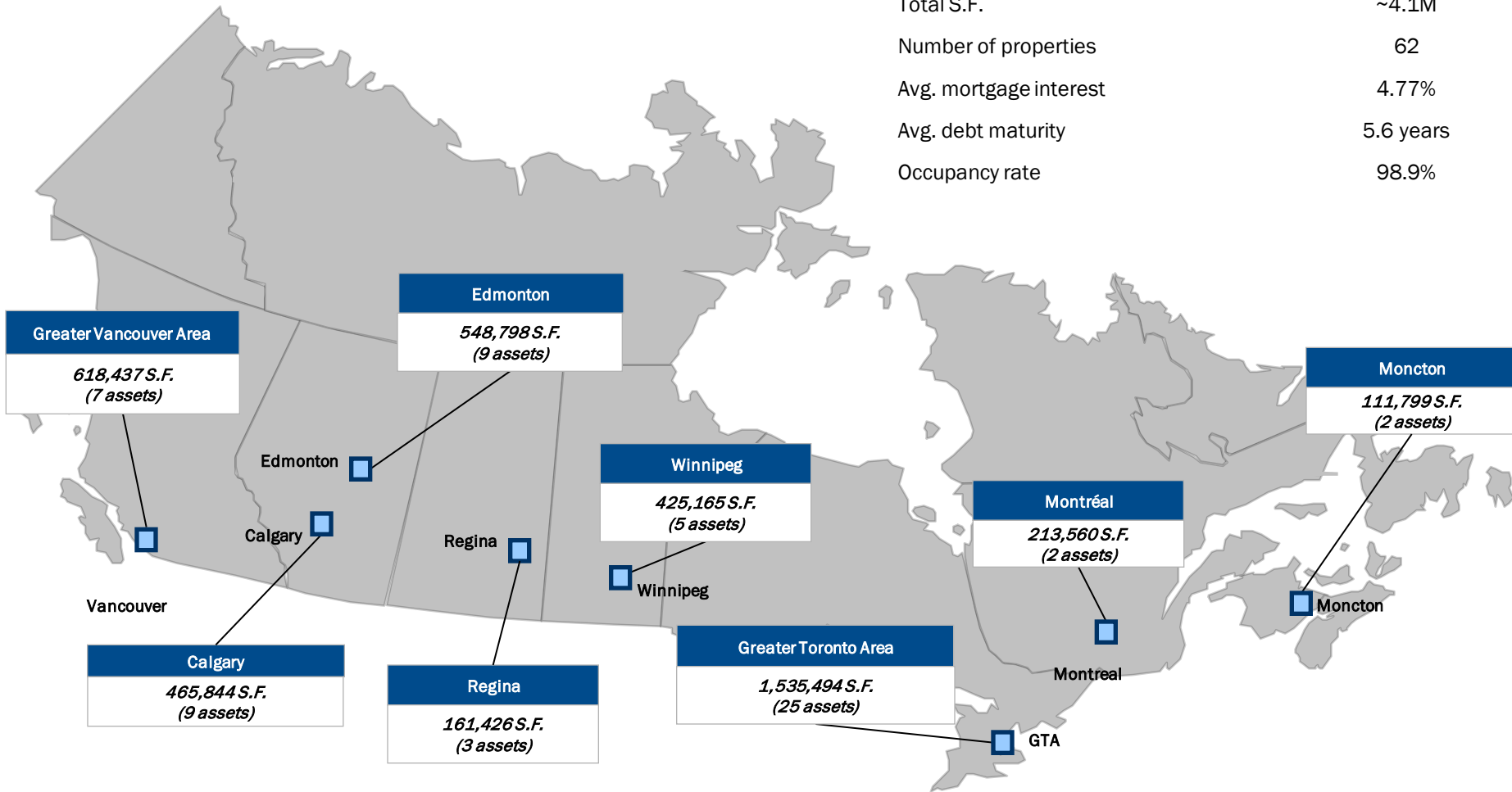
Active Asset Management

- Maintain strong tenant relations and re-leasing premises as leases expire
- Enhance property values through strategic management and upgrades
- Stagger lease termination dates across the portfolio to minimize rollover risk
- Asset and property management internalized (at no cost)

PIRET - Property Portfolio¹

Portfolio Summary

Total S.F.	~4.1M
Number of properties	62
Avg. mortgage interest	4.77%
Avg. debt maturity	5.6 years
Occupancy rate	98.9%



1. Pro forma pending announced acquisitions (see slide 7)

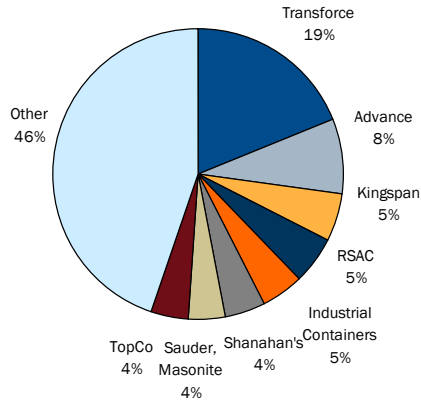
2010 - 2011 YTD Acquisitions

- **\$350.5 million in accretive acquisitions since 2010**
 - Blended cap rate of 7.46% (with a weighted average cost of debt of 4.39%)

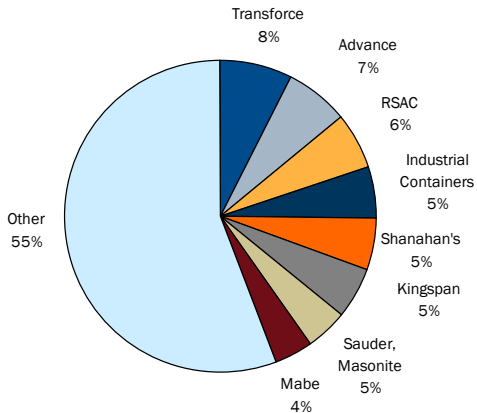
Property Summaries								
Property	Province	Date	S.F.	Amount M\$	Cap Rate	Leverage		
						%	Rate	
2010								
234040 Wrangler Road	Alberta	4-Mar-10	125,280	\$ 33.0	7.98%	65%	4.95%	
3500 Viking Way	British Columbia	4-Mar-10	67,511	\$ 7.7	7.24%	65%	5.16%	
150 Edmonton Avenue	New Brunswick	30-Mar-10	28,119	\$ 2.8	9.08%	52%	6.21%	
Advance Saskatchewan	Saskatchewan	26-Apr-10	161,426	\$ 12.3	9.14%	70%	4.80%	
Advance Alberta	Alberta	20-May-10	106,347	\$ 15.0	8.35%	69%	4.80%	
95 Clegg Road	Ontario	31-May-10	110,117	\$ 9.6	7.75%	65%	5.51%	
8184 Place Marien	Quebec	4-Jun-10	49,035	\$ 7.1	7.68%	0%	NA	
7720 17th St.	Alberta	29-Jul-10	130,944	\$ 14.8	7.87%	65%	5.35%	
2385 Matheson Boulevard	Ontario	23-Nov-10	31,721	\$ 3.1	7.90%	65%	3.70%	
650 Finley Avenue	Ontario	23-Nov-10	128,238	\$ 8.3	7.50%	65%	3.70%	
1000 Thornton Road	Ontario	6-Dec-10	111,876	\$ 8.7	7.93%	60%	4.29%	
310 De Baets Streets	Manitoba	16-Dec-10	74,019	\$ 7.8	7.28%	0%	NA	
90 - 120 Paramount Road	Manitoba	16-Dec-10	23,775	\$ 2.2	8.25%	48%	5.50%	
Total - 2010			1,148,408	\$ 132.3	7.99%	58%	4.35%	
2011								
7867 - 7890 Express Street	British Columbia	2-Feb-11	182,037	\$ 40.0	7.07%	65%	5.02%	
1 Rutherford Court	Ontario	16-Mar-11	101,301	\$ 6.1	7.25%	0%	NA	
9255 194th Street	British Columbia	7-Apr-11	185,123	\$ 18.4	6.44%	65%	4.62%	
80 Rooney Crescent	New Brunswick	15-Apr-11	81,180	\$ 5.1	8.00%	0%	NA	
7660 Vantage Way	British Columbia	28-Apr-11	73,396	\$ 9.3	6.74%	46%	5.89%	
5645 - 70th	Alberta	20-May-11	138,633	\$ 28.8	7.23%	65%	4.47%	
Canadian Urban (consists of 20 properties)	Ontario, Alberta	9-Jun-11	831,923	\$ 70.1	7.23%	67%	4.74%	
Inkster Blvd.	Manitoba	14-Jul-11	265,843	\$ 15.1	7.60%	66%	5.05%	
20 - 30 Milburn Road	Ontario	26-Jul-11	62,098	\$ 3.1	8.50%	66%	4.94%	
12557 Coleraine Drive	Ontario	17-Aug-11	208,385	\$ 22.3	6.86%	62%	3.22%	
Total - 2011			2,129,919	\$ 218.3	7.14%	61%	4.42%	
Total since 2010			3,278,327	\$ 350.5	7.46%	60%	4.39%	

PIRET - Attractive & Diversified Tenant Base

Tenants by NOI¹



Tenants by S.F.¹



Top Existing Tenant Profile

Transforce

- Canada's leading transportation and logistics firm
 - Publically traded (TSX:TFI)
 - Market capitalization of \$1.5B
- 2010 EBITDA of \$268M on revenue of \$2.0B

Advance Engineered Products

- Canada's leading manufacturer of specialized tank trailer and vacuum truck systems
- 2009 revenue of \$122.0M

Kingspan Insulated Panels

- Largest manufacturer of insulated panels in North American
- Subsidiary of Kingspan Group plc
 - Publicly traded (ISE: KRX)
 - Market capitalization of €1.0B

RSAC Canada Limited and Reliance Metals Canada Inc.

- Subsidiary of Reliance Steel & Aluminum Co., a multi-national metal processor
 - Publicly traded (NYSE: RS)
 - Market capitalization of US\$3.9B

Industrial Containers

- Subsidiary of BWAY Holding Corporation
 - Leading supplier and manufacturer of containers
 - Acquired in June 2010 by Madison Deerborne Partners for approximately \$1.0 billion

Over 60 well diversified, credit worthy tenants

1. Pro forma pending announced acquisitions (see slide 7)

Management Internalization

- **Announced the internalization of its asset and business management, effective June 1, 2011**
 - Internalization was to occur once market cap reached >\$200 million
 - No fee paid to internalize
 - Employment agreements to be entered into with senior management
 - Expected all-in G&A costs of approximately \$1.4 million per annum
 - Offset by \$800,000 per annum of incremental property management fees, upon internalization
- **Property management internalization complete in 2011**

PIRET - Team

Management Team

Darren Latoski - Co-Chief Executive Officer, Trustee

- Principal and co-founder of Sunstone Realty Advisors
- 19 years of real estate experience

Stephen Evans - Co-Chief Executive Officer, Trustee

- Principal and co-founder of Sunstone Realty Advisors
- 22 years of real estate experience

Scott Hayes – President and Chief Operating Officer

- Former Senior Vice President with Giffels Management Limited
- 16 years of real estate experience

Francis Tam - Chief Financial Officer

- Prior to joining PIRET, Francis led the Finance and Corporate Development team at Aquilini Properties
- 10 years of real estate experience

Heidi Tibben - VP Operations

- Formerly with Whiterock REIT and Summit REIT
- 8 years of real estate experience

Board of Trustees

Richard Turner - Chair and Independent Trustee

- President and CEO of TitanStar Investment Group Inc.
- Trustee of Sun Gro Horticultural Income Fund, WesternOne Equity Income Fund and formerly of Sunrise Senior Living REIT

Darren Latoski - Co-Chief Executive Officer, Trustee

- See management

Stephen Evans - Co-Chief Executive Officer, Trustee

- See management

Jim Bogusz - Trustee

- Chief Financial Officer for The Beedie Group
- Approximately 25 years of financial experience (15 years direct real estate and construction experience)

Jon A. Gordon - Independent Trustee

- Over 20 years experience in investment banking and private equity

Robert King - Independent Trustee

- President of King Pacific Capital Corporation
- Trustee of WesternOne Equity Income Fund

Douglas Scott - Independent Trustee

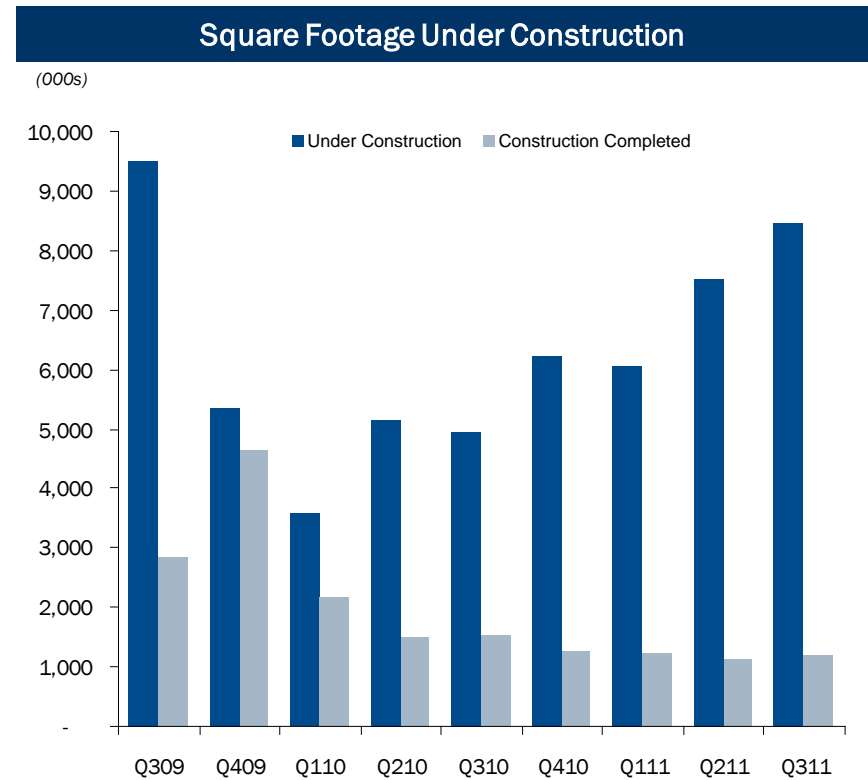
- Former CFO Coast Wholesale Appliances Income Fund

Industrial Real Estate - Fundamentals

- **Large Market:** 1.7B S.F. of GLA
- **Resilient:** From their 2008 peak, the national average net rental rates decreased only 9.9%
- **Quantified capital:** Fully net leases
- **Manageable vacancy costs:** Cost to carry vacant space more than 70% lower than office or retail
- **Long term value and leasing strength:** Unlike other asset classes, industrial properties remain functional, and hence leasable, for many generations
- **Short development time frame:** With a 9 to 12 month development timeline, industrial property markets are much faster to respond to market changes, thereby avoiding overbuilding and sagging rental rates
- **Diversified ownership base:** Industrial real estate is owned by a large and diverse group of owners, thereby assuring a constant stream of new assets

Industrial Real Estate - Supply

- **Construction Slow Down:** Q3 saw an identical level of new construction completed as compared to Q2 2011
- **Build to Suit:** The majority of new construction is on a build-to-suit basis with speculative construction at a standstill
- **Stabilizing Rents:** With a decline in new construction and recovering absorption, net rental rates are expected to stabilize in 2011



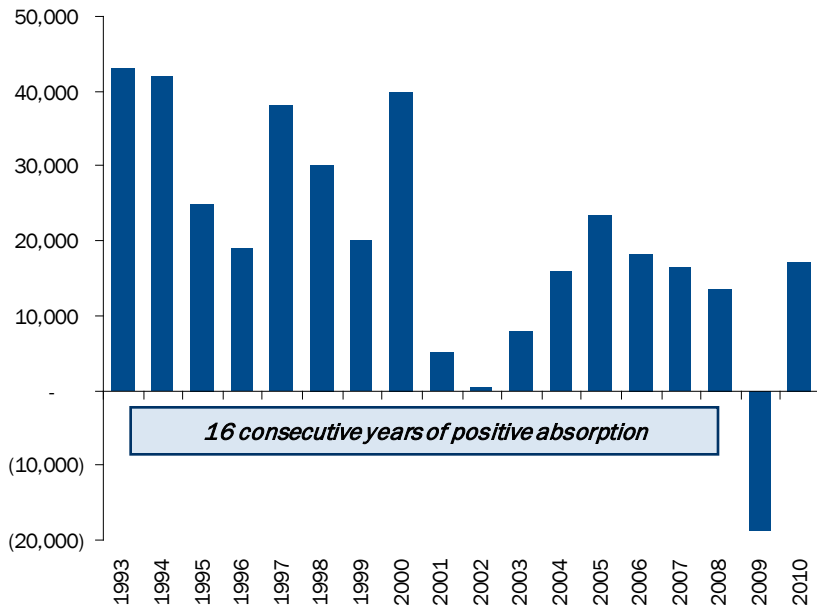
Source: CBRE

Industrial Real Estate - Absorption

- Long Term Stable Market
- Absorption Improvement: Increased demand = Improving net rents

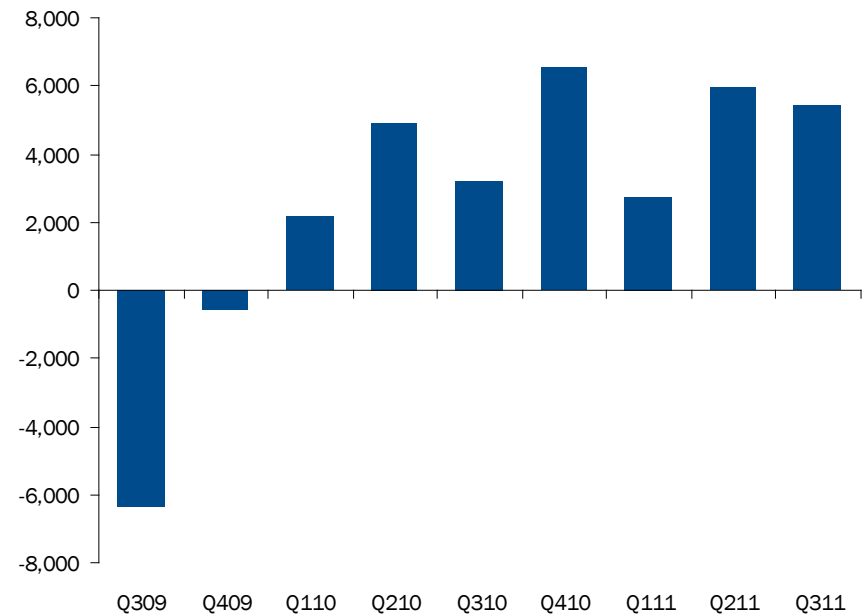
Absorption Year Over Year

(S.F. 000s)



Absorption Quarter Over Quarter

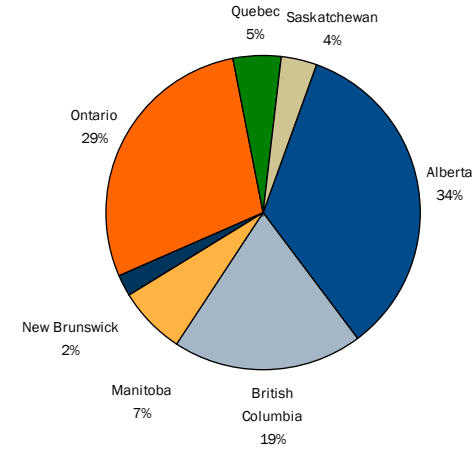
(S.F. 000s)



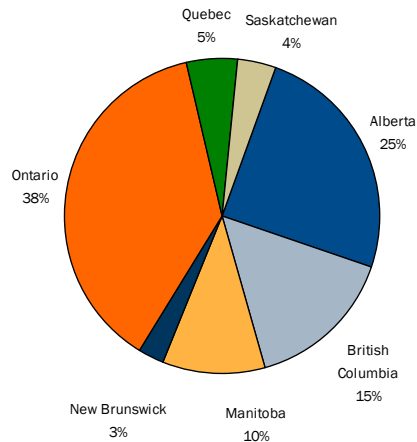
PIRET Portfolio - Province & Property Type¹

- **National portfolio of industrial properties**
 - Approximately 4.1M S.F. diversified across seven provinces
- **High quality industrial properties, consisting of light industrial, warehouse & distribution and flex industrial**
 - No exposure to heavy industrial

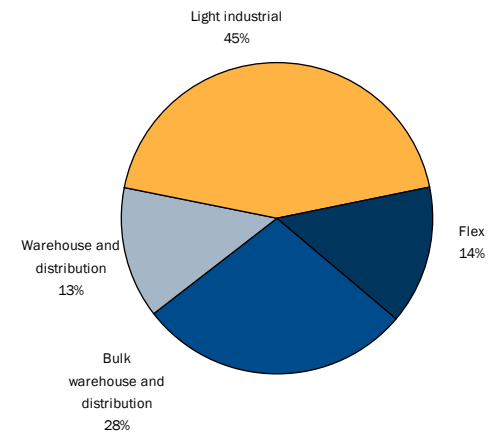
NOI by Province



GLA by Province



NOI by Property Type

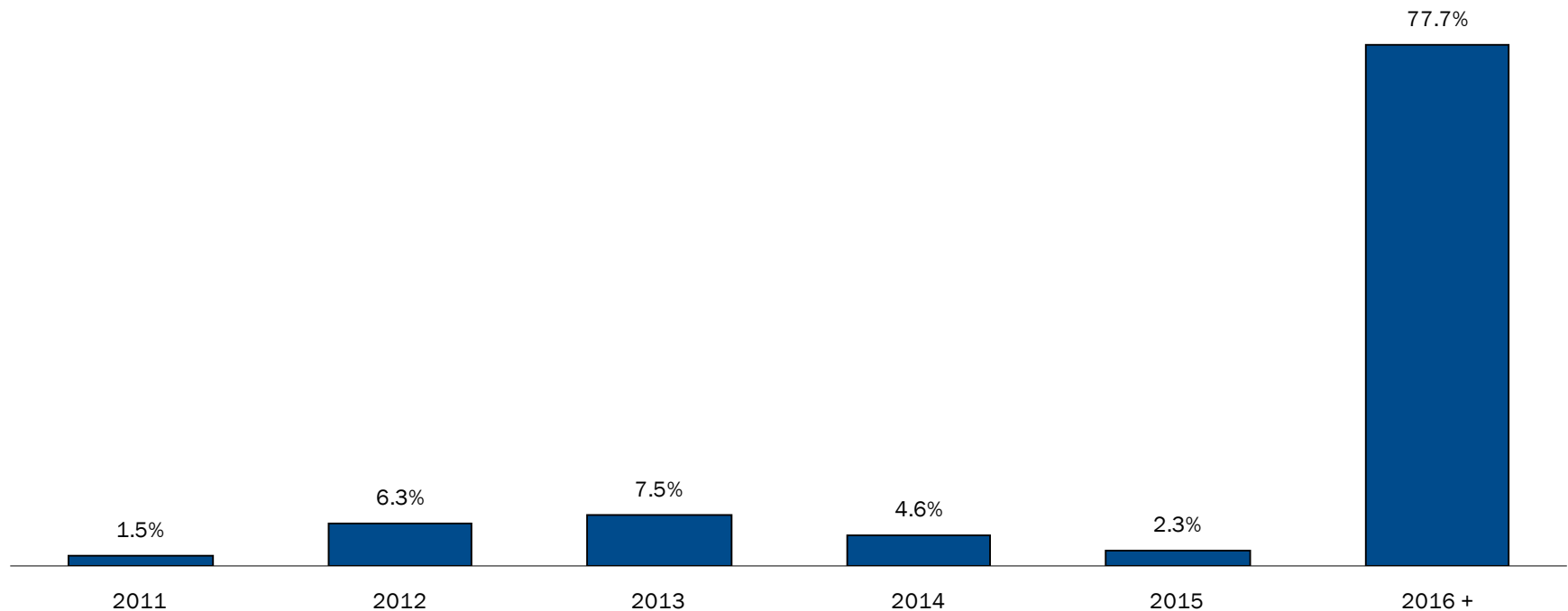


1. Pro forma pending announced acquisitions (see slide 7)

PIRET - Lease Maturities¹

- Low re-leasing risk, with 85% of leases up for renewal post 2013
- Leases typically have contractual 'step-ups' providing visible internal NOI growth
- Fully net leases to the REIT ensures no unknown capital expenditures

Lease Maturity - by GLA



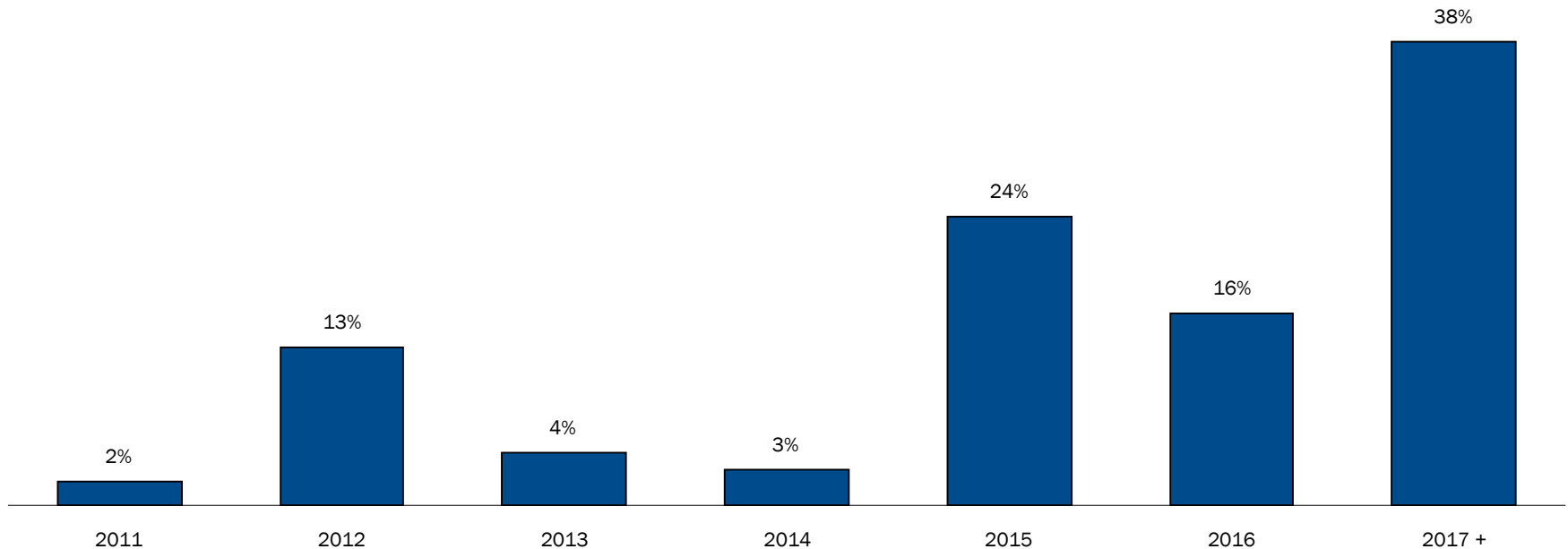
1. Pro forma pending announced acquisitions (see slide 7)

PIRET - Debt¹

- Manageable debt maturity profile with 81% of mortgages coming due after 2013
- Refinancing not an issue with Debt/GBV of approximately 57%, indicating conservative expected loan to value profile
- No convertible debentures in structure

Debt Maturity - % of Total Debt

5.6 year weighted maturity



1. Pro forma pending announced acquisitions (see slide 7)

Recent Acquisition, Financing & Leasing Activities



**8481 Place Marien
Montreal, QC**

- Acquired in 2010 on an all cash basis
- 20 year fully net lease to FedEx with contract rent steps
- 20 year mortgage term
- 20 year amortization
- 4.77% fixed rate



**333 De Baets Street
Winnipeg, MB**

- Expiry mortgage at 5.50%
- 5 year mortgage term
- 20 year amortization
- 3.20% fixed rate



**20-30 Milburn Road
Stoney Creek, ON**

- Acquired on an all cash basis at > 8% yield
- 10 year fully net lease with contract rent steps
- 10 year term
- 25 year amortization
- 4.026% fixed rate



**12557 Coleraine Drive
Caledon, ON**

- 2009 Construction
- Attractive cap rate of 6.86%
- 10 year fully net lease with contract rent steps
- 5 year mortgage term
- 25 year amortization
- 3.221% fixed rate

Leasing Activity

- Leased 24% of vacant space at rates 25% above underwriting
- Renewed 38% of 2011 expiries at equal or greater rates
- Currently in discussions with remainder of 2011 and 2012 expiries

Short Term Strategy

Debt Maturity
Management

Actively Underwrite
Acquisitions



Active Asset
Management &
Leasing

Cost & Revenue
Management



Appendix A

Research Analyst Estimates

Research Analyst Estimates

Dealer	Date	Target	Rating	FFO		AFFO	
				2011E	2012E	2011E	2012E
Canaccord Genuity	8-Nov-11	\$5.00	Buy	\$0.34	\$0.39	\$0.29	\$0.34
Dundee	9-Nov-11	\$5.00	Buy	\$0.33	\$0.36	\$0.29	\$0.32
RBC	24-Oct-11	\$4.50	Sector perform	\$0.33	\$0.36	\$0.28	\$0.31
Average		\$4.83		\$0.33	\$0.37	\$0.29	\$0.32