



EXCEPTIONAL Places.

**ANNUAL RESULT
PRESENTATION 2016**



EXCEPTIONAL People.

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This annual result presentation for the year ended 31 March 2016 should be read in conjunction with the NZX announcement and online annual report also released on 16 May 2016. Refer to our website kp.co.nz or nzx.com

Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. Refer to Appendix 6 of this presentation for definitions



Kiwi Property

Our vision, objective, goals and investment strategy

Our vision

> To be synonymous with New Zealand's best retail and workplace experiences

Our objective

> To provide investors with a reliable investment in New Zealand property, targeting superior, risk-adjusted returns over time through the ownership and active management of a diversified high-quality portfolio

Our goals

Long-term total returns

> **9%** per annum

10.0%
Achieved



Pre-tax funds from operations per share growth

> **2%** per annum

5.1%
Achieved





Our investment strategy

- > To invest in a diversified portfolio of retail and office assets that are expected to outperform by consistently attracting high levels of tenant demand

Diversification

- > Reduces the volatility of income returns
- > Enables greater consistency of income performance
- > Provides flexibility and enables us to allocate capital to individual sector opportunities

Retail and Auckland bias

- > We have a bias towards the retail sector and specifically regional shopping centres that are:
 - dominant within their catchments
 - difficult to replicate
- > We view our specialist in-house retail management capability and our nationwide tenant relationships as a competitive advantage
- > We favour the Auckland region, given its superior prospects for economic, population and employment growth



Our investment strategy (continued)

Our core portfolio comprises:

Retail portfolio

- Auckland
Dominant regional shopping centres and large format retail
- Outside of Auckland
Dominant regional shopping centres and large format retail centres in regions with positive prospects for growth (economic, population and employment)

Office portfolio

- Auckland
Prime-grade office with desired attributes (quality, floorplate, services, location and car parking)
- Wellington
Core government office accommodation supported by long-term leases to the Government

Third party management

- > We also manage properties for third parties and joint-owners as this enables us to:
 - diversify our investments over a greater pool of assets, and
 - leverage returns by generating additional property management fee income



We're delivering on our retail strategy

■ Acquired **Westgate Lifestyle** for \$82.5m

■ \$39m entertainment and dining precinct opened at **LynnMall**

■ Conditional contract to sell **Centre Place – South** secured

■ Announced the acquisition of a 50% interest in **The Base** for \$192.5m

SEP
2015

OCT
2015

NOV
2015

DEC
2015

POST
MAR
2016

■ secured at **Sylvia Park**

■ secured at **Sylvia Park**

- Increasing our exposure to large format retail
- Creating exceptional places at our core retail assets

- Investing in dominant regional assets
- Disposing of non-core assets

For more information, refer to the following appendices:

- 3.1–3.3 Sylvia Park
- 3.4 Westgate Lifestyle
- 3.5 LynnMall
- 4.1–4.4 Acquisition of The Base



We're delivering on our office strategy

Wellington

> Creating our Government office precinct

- 35,000 sqm of office space in adjacent buildings
- 44 The Terrace – three 12-year leases over 80% of the building's office space
- The Aurora Centre – all office space leased for 18 years
- \$85 million of refurbishment works nearing completion on the two buildings

Auckland

> Maintaining our office buildings as best-in-class

- Invested \$1.7 million in upgrading the Vero Centre lobby and outdoor areas
 - Enhanced building communities
 - Strong tenant retention

8.2 years = longest weighted average lease term in more than 10 years

For more information, refer to the following appendices:

- 3.7 The Aurora Centre
- 3.8 44 The Terrace



A record year

Delivered our highest ever profit

Profit after tax

\$250.8m

+\$135.6m +117.7%

Funds from operations

\$91.1m

+\$6.3m +7.4%

Increased cash dividend

Cash dividend

6.60 cps

+0.10 cps +1.5%

Key contributors

- ✓ Improved rental performance
- ✓ Interest expense savings
- ✓ Positive asset revaluations
- ✓ Robust retail sales growth
- ✓ Positive property fundamentals

For more information, refer to the following appendices:

- 1.1 Rental income
- 1.2 Profit after tax
- 1.5 Funds from operations
- 1.6 Dividends



A record year

Highest portfolio value and lowest cost of debt

Strong balance sheet maintained

Property assets	Gearing	Net asset backing per share
\$2.67b	30.3%	\$1.34
+\$394m +17.3%	-320 bps	+\$0.13 cps

Lowest cost of debt in over 10 years

Weighted average term to maturity	Weighted average cost of debt
3.9 years	4.88%
FY15: 3.6 years	FY15: 6.02%

For more information, refer to the following appendices:

- 1.7 Balance sheet
- 1.9 Net finance debt movement
- 1.10 Finance debt facilities
- 1.11 Fixed-rate debt profile
- 2.2 Portfolio values and cap rates



Strong portfolio metrics

Delivered by active asset management

- > Record portfolio value
- > Firmer cap rates
- > Comparable rental income growth
- > Improved key portfolio metrics
- > Continued sustainability leadership position

For more information, refer to the following appendices:

- 1.1 Rental income
- 2.2 Portfolio values and cap rates
- 2.3 Capitalisation rate history
- 2.4 New leasing and rent reviews
- 2.5 Portfolio statistics
- 2.11 Sustainability achievements



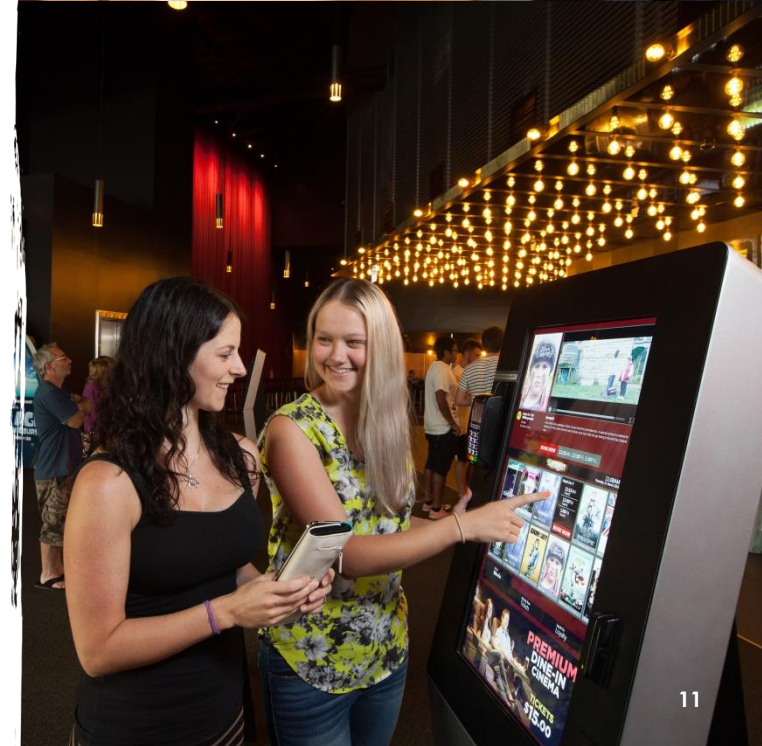


Robust retail sales growth

Evolving the retail mix reaping rewards

- > Total retail sales of \$1.36 billion
 - +5.8% over prior year
- > Uplift in discretionary spending categories including
 - Cinemas +7.4%
 - Commercial services +9.6%
 - Music video and games +14.0%
 - Food +4.2%
 - Personal services +5.0%
 - Outdoor and leisure +9.5%
 - Newsagents and books +7.7%
- > Department stores performed strongly +5.9%

For more information, refer to Appendix 2.10 – Retail sales





Development activity

\$225 million of developments concluding

Completed

- > LynnMall dining and cinema precinct

Concluding in FY17

- > Westgate Lifestyle
- > New stores for H&M and Zara at Sylvia Park
- > Transformational projects in Wellington
 - The Majestic Centre
 - The Aurora Centre
 - 44 The Terrace

For more information, refer to Appendix 3 – Development update





Our onward journey

Continue to deliver on strategy

Retail

- > Deliver development projects
- > Progress development plans at Sylvia Park
- > Settle disposal of Centre Place – South
- > Settle the purchase of The Base and take on property management

Office

- > Deliver development projects
- > Focus on forthcoming lease expiries

Portfolio

- > Add value through acquisitions/asset improvements
- > Divest non-core assets





Sylvia Park

Creating a world-class retail destination

Galleria/Café Court junction. Concept only. Subject to change.



First stage underway

Stores for H&M and Zara

Future expansion plans

- 2nd level
- Up to 20,000 sqm additional retail
- One or more department stores
- Exciting new brands/concept stores
- New concept café court
- Additional multi-deck car parks

For more information refer to Appendices 3.1 to 3.3

- Potential cost: \$180m
- Potential start: 2017
- Potential completion: 2019 and 2021



Sylvia Park

Bringing our town centre vision to life

Concept only. Subject to change.



For more information refer to Appendices 3.1 to 3.3

- Office building created in the airspace above the dining lane
- Ground floor restaurants and nine-levels of office (11,200 sqm)
- 5-GreenStar design and 4-star NABERSNZ energy rating
- Bike parks and end of trip facilities
- Potential cost: \$80m
- Potential start: late 2016
- Potential completion: 2018

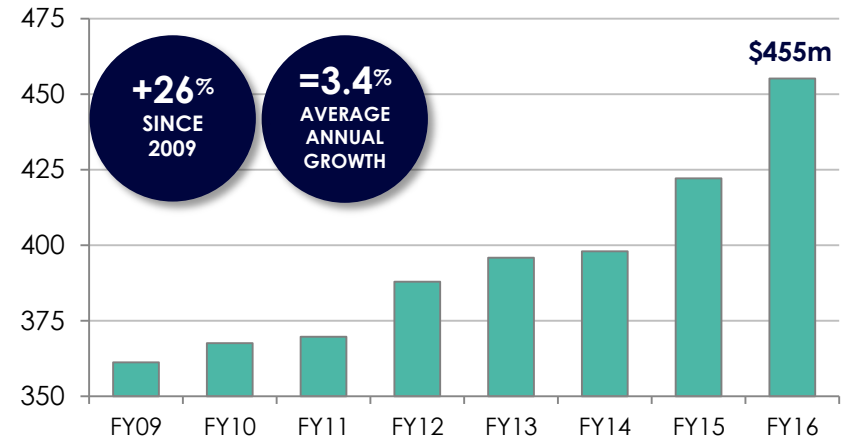


Sylvia Park

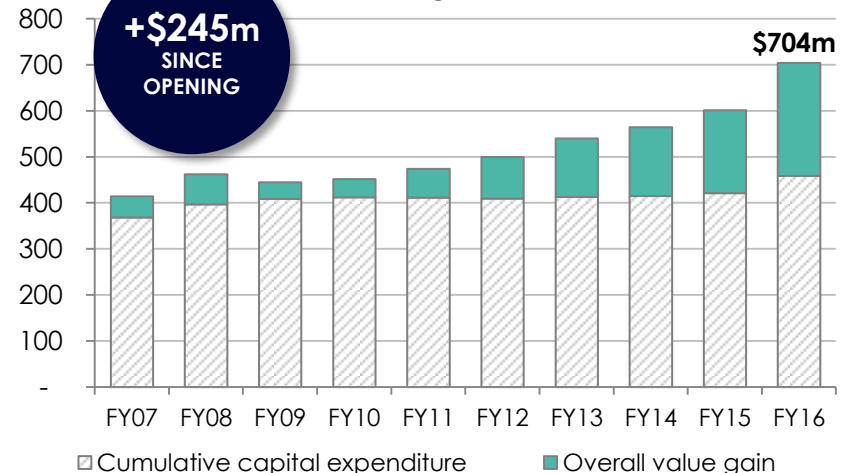
Why Sylvia Park?

- ✓ **Location**
 - Sits at the junction of three major highways
- ✓ **Scale**
 - 12.6 million annual visitors
 - Over \$455m annual retail sales
- ✓ **Extensive trade area population**
 - Main trade area: 764,470 (49% Auckland's population)
 - Total trade area: 917,470 (59% Auckland's population)
- ✓ **Exposure and accessibility**
 - 440,000 people live within a 10 minute drive
 - 91% of Auckland live within a 30 minute drive
 - 200,000 passing vehicles per day
- ✓ **Carparking**
 - Close to 4,000 carparks
- ✓ **Transport links**
 - Train and bus links
- ✓ **Zoning**
 - One of 10 council designated 'Metropolitan Centres' in Auckland

Annual retail sales (\$m)



Value gain (\$m)





The Base

Acquired a 50% interest (post-period)



Acquiring

50% interest for
\$192.5m,
settling
31 May 2016

Management

Kiwi Property
to manage
the entire
centre

Initial yield¹

6.4%

IRR¹

8.5%

Value add opportunities

- Develop the 6.7 hectares of vacant land
- Apply our retail expertise

For more
information
refer to
Appendix 4

1. Excluding development land



Outlook and dividend guidance

Further uplift in cash dividend

Outlook

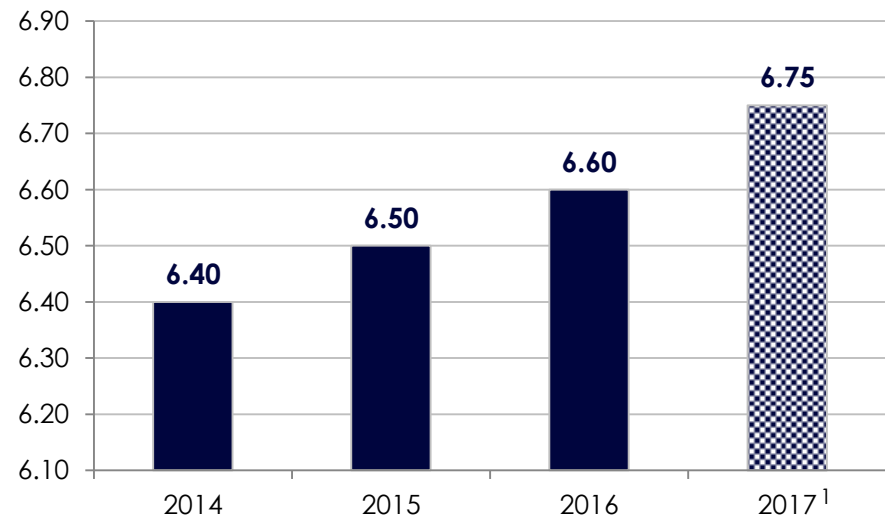
- > New Zealand economy continues to grow positively
- > Supportive investment property fundamentals
- > Kiwi Property has:
 - Key projects completing in FY17, bringing further rental income on-stream
 - Stable occupancy and structured rent reviews
 - A strong balance sheet
 - Organic growth opportunities through development pipeline

For more information, refer to Appendix 1.6

Cash dividend guidance for FY17

Increased to
6.75
cents per share¹

Growth in cash dividend (cents per share)



1. Guidance is subject to a continuation of reasonable economic conditions.

A photograph of a movie theater audience. In the foreground, a man and a woman are laughing and looking towards the screen. The man is wearing a white and blue baseball-style shirt, and the woman is wearing a colorful patterned dress. They are holding drinks and popcorn. In the background, other audience members are visible, some also smiling. A decorative graphic of a series of pink and yellow circles is overlaid on the right side of the image, curving from the top towards the bottom right.

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Rental income

Positive contributions from all properties not under development

1.1

For the year ended	31-Mar-16	31-Mar-15	Variance		Like-for-like var.	
	\$m	\$m	\$m	%	\$m	%
Sylvia Park	36.4	36.0	▲ +0.4	+1.0	+1.1	+2.9
Sylvia Park Lifestyle	4.5	1.2	▲ +3.3	+286.2		
LynnMall	15.4	15.3	▲ +0.1	+0.1		
Centre Place	7.1	6.8	▲ +0.3	+5.7	+0.3	+5.7
The Plaza	15.1	14.7	▲ +0.4	+2.7	+0.4	+2.7
North City	7.8	7.3	▲ +0.5	+5.6	+0.5	+5.6
Northlands	18.6	17.7	▲ +0.9	+5.4	+0.9	+5.4
Retail portfolio	104.9	99.0	▲ +5.9	+5.9	+3.2	+3.8
Vero Centre	20.0	19.1	▲ +0.9	+5.2	+0.9	+5.2
ASB North Wharf	11.1	10.9	▲ +0.2	+2.2	+0.2	+2.2
205 Queen (sold Jun-14)	-	0.7	▼ -0.7	-100.0		
The Majestic Centre	5.9	5.8	▲ +0.1	+2.0		
The Aurora Centre	-0.7	2.9	▼ -3.6	-124.8		
44 The Terrace	1.9	2.0	▼ -0.1	-11.0		
Office portfolio	38.2	41.4	▼ -3.2	-7.9	+1.1	+4.1
Other properties	2.6	2.5	▲ +0.1	+4.9	+0.1	+4.9
Net operating income	145.7	142.9	▲ +2.8	+1.9	+4.4	+3.9
Property management fees	8.6	8.3	▲ +0.3	+3.6		
Straight-lining of fixed rental increases	2.3	4.1	▼ -1.8	-43.6		
Net rental income <small>[Appendix 1.2]</small>	156.6	155.3	▲ +1.3	+0.8		

Total income

- > Positive contributions provided by:
 - A full year contribution from Sylvia Park Lifestyle
 - All other properties not under development
- > Offset by:
 - The Aurora Centre which has been 100% vacant from Nov-14 for refurbishment

Like-for-like income

- > Like-for-like growth was positive across all properties



Profit after tax

Driven by strong operating performance and rise in value of property portfolio

1.2

For the year ended	31-Mar-16	31-Mar-15	Variance	
	\$m	\$m	\$m	%
Property revenue [Appendix 1.1]	208.2	205.9 ▲	+2.3	+1.1
Property management income	0.4	0.4 ■	-	-
Interest and other income	0.2	0.4 ▼	-0.2	-50.0
Litigation settlement income	6.3	- ▲	+6.3	+100.0
Net fair value gain on investment properties	175.9	58.3 ▲	+117.6	+201.7
Total income	391.0	265.0 ▲	+126.0	+47.5
Direct property expenses [Appendix 1.1]	-51.6	-50.5 ▲	-1.1	-2.2
Interest and finance charges [Appendix 1.3]	-33.5	-52.6 ▼	+19.1	+36.3
Employment and administration expenses [Appendix 1.4]	-16.2	-15.1 ▲	-1.1	-7.3
Net fair value loss on interest rate derivatives	-17.6	-13.1 ▲	-4.5	-34.4
Loss on disposal of investment properties	-	-0.8 ▼	+0.8	+100.0
Restructuring costs	-	-2.1 ▼	+2.1	+100.0
Insurance adjustment	-	-5.1 ▼	+5.1	+100.0
Litigation settlement expenses	-0.4	-1.3 ▼	+0.9	+69.2
Total expenses	119.3	140.6 ▼	+21.3	+15.1
Profit before tax	271.7	124.4 ▲	+147.3	+118.4
Income tax expense	-20.9	-9.2 ▲	-11.7	-127.2
Profit after tax	250.8	115.2 ▲	+135.6	+117.7

Record result

> Assisted by:

- A significant rise in investment property values
- Litigation settlement income
- A lower interest expense, due to:
 - Lower debt levels following repayment of debt from proceeds of a 1 for 9 entitlement offer
 - Favourable cost of debt
 - Conversion of the mandatory convertible notes in Dec-14
- The absence of insurance adjustments (relating to Northlands) and restructuring costs incurred in the prior period

> Offset by:

- Unfavourable movement in interest rate derivatives due to movements in interest rates

> Delivered despite:

- An increase in current tax due to the deductibility of the internalisation payment made in the 2014 financial year



Interest and finance charges

Significant reduction driven by repayment of debt and a lower cost of debt

1.3

For the year ended	31-Mar-16	31-Mar-15	Variance	
	\$m	\$m	\$m	%
Interest on bank debt	-31.1	-42.0 ▼	+10.9	+26.0
Interest on bonds	-8.0	-5.4 ▲	-2.6	-48.1
Interest on MCNs	-	-8.4 ▼	+8.4	+100.0
Interest expense incurred	-39.1	-55.8 ▼	+16.7	+29.9
Interest capitalised to:				
LynnMall	0.7	0.1 ▲	+0.6	+600.0
Westgate Lifestyle	1.4	- ▲	+1.4	+100.0
The Majestic Centre	1.2	1.8 ▼	-0.6	-33.3
The Aurora Centre	1.9	0.8 ▲	+1.1	+137.5
Other properties under development	0.4	0.5 ▼	-0.1	-20.0
Total capitalised interest	5.6	3.2 ▲	+2.4	+75.0
Net interest expense	-33.5	-52.6 ▼	+19.1	+36.3

Interest on bank debt

> Lower due to:

- Lower debt levels following repayment of debt from proceeds of a 1 for 9 entitlement offer
- Favourable cost of debt
- Interest rate swaps closeout

Bonds

> Bonds issued in Aug-14

- FY16 represents a full-year interest cost

MCNs

> Conversion of the mandatory convertible notes in Dec-14

Capitalised interest

> Assisted by the current high level of development activity



Management expense ratio (MER)

Competitive MER maintained

1.4

For the year ended	31-Mar-16 \$m	31-Mar-15 \$m	Variance \$m
Employment and administration expenses	16.2	15.1 ▲	+1.1
Less: property management fee recoveries	-6.0	-5.9 ▲	-0.1
Net expenses	10.2	9.2 ▲	+1.0
Average property assets	2,473.0	2,203.0 ▲	+270.0
Management expense ratio	0.41 bps	0.42 bps ▼	-0.01 bps

Expense growth

- > Driven by the underlying number of assets owned, and leases managed by the Company
- > Additional resources delivering new digital, casual leasing and advertising revenues



Funds from operations

Strong underlying operating result

1.5

For the year ended	31-Mar-16	31-Mar-15	Variance	
	\$m	\$m	\$m	%
Profit after tax [Appendix 1.2]	250.8	115.2 ▲	+135.6	+117.7
Adjusted for:				
Net fair value gain on investment properties	-175.9	-58.3	-117.6	-201.7
Loss on disposal of investment properties	-	0.8	-0.8	-100.0
Net fair value loss on interest rate derivatives	17.6	13.1	+4.5	+34.4
Restructuring costs	-	2.1	-2.1	-100.0
Insurance adjustment	-	5.1	-5.1	-100.0
Litigation settlement expenses/(income)	-5.9	1.3	-7.2	-553.8
Straight-lining of fixed rental increases [Appendix 1.1]	-2.3	-4.1	+1.8	+43.6
Amortisation of tenant incentives	6.4	5.6	+0.8	+14.3
Deferred tax expense	0.4	4.0	-3.6	-90.0
Funds from operations¹	91.1	84.8 ▲	+6.3	+7.4

> Record result achieved, despite the tax expense normalising relative to the two previous years which were lower due to the tax deductibility of the internalisation payment made in FY14

1. Funds from operations ('FFO') is an alternative performance measure used by Kiwi Property to assist investors in assessing the Company's underlying operating performance and to determine income available for distribution. FFO is calculated in accordance with guidelines issued by the Property Council of Australia.



Dividends

Shareholders to receive a 6.60 cents per share cash dividend

1.6

For the year ended	31-Mar-16 \$m	31-Mar-15 \$m	31-Mar-16 cps ¹	31-Mar-15 cps ¹
Funds from operations [Appendix 1.5]	91.1	84.8	7.16	7.87
Amount retained	-7.2	-14.5	-0.56	-1.37
Cash dividend	83.9	70.3	6.60	6.50
Imputation credits	22.6	4.7	1.62	0.44
Gross dividend	106.5	75.0	8.22	6.94
Payout ratio	92%	83%		

1. Calculated using the number of shares entitled to the relevant dividend.



Balance sheet

Balance sheet strength maintained

1.7

As at	31-Mar-16 \$m	31-Mar-15 \$m		Movement \$m	%
Investment properties [Appendix 1.8]	2,669.9	2,275.8	▲	+394.1	+17.3
Cash [Appendix 1.9]	6.2	6.2	■	-	-
Deferred tax asset	6.9	5.1	▲	+1.8	+35.3
Other assets	15.4	8.5	▲	+6.9	+81.2
Total assets	2,698.4	2,295.6		+402.8	+17.5
Finance debt [Appendix 1.9]	814.2	766.4	▲	+47.8	+6.2
Deferred tax liability	92.3	90.1	▲	+2.2	+2.4
Other liabilities	75.1	56.5	▲	+18.6	+32.9
Total liabilities	981.6	913.0	▲	+68.6	+7.5
Total equity	1,716.8	1,382.6	▲	+334.2	+24.2
Total equity and liabilities	2,698.4	2,295.6	▲	+402.8	+17.5
<i>Gearing ratio (requirement <45%)</i>	30.3%	33.5%	▼	-320 bps	
<i>Net asset backing per share (NTA)</i>	\$1.34	\$1.21	▲	+\$0.13	

Other assets

- > Includes litigation settlement receivable

Other liabilities

- > Increase driven by:
 - Company returning to a tax paying position
 - Development accruals due to the current high level of development activity

Equity

- > Includes 1 for 9 entitlement offer, raising \$148.1 million (net of costs)

Gearing

- > Improved by lower debt and increased investment property values

NTA

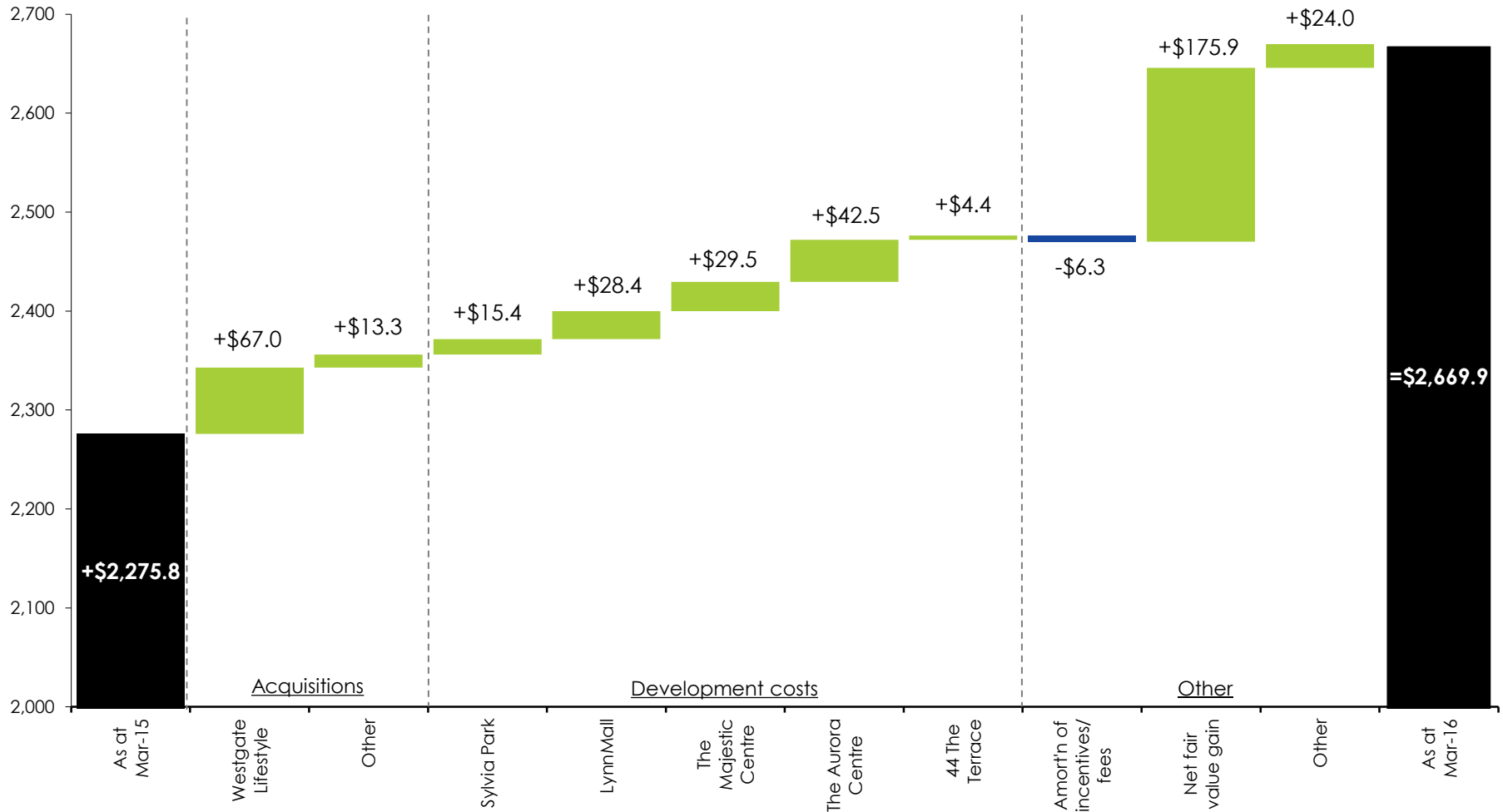
- > Assisted by increased investment property values



Investment properties (\$m, movement FY15 to FY16)

Increase driven by value-add activities and revaluation gains

1.8

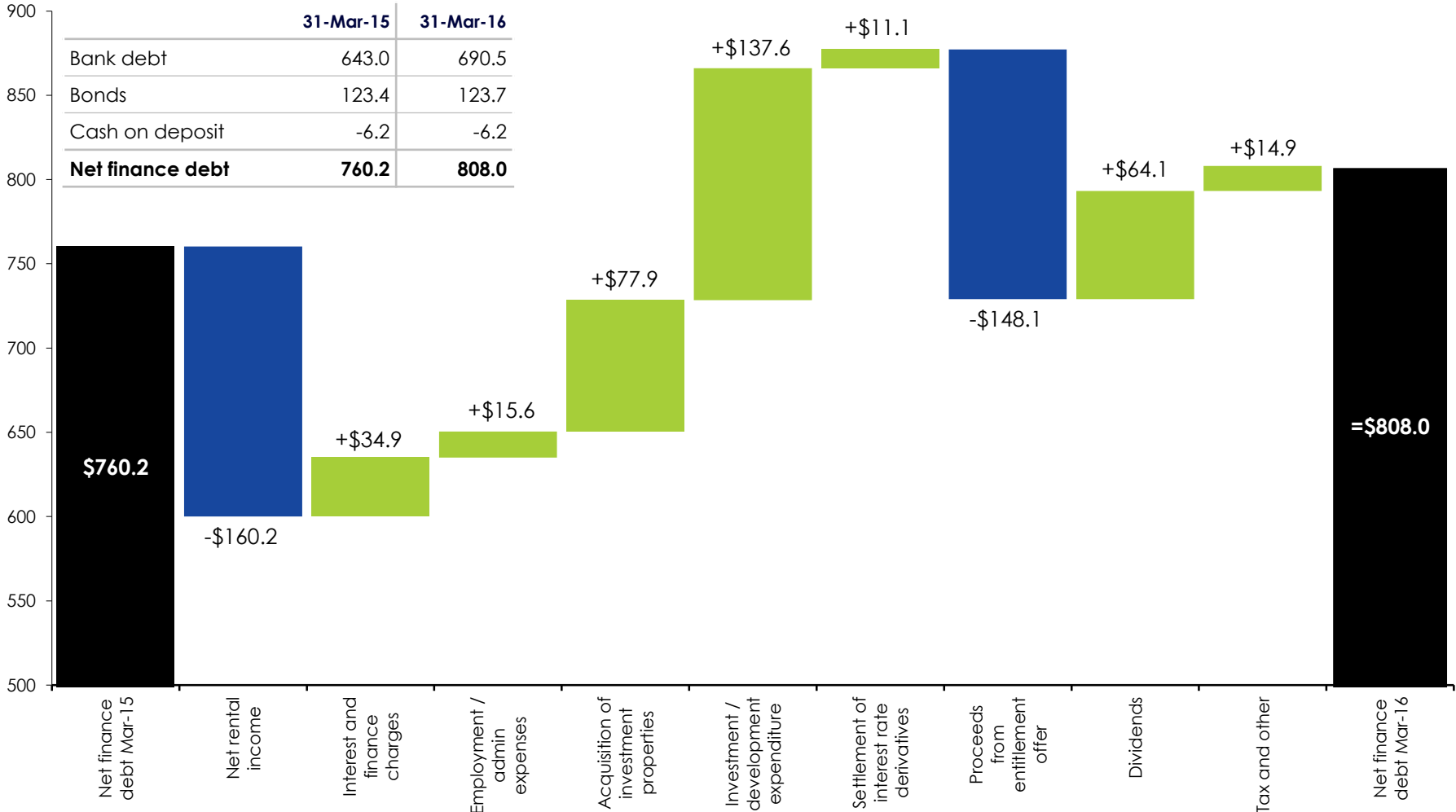




Net finance debt (\$m, movement FY15 to FY16)

Active year for investment and financing activities

1.9





Finance debt facilities

Active treasury management delivers reduction in cost

1.10

As at 31 March 2016					Facilities expiring	
					\$m	%
FY17					-	-
FY18					-	-
FY19	ANZ \$52.5	BNZ \$73.0	CBA \$80.0	WBC \$52.5	258.0	28.7
FY20	ANZ \$52.5	BNZ \$73.0	CBA \$80.0	WBC \$52.5	258.0	28.7
FY21	ANZ \$52.5	BNZ \$74.0	CBA \$80.0	WBC \$52.5	259.0	28.7
FY22	Bond \$125.0				125.0	13.9
FY23					-	-
Total facilities					900.0	100.0
Facilities drawn					815.5	
Undrawn facilities					84.5	
As at					31-Mar-16	31-Mar-15
Weighted average term to maturity					3.9 years	3.6 years
Weighted average cost of facilities (incl. margins and fees)					4.88%	6.02%

- > All bank debt facilities extended in Nov-15
 - Reduced fees and margins by around 20 basis points
 - Increased term by 1.3 years
- > Lowest cost of debt for over a decade
- > In March 2016, the Group entered into a bridge facility for up to \$325 million with Westpac New Zealand to fund the acquisition of The Base shopping centre, which is due to settle on 31 May 2016. The facility will commence on 31 May 2016 for a term of one year

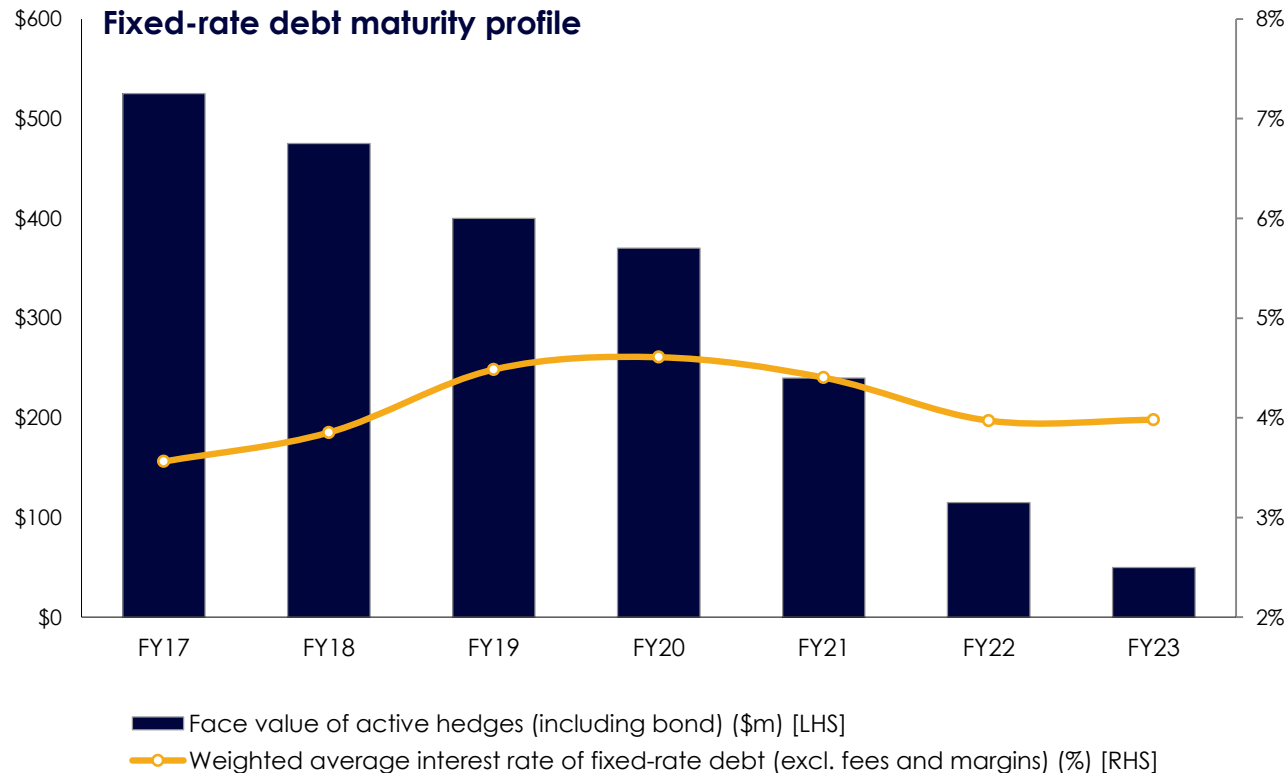


Fixed-rate debt profile

Disciplined treasury management

1.11

Fixed-rate profile (inclusive of \$125m bond issuance)	31-Mar-16	31-Mar-15
Percentage of drawn finance debt at fixed rates	68%	81%
Weighted average interest rate of active fixed-rate debt (excl. fees and margin)	3.96%	4.68%
Weighted average term to maturity of active fixed-rate debt	2.7 years	3.3 years





Sylvia Park, Auckland

Appendix 2. PROPERTY PORTFOLIO REVIEW



Property portfolio summary

Key metrics

2.1

Core portfolio metrics ¹ As at	31-Mar-16			31-Mar-15	
	Retail	Office	Total		Total
Number of assets ²	9	5	14	▲	12
Value (\$000) ³ [Appendix 2.2]	\$1,788.8	\$819.4	\$2,608.2	▲	\$2,204.8
Proportion of total portfolio by value [Appendix 2.7]	67%	31%	98%	▲	97%
Weighted average capitalisation rate [Appendix 2.2]	6.69%	6.44%	6.61%	▼	6.92%
Over/(under) renting	-0.5%	+1.4%	+0.1%		+0.1%
Net lettable area (sqm) ⁴ [Appendix 2.5]	254,158	120,581	374,739	▲	364,713
Number of tenants ⁴ [Appendix 2.9]	812	75	887	▲	876
Proportion of core portfolio by gross income [Appendix 2.9]	74%	26%	100%		100%
Occupancy (by area) ⁵ [Appendix 2.5]	99.1%	97.4%	98.7%	▲	98.4%
Weighted average lease term (by income) [Appendix 2.5]	3.9 years	8.2 years	5.1 years	▲	4.5 years

- At 31 March 2016, excludes adjoining properties which had a combined value of \$61.7 million (2% of total portfolio value). At 31 March 2015, excluded adjoining properties which had a combined value of \$71.0 million (3% of total portfolio value).
- At 31 March 2016, Centre Place – North and Centre Place – South have been valued and reported as separate assets. At 31 March 2015, they were valued as separate assets but reported as a consolidated asset.
- Kiwi Property has secured a conditional agreement to sell Centre Place – South. It is conditional on the consent of Hamilton City Council to the transfer of two ground leases. Settlement is expected to occur in June 2016. Centre Place – South was not independently valued at 31 March 2016. It is recorded at the agreed sale price.
- Westgate Lifestyle represents only those tenants open and trading at 31 March 2016.
- Tenancies vacated for development works are excluded from the occupancy statistics. At 31 March 2016, excludes 800 sqm at The Majestic Centre, all of The Aurora Centre and 1,500 sqm at 44 The Terrace. At 31 March 2015, excluded all of The Aurora Centre.



Property values and cap rates

Highest value ever and firmest portfolio cap rate in 10 years

2.2

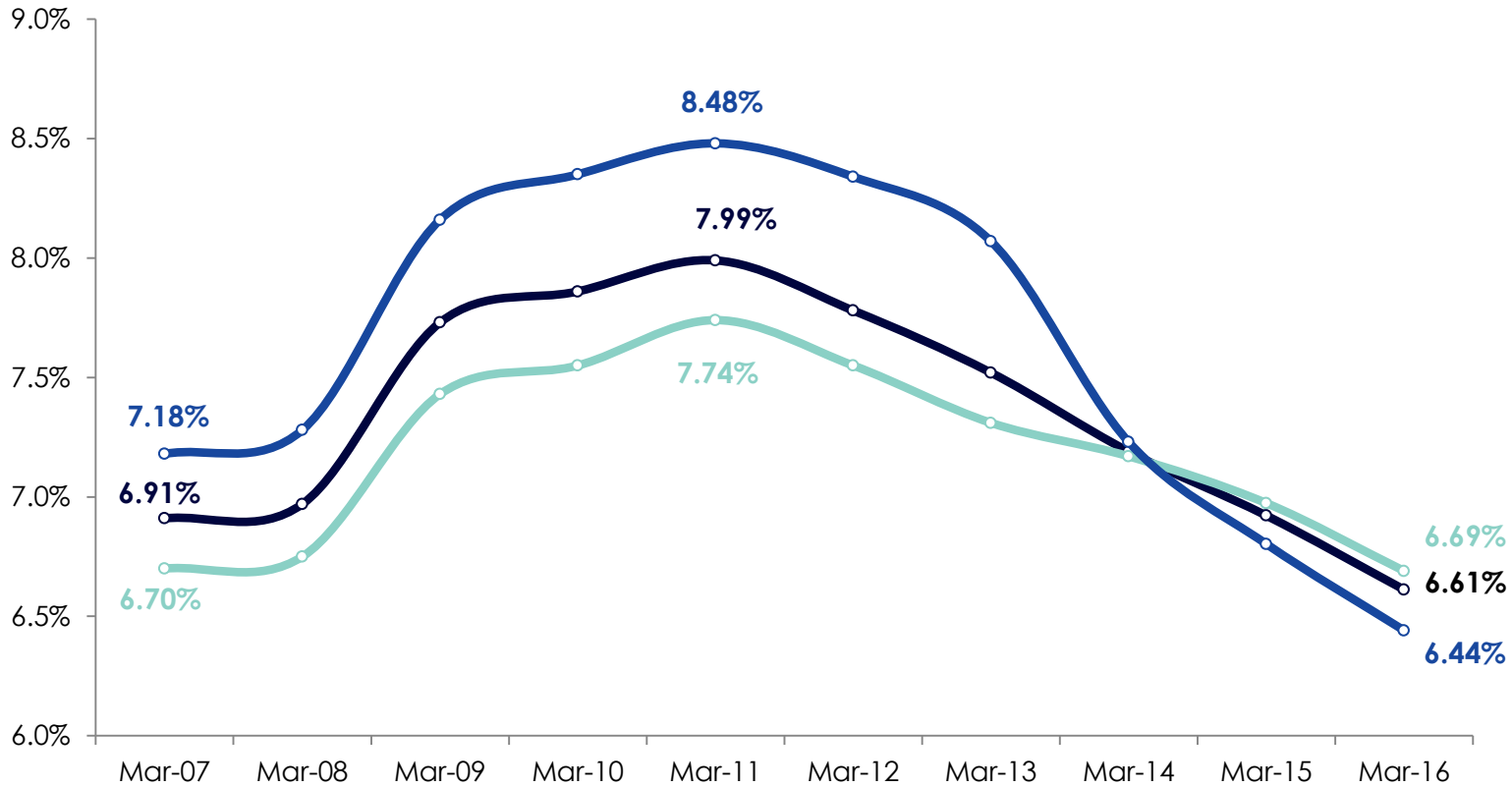
Portfolio / property As at	Capitalisation rates %			Adopted value \$m		Fair value mvmt	
	31-Mar-16	31-Mar-15	Var. bps	31-Mar-16	31-Mar-15	\$m	%
Sylvia Park ¹	6.00	6.25	25	704.0	601.0	+65.4	+10.2
Sylvia Park Lifestyle ²	6.50	7.00	50	69.8	64.4	+2.0	+3.0
LynnMall ³	6.75	7.00	25	269.0	225.5	+14.1	+5.5
Westgate Lifestyle ¹	6.75	n/a	n/a	70.3	-	+2.0	+2.9
Centre Place – North ⁴	8.75	9.25	50	65.5	69.0	-3.6	-5.2
Centre Place – South ^{4,5}	7.25	7.25	-	46.7	48.0	-0.5	-1.1
The Plaza	7.00	7.25	25	211.0	206.0	+5.0	+2.4
North City	7.75	8.25	50	109.5	97.5	+9.6	+9.6
Northlands	7.25	7.38	13	243.0	220.4	+19.6	+8.8
Retail portfolio	6.69	6.97	28	1,788.8	1,531.8	+113.6	+6.8
Vero Centre	6.13	6.50	38	358.0	323.0	+29.7	+9.1
ASB North Wharf	6.05	6.50	45	187.8	175.0	+10.6	+6.0
The Majestic Centre	7.50	7.75	25	112.2	80.8	+1.3	+1.2
The Aurora Centre ³	6.75	7.25	50	125.9	70.7	+12.7	+11.2
44 The Terrace	7.25	8.63	138	35.5	23.5	+4.5	+14.7
Office portfolio	6.44	6.80	36	819.4	673.0	+58.8	+7.7
Investment portfolio	6.61	6.92	31	2,608.2	2,204.8	+172.4	+7.1
Adjoining properties				61.7	71.0	+3.5	+5.8
Total portfolio				2,669.9	2,275.8	+175.9	+7.1

1. The capitalisation rate at 31 March 2016 is the 'on completion' assessed rate.
2. The asset was not valued at 31 March 2015. It was recorded at the independent valuation undertaken at the time of acquisition in December 2014.
3. The capitalisation rate at 31 March 2015 was the 'on completion' assessed rate.
4. At 31 March 2016 Centre Place – North and Centre Place – South have been valued and presented as separate assets. At 31 March 2015 the asset was valued as two separate properties with the value and capitalisation rates shown as a consolidated asset.
5. Kiwi Property has secured a conditional agreement to sell Centre Place – South. It is conditional on the consent of Hamilton City Council to the transfer of two ground leases. Settlement is expected to occur in June 2016. Centre Place – South was not independently valued at 31 March 2016. It is recorded at the agreed sale price. The capitalisation rate presented is as per the 31 March 2015 independent valuation, which formed the basis of the agreed sale price.



Capitalisation rate history

Firming trend continues



- Retail portfolio
- Office portfolio
- Total portfolio



New leasing and rent reviews

Active leasing delivered ongoing rental uplift and extended lease terms

2.4

Static portfolio leasing By portfolio	No. of tenancies	NLA		Uplift over prior passing rent			WALT years	% of all leases subject to fixed/CPI rent reviews
		sqm	% of total portfolio	\$000	%	CAGR		
Rent reviews	613	132,097	35	+2,575	+3.5	3.4%	-	88
New leasing	207	33,916	9	+74	+0.3		4.9	
Retail portfolio	820	166,013	44	+2,649	+2.8			
Rent reviews	18	22,478	6	+356	+3.0	3.0%	-	61
New leasing	23	22,509	6	+1,357	+12.8		9.7	
Office portfolio	41	44,987	12	+1,713	+7.6			
Total (static activity)	861	211,000	56	+4,362	+3.7		6.6	80

Development leasing	No. of tenancies	~NLA sqm
Sylvia Park and LynnMall	13	7,212
Total (development activity)	13	7,212
Total (all activity)	874	218,212

▲ Retail

- > Active period for new leasing – the number of leases completed represents 25% of all retail tenancies, reflecting the high expiry profile during the year
- > Continued strong performance at Sylvia Park
 - Delivered uplift of 7.0% over previous rents
- > Performance underpinned by rent review structures

▲ Office

- > Strong office leasing performance driven by:
 - Retention of Russell McVeagh at Vero Centre, with a new 12-year lease
 - Continued strong leasing at The Majestic Centre, with average WALT for new leases of seven years
 - Three 12-year leases to Government tenants at 44 The Terrace, providing a 23% uplift on existing rental levels, achieved from completion of staged floor refurbishment



Portfolio statistics

Active asset management has assisted in maintaining sound portfolio metrics

2.5

Portfolio / property As at	NLA sqm		Occupancy % ¹		WALT years	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Sylvia Park ²	68,783	72,165	100.0	99.6	3.6	3.1
Sylvia Park Lifestyle	16,536	16,182	100.0	100.0	4.1	4.9
LynnMall	37,227	32,054	98.7	100.0	4.6	3.4
Westgate Lifestyle ³	5,205	n/a	100.0	n/a	8.7	n/a
Centre Place – North	16,029	15,973	93.2	93.0	3.2	3.5
Centre Place – South	10,933	10,933	98.1	100.0	7.1	8.0
The Plaza	32,401	32,444	100.0	100.0	4.0	2.9
North City	25,473	25,466	100.0	99.1	4.1	3.1
Northlands	41,571	41,513	99.1	99.5	3.2	3.2
Retail portfolio	254,158	246,730 ▲	99.1	99.3 ▲	3.9	3.4
Vero Centre	39,530	39,525	99.4	98.8	5.2	4.8
ASB North Wharf	21,625	21,625	98.8	100.0	14.6	15.6
The Majestic Centre	24,604	24,529	91.9	91.7	7.1	6.3
The Aurora Centre	24,699	22,195	-	-	-	-
44 The Terrace	10,123	10,109	100.0	87.7	10.7	0.9
Office portfolio	120,581	117,983 ▲	97.4	96.1 ▲	8.2	7.6
Investment portfolio	374,739	364,713 ▲	98.7	98.4 ▲	5.1	4.5

Vacancy

- > Centre Place – North: largely external and upper level tenancies
- > ASB North Wharf: represents one retail tenancy

WALT

- > The retail WALT is largely in line with long-term average
- > Assisted by:
 - Extensions to major tenant leases at The Plaza and North City
 - New tenants at Westgate Lifestyle
- > The office WALT is the longest in more than 10 years, driven by active leasing

1. Tenancies vacated for development works are excluded from the occupancy statistics. At 31 March 2016 excludes 800 sqm at The Majestic Centre, all of The Aurora Centre and 1,500 sqm at 44 The Terrace. At 31 March 2015, excluded all of The Aurora Centre.
 2. Adjusted for tenancies under development as at 31 March 2016.
 3. Represents only those tenancies open and trading at 31 March 2016.



Lease expiry profile

Active leasing and higher tenant retention rates extend WALT

Weighted average lease term (years) By gross income

As at	31-Mar-16	31-Mar-15
Retail	3.9	3.4
Office	8.2	7.6
Total	5.1	4.5

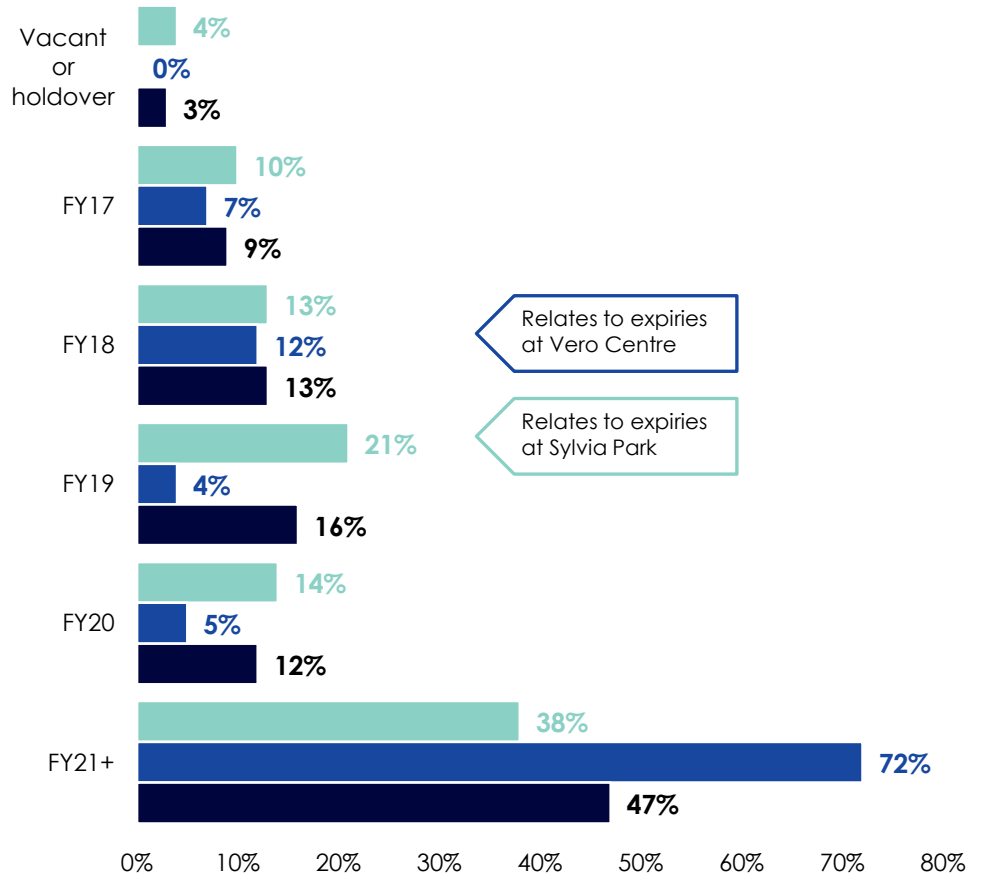
> Leases for current development activity and pending government leases will further extend WALT as follows:

Effect on WALT (years) ¹	WALT	Portfolio impact		
		Retail	Office	Total
H&M and Zara (developments)	11.4	+0.2		+0.1
Westgate Lifestyle (development completion)	7.9	+0.2		+0.1
The Aurora Centre (government lease)	18.0		+1.7	+0.7
All projects		+0.3	+1.7	+0.8

1. Assuming project complete as at 31-Mar-16.

Lease expiry profile By gross income

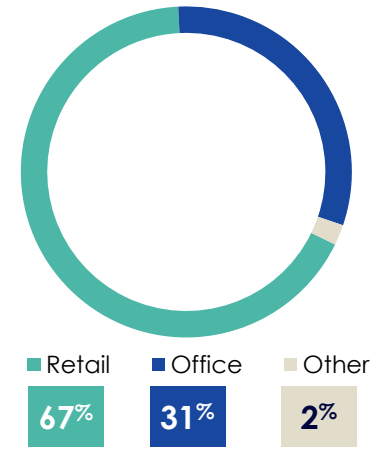
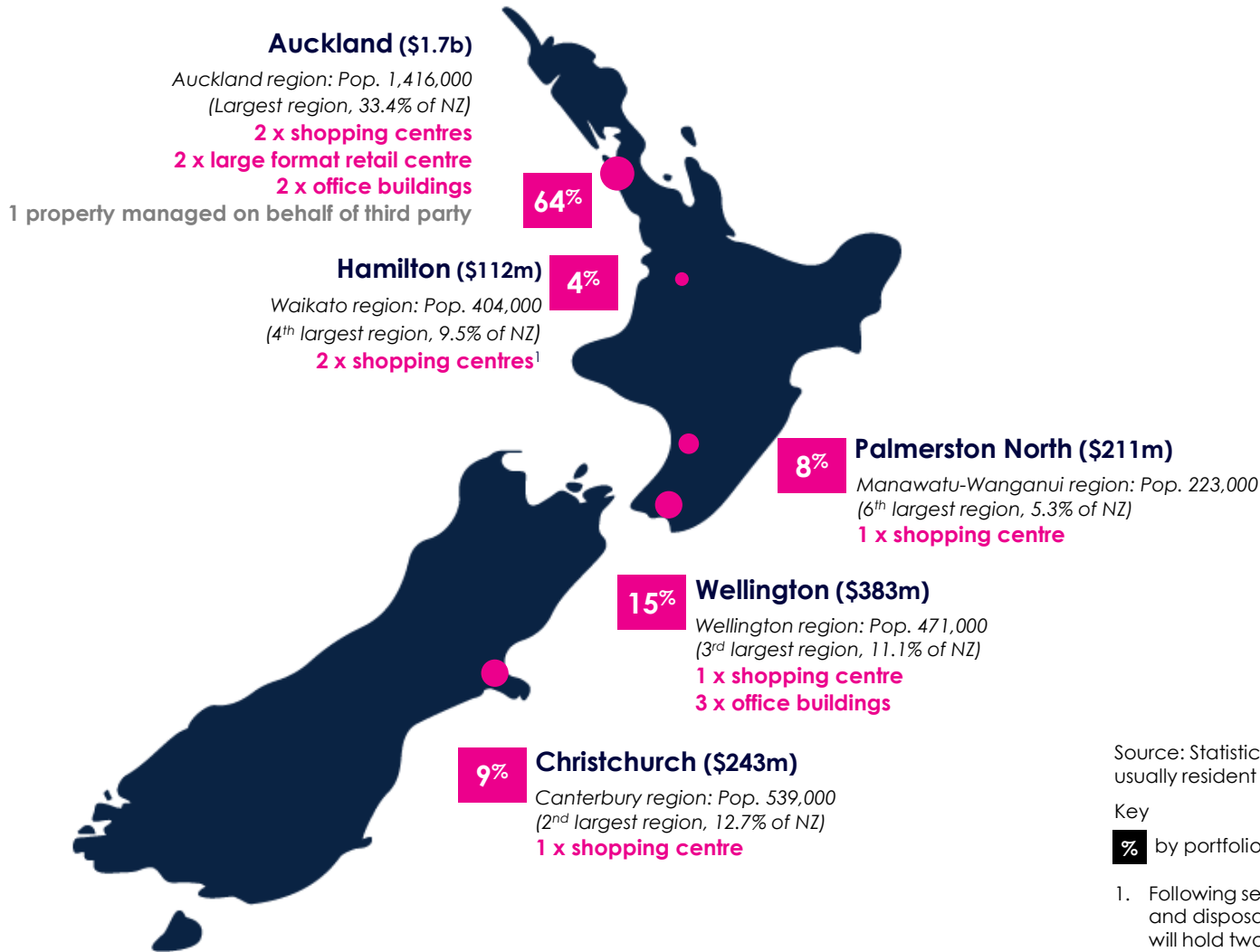
- Retail portfolio
- Office portfolio
- Total portfolio





Sector and geographic diversification

Our diversification



Source: Statistics New Zealand (2013 Census results, usually resident population count).

Key

% by portfolio value

1. Following settlement of the acquisition of The Base and disposal of Centre Place – South, Kiwi Property will hold two assets in Hamilton with a value of \$258.0 million.



Strategy delivery – Mar-10 vs. Mar-16 statistics

How we have delivered on our strategy

2.8

- > Our investment strategy is outlined on pages 3 to 5
- > This slide demonstrates how delivery of our strategy has moved our portfolio statistics over the past five years

In the retail portfolio

Strategy element	31-Mar-10	31-Mar-16	31-Mar-16 (Adjusted) ¹
Total retail portfolio value	\$1.10b	\$1.79b	\$1.97b
Weighting to Auckland retail ²	25%	43%	41%
Weighting to 'core' retail portfolio ²	49%	60%	63%
Large format retail portfolio	-	21,741 sqm	96,207 sqm

In the office portfolio

Strategy element	31-Mar-10	31-Mar-16	31-Mar-16 (Adjusted) ³
The Aurora Centre and 44 The Terrace WALT	3.1 years	10.7 years	16.6 years

1. Represents the 31 March 2016 statistics adjusted for completion of development activity for H&M, Zara, Westgate Lifestyle, The Majestic Centre, The Aurora Centre and 44 The Terrace, together with settlement of the acquisition of The Base and the disposal Centre Place – South.
2. Expressed as a percentage of the investment portfolio value.
3. Based on 31 March 2016 statistics, assuming completion of The Aurora Centre and commencement of the 18-year Government lease.



Tenant diversification

Our tenants

2.9

Total portfolio

% of core portfolio gross income

New Zealand chains	30
Australian and international chains	25
Department stores	7
Supermarkets	5
Independent retailers	5
Cinemas	2
Retail (812 tenants)	74
Banking	6
Legal	5
Government	4
Insurance	4
Consultancy	2
Financial services	2
Other	3
Office (75 tenants)	26

- Retail portfolio
- Office portfolio
- Total portfolio

Top 20

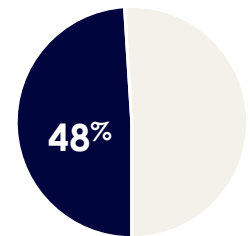
% of core portfolio gross income

● ASB Bank	7.3
● Farmers ¹	3.8
● Progressive Enterprises	3.2
● Russell McVeagh	2.5
● Vero Insurance	2.4
● Foodstuffs	2.1
● Bell Gully	2.0
● Cotton On Clothing	2.0
● Just Group	1.8
● Hallenstein/Glasson	1.6
● The Warehouse	1.6
● Kmart	1.5
● Hoyts Cinemas	1.2
● ANZ Bank	1.0
● Whitcoulls ¹	1.0
● Reading Cinemas	0.8
● Pascoes ¹	0.8
● Hannahs	0.8
● Valleygirl	0.8
● Goldman Sachs	0.7

1. Controlled by the James Pascoe Group.

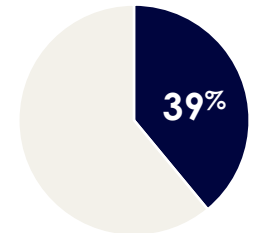
Collectively, our top 20 tenants:

Occupy



of portfolio area

Contribute



of portfolio income

Have a weighted average lease term of

6.8 years



Retail sales

Strong performance driven by discretionary spending

2.10

Centre	MAT \$m		Specialty sales	
	31-Mar-16	% var. from 31-Mar-15	\$/sqm	GOC %
Sylvia Park	455.2	+7.8	9,700	14.8
Sylvia Park Lifestyle ¹	5.0	n/a	n/a	n/a
LynnMall	207.6	+7.9	7,100	16.1
Centre Place – North	58.5	+7.3	5,400	17.1
Centre Place – South	36.7	+17.7	4,300	19.9
The Plaza	181.3	+5.5	7,800	16.5
North City	104.8	+9.9	6,500	16.2
Northlands	315.5	-2.2	8,100	16.0
Total	1,364.6	+5.8	7,700	15.9

Category	MAT \$m		Like-for-like	
	31-Mar-16	% var. from 31-Mar-15	\$m	Ann % var
Supermarkets	323.3	-1.1	323.3	-1.1
Department stores	201.6	+5.9	201.6	+5.9
Cinemas	23.6	+18.7	21.3	+7.4
Mini-majors	160.0	+17.4	73.4	+5.6
Specialty	540.1	+3.9	453.2	+2.9
Commercial services	116.0	+19.9	93.9	+9.6
Total	1,364.6	+5.8	1,166.7	+3.0

- > Strong sales growth at all centres except Northlands
 - Northlands is impacted by an increase in floorspace in the post-earthquake re-build environment, particularly within the supermarkets category
 - The LynnMall expansion completed in Nov-15 has reaped rewards for the entire centre. Monthly sales for the overall centre are up on average ~20% per across the period since opening
- > Growth in all categories except supermarkets
 - Countdown supermarkets at LynnMall and Northlands were affected by new supermarket openings within these catchments
- > Growth is being experienced in discretionary spending categories, and in line with our strategy of evolving the retail mix to include more dining, leisure, entertainment and services beyond conventional retail. Key category performers (like-for-like) are:
 - Cinemas **+7.4%**
 - Commercial services (predominantly mobile phone and travel stores) **+9.6%**
 - Within the mini-major/specialty category:
 - Music, video and games **+14.0%**
 - Food **+4.2%**
 - Personal services **+5.0%**
 - Outdoor and leisure **+9.5%**
 - Newsagents and books **+7.7%**

1. Under prior ownership, tenants did not report sales. Sales data is now being requested. The sales presented reflects only the six tenants (representing 17% of NLA) who provide sales data.



Sustainability achievements

How we delivered in 2016

2.11



- > Only New Zealand company and one of only 113 globally, included on the 2015 Climate A-List
- > Included for the third year running in the CDP 2015 NZX 50 Climate Disclosure Leadership Index
- > Awarded a 'Judges Commendation' in the 'Impact Renewables' category of the 2015 NZI Sustainable Business Network Awards



- > The output from the solar array panels at Sylvia Park is ahead of forecast
 - 19% of Sylvia Park's common area power
- > Our EV car charging stations at Sylvia Park have been used over 1,600 times since being installed



- > Continued support of the NZ Green Building Council via participation in NABERSNZ



- > 5,000 new LED lights installed in the common area of our properties
 - saving 2,000,000 kWh per annum – enough to power the equivalent of 200 typical homes

Environmental savings

Our annual environmental programme continues to reap significant rewards. Even though we have increased trading hours at our key shopping centre and increased the size of our portfolio, since 2008 we have made the following savings across our portfolio. We have:



Saved 7,500,000 kWh of energy

- Enough to supply 748 typical homes



Saved 134 million litres of water

- Enough to fill 2,680 domestic swimming pools



Diverted 331 tonnes of waste from landfill

- Equivalent to filling 540 jumbo bins



Reduced our carbon emissions by 904 tonnes

- Equivalent to 214 return flights from Auckland to London



Digital and signage

We're enhancing our customer experience

2.12

- > We're enhancing our customer experiences through:
 - Upgraded and mobile optimised corporate and retail websites
 - Implementing new carpark management systems
 - New state-of-the-art digital media solutions
 - Installing digital in-centre wayfinding boards
 - Implementing enhanced WiFi capabilities at the centres
 - Implementing data capture and customer relationship systems
- > Our new retail websites and mobile functionality are delivering better shopping experiences
 - We've had **22%** more visits to our websites over the prior year
 - Users are spending **24%** more time on our websites
 - There has been a **60%** increase in the average time spent on our websites on mobile devices
- > Our focus on digital signage has delivered \$1.2 million in revenues, up **56%** over the prior year



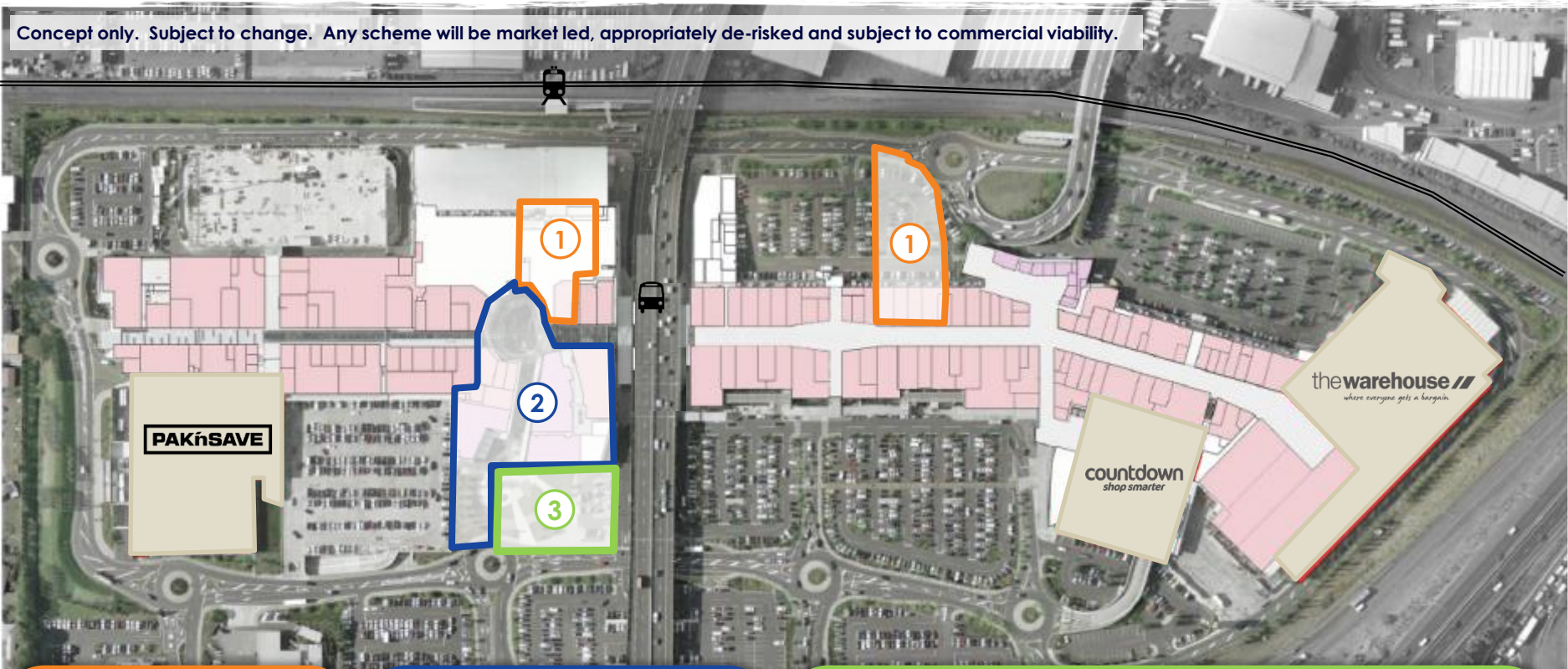




Sylvia Park

Overview of expansion plans (ground floor)

Concept only. Subject to change. Any scheme will be market led, appropriately de-risked and subject to commercial viability.



1 International retailers

The first stage of expansion is already underway with construction of stores for H&M and Zara

2 Expand and refresh dining and leisure

Planning in progress for new alfresco dining, a signature pavilion building and a refreshed existing dining lane (to be completed in conjunction with 3.)

3 Office building and town square

- 11,200 sqm building – incl. ground floor restaurants and nine office levels
- Target 5-GreenStar design rating and NABERSNZ 4-star energy rating
- In advanced discussions with a potential tenant for one-third of the office space

Potential cost: \$80 million

Potential start: Late 2016

Potential completion: 2018

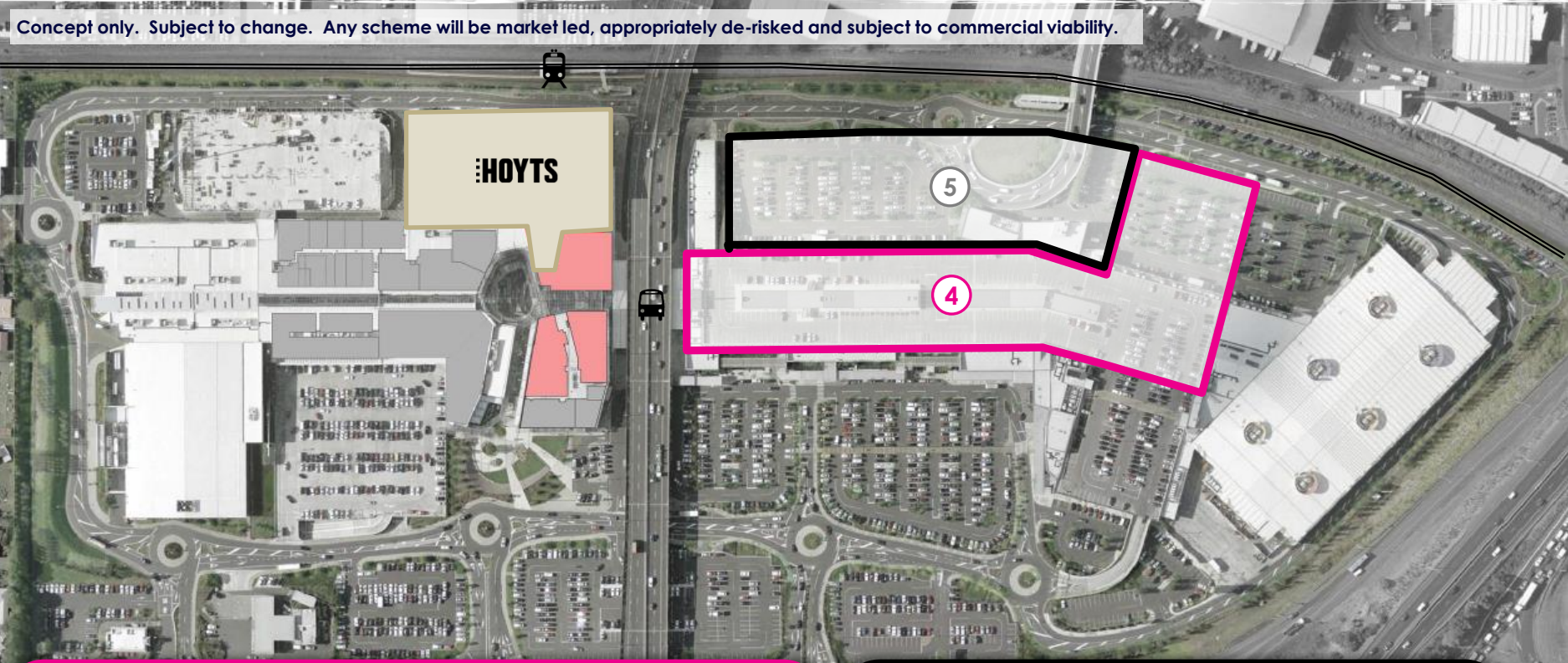


Sylvia Park

Overview of expansion plans (upper level)

3.2

Concept only. Subject to change. Any scheme will be market led, appropriately de-risked and subject to commercial viability.



4 South fashion galleria

- Up to 20,000 sqm of additional retail space
- Introducing new international brands, concept stores and mini-majors/ specialty stores
- One or more department stores
- New concept café court

Potential cost:
Up to \$180 million

Potential start:
2017

Potential
completion:
2019 – 2021

5 Carparking

- Four-level multi-deck carpark
- Will increase carparking from ~3,900 to ~4,400
- Customer friendly - will incorporate carpark guidance systems, digital wayfinding signage and valet parking options



Sylvia Park

H&M and Zara developments

3.3

Programme status

- > Works on each tenancy are progressing on schedule
- > Mall ambience upgrade design works in progress

Financial status

- > The forecast cost of \$19.2 million¹ remains on track
 - \$11.5 million for Zara
 - \$7.7 million for H&M and adjacent mall upgrades



	Spent to 31-Mar-16	FY17
--	-----------------------	------

1. Cost profile	\$7.3m	\$11.9m
-----------------	--------	---------



Westgate Lifestyle

Opening progressively from March 2016 to mid-2016

3.4



Centre details (On completion)

NLA	25,800 sqm
Tenancies	28
Carparks	622

Leasing to date (On completion)

Occupancy (by area)	90%
WALT (years)	8.0

Financial metrics

Cost (Acquired Sep-15)	\$82.5m ¹
Valuation (On completion at Mar-16)	\$85.3m
	Spent to 31-Mar-16
1. Cost profile	\$67.5m
	FY17
	\$15.0m

> At 31 March 2016, three tenancies were open and trading. A further four were open and trading at 30 April 2016. The balance are opening progressively through to mid-2016



LynnMall

Development: Opened on time, on budget and fully leased

3.5



Development complete

- > An eight-screen Reading Cinemas multiplex on a 15-year lease
- > 'The Brickworks' dining lane containing restaurants /cafés
- > An expanded retail mix

Financial metrics achieved

Pre-development value	\$206m
Development cost	\$39m
Total investment	\$245m
Value on completion (@ 6.75% cap rate)	\$269m
Development margin	\$24m
Yield on project cost	>7%



The Majestic Centre

Seismic strengthening: Further milestones achieved

3.6

Project status

- > Further project milestones reached:
 - on-floor strengthening works complete
 - all key tower seismic works complete
 - all tenants relocated to their final tenancies
- > Remaining works include the tower and podium:
 - isolated works to the residual of the tower programmed to continue until mid-2016
 - podium works will continue into the fourth quarter of 2016

Financial status

- > Forecast cost of \$83.5 million¹

Leasing status

- > Since project commencement in July 2012, office leases have been completed for:
 - 20,147 sqm (91% of office NLA)
 - an average tenure of nine years for new leases
- > Focus for FY17 is on leasing the remaining vacant space



	Spent to 31-Mar-16	FY17
1. Cost profile	\$81.2m	\$2.3m



The Aurora Centre

24,000 sqm government office project on programme and budget

3.7



As at 21 April 2016

Programme status

- > Base building office works completed and handed over for tenant fit-out
- > Residual works on the lobby and carpark on programme to complete in July 2016

Financial status

- > The forecast cost of \$72.0 million¹ remains on track

Leasing status

- > All office space 100% leased to Ministry of Social Development for 18 years from August 2016
- > Focus now turns to leasing the ground floor retail space

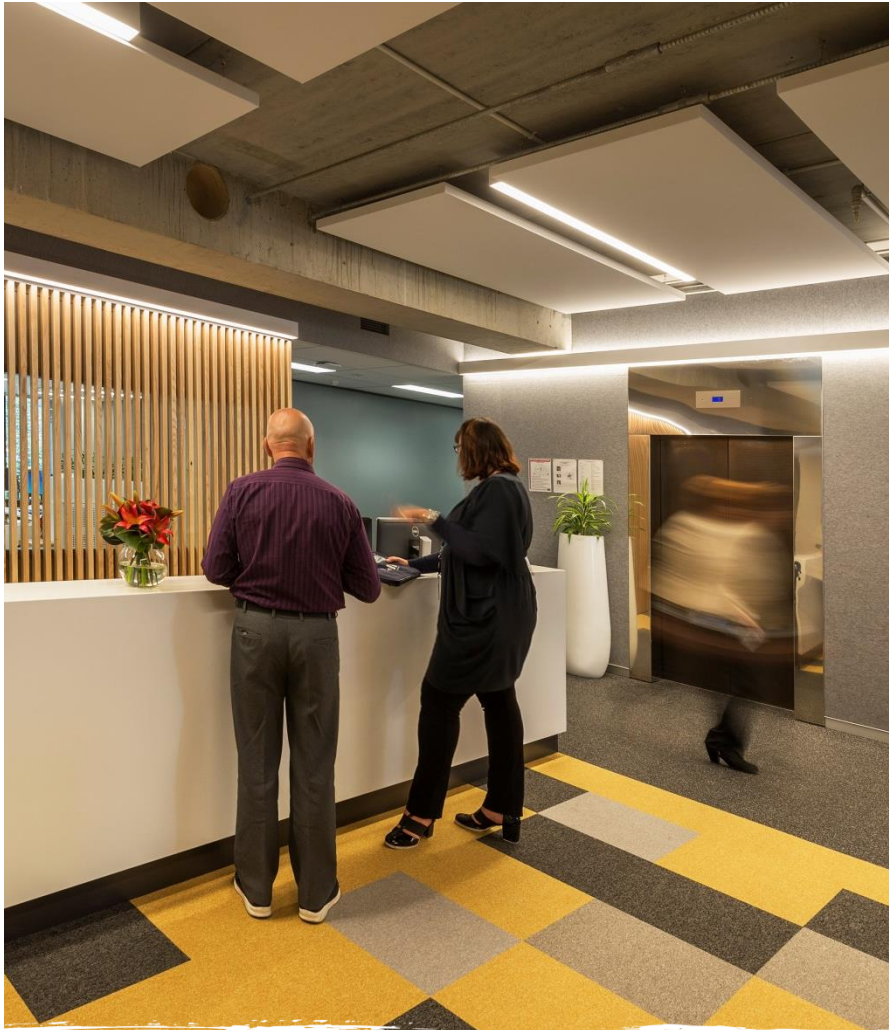
	Spent to 31-Mar-16	FY17
1. Cost profile (inclusive of letting up allowances)	\$66.9m	\$5.1m



44 The Terrace

On programme to complete late 2016

3.8



44 The Terrace, Wellington

Project status

- > Works commenced June 2015
- > Seven of the 10 floors leased to Crown tenants have now been handed back to tenants strengthened and refurbished
- > Refurbishment work progressing ahead of programme and due for completion September 2016

Cost status

- > The forecast cost of \$12.6 million¹ remains on track

Leasing status

- > 8,000 sqm of 10,100 sqm leased for 12 years from July 2015 to:
 - Commerce Commission
 - Tertiary Education Commission
 - Energy Efficiency and Conservation Authority
- > Focus now turns to leasing the remaining two floors currently utilised as decant space

	Spent to 31-Mar-16	FY17
1. Cost profile (inclusive of letting up allowances)	\$7.5m	\$5.1m



Appendix 4.
ACQUISITION OF THE BASE



Transaction overview

Binding agreement to acquire a 50% interest in The Base

4.1

Interest to be acquired 50%	Acquisition price \$192.5m	Pre-paid ground rent 120 years	
Kiwi Property to manage the entire centre		Settlement due 31 May 2016	
Initial yield ¹ 6.1%	Initial yield ² 6.4%	IRR ² 8.5%	Funded through bank debt and asset recycling

1. Including development land.
2. Excluding development land.



Investment rationale

Aligns with strategy

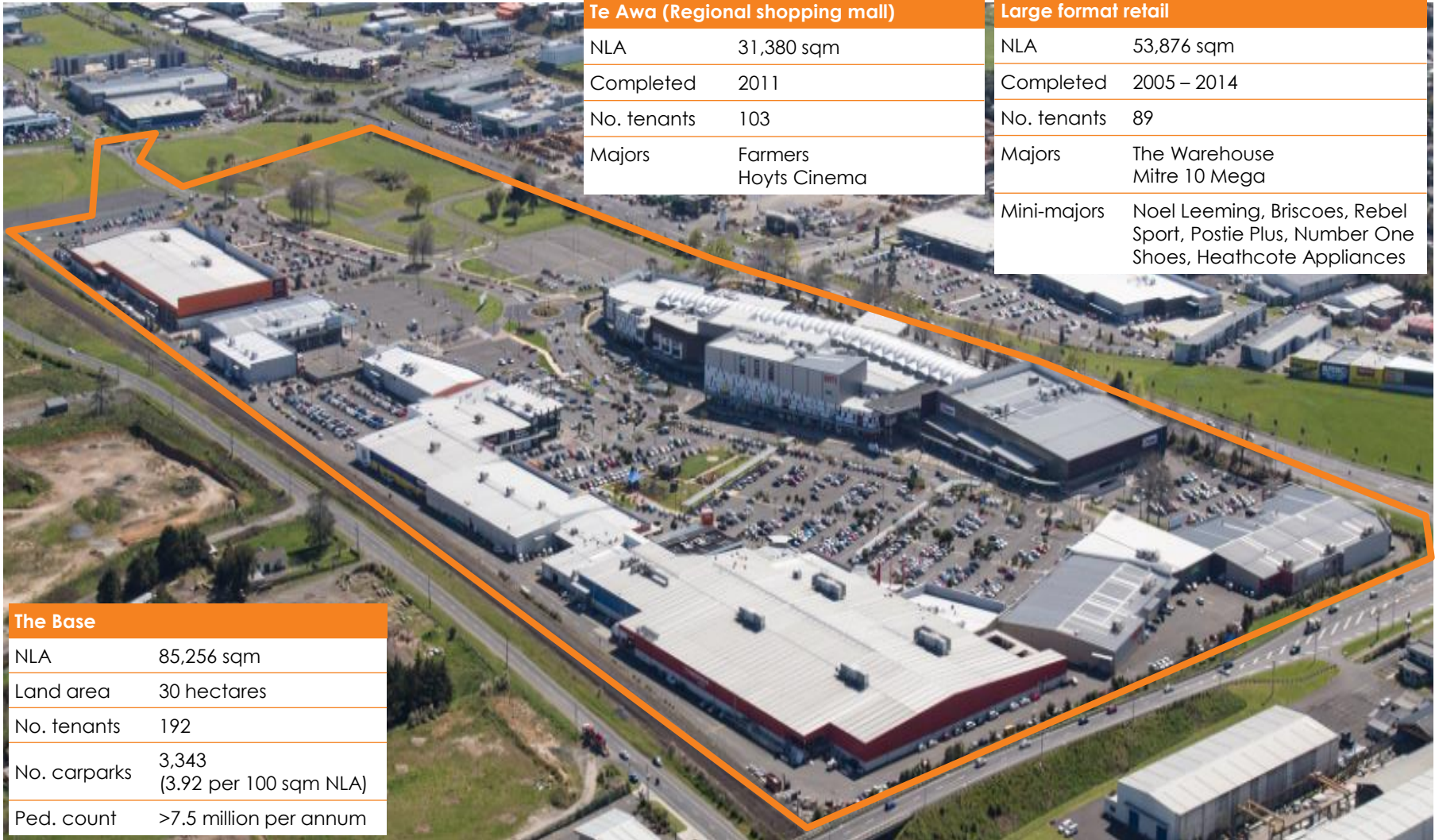
4.2

- > Aligns with our strategy of owning dominant regional shopping centres
 - The Base
 - is New Zealand's largest single-site retail centre at 85,256 sqm
 - is located within New Zealand's 'golden triangle' of economic and residential growth (Auckland, Hamilton and Tauranga)
 - is located in Hamilton's growth corridor
 - dominates its catchment, with a 30%+ share of retail sales
 - offers positive future sales growth due to the pre-eminent position the centre enjoys, its easy access and high-profile location and projected population and retail sales growth
 - offers future development opportunities, with 6.7 hectares of vacant land
 - As an asset class, dominant regional shopping centres tend to deliver superior and less volatile returns over the long term compared with other classes of property
- > Immediately accretive to earnings
 - Final level of accretion will depend on extent and outcome of asset recycling
 - Provides property management fee income
- > Potential to add value through active asset management and portfolio-wide retailer relationships



Property overview

4.3



Te Awa (Regional shopping mall)	
NLA	31,380 sqm
Completed	2011
No. tenants	103
Majors	Farmers Hoyts Cinema

Large format retail	
NLA	53,876 sqm
Completed	2005 – 2014
No. tenants	89
Majors	The Warehouse Mitre 10 Mega
Mini-majors	Noel Leeming, Briscoes, Rebel Sport, Postie Plus, Number One Shoes, Heathcote Appliances

The Base	
NLA	85,256 sqm
Land area	30 hectares
No. tenants	192
No. carparks	3,343 (3.92 per 100 sqm NLA)
Ped. count	>7.5 million per annum



Investment summary

Valuation summary for 50% interest^{1,2}

Valuer	JLL	
Value	\$192.5 million	
Capitalisation rate	6.63%	
Net passing income	\$11.7 million	
Net passing income – fully leased	\$13.1 million	
Under renting	3.1%	
	Incl. land ²	Excl. land ²
Initial yield – passing	6.08%	6.38%
Initial yield – fully leased	6.78%	7.11%
IRR (10-year)	8.17%	8.47%

Property statistics

Occupancy	95.8%
WALT (by income)	3.18 years
Moving annual turnover ³	\$263 million
Te Awa specialty GOC ³	14.6%

1. As at 31 March 2016.
 2. \$9.0 million of the purchase price is attributed to vacant land for future development.
 3. As at 31 December 2015.



Appendix 5.
OFFICE MARKETS UPDATE



Auckland CBD office market

5.1

Market analysis

Outlook **Key points** (Premium and A-grade accommodation)

- ▶ **Supply**
 - > No major changes to Premium-grade until 2019 when two buildings are assumed to come on stream, although market expectation is that only one will proceed
 - > Increase in A-grade stock from 2016 with Victoria Street and Wynyard Quarter
- ▲ **Absorption**
 - > Solid tenant demand environment expected to result in positive absorption across Prime office grades in the short term
- ▶ **Vacancy**
 - > With no new supply, Premium-grade vacancy is expected to remain at negligible levels until new supply comes on board
 - > A-grade vacancy forecast to increase from early 2016 as new supply comes on stream
- ▲ **Rents** (\$/sqm / net effective)
 - > The rate of rental growth eased over 2015. Rents are forecast to grow at an average of 1.6% and 2.5% per annum from 2015-2019 for Premium and A-grade respectively
- ▼ **Yield**
 - > Further firming expected for both grades to the end of 2016
 - > The potential supply and vacancy in the market is expected to limit further yield compression thereafter

Source: CBRE Research. Auckland Property Market Outlook (November 2015), Auckland Property Market Outlook (February 2016).

Auckland office weighting (by total portfolio value)



Premium 14%



A-grade 7%

Our exposure to the Auckland market

	Premium	A-grade
Vacancy	0.6%	1.2% ¹
WALT (years)	5.2	14.6

1. Represents retail space only.

Our expectations

- > Given low vacancy rates, coupled with demand for quality space, we expect to see continued rental growth at Vero Centre over the short to medium term
- > Vero Centre and ASB North Wharf should both continue to benefit from firming yields



Wellington CBD office market

Market analysis

Outlook	Key points (A-grade and B-grade accommodation)
▲ Supply	<ul style="list-style-type: none"> > Stable supply in the A-grade market in the short term, but a large amount of space will re-enter the market in 2016/17 (largely pre-committed) > The B-grade environment is complex with numerous seismic upgrades underway and a number of planned projects dependent on pre-commitment
▶ Absorption	<ul style="list-style-type: none"> > Both A and B-grade buildings have fluctuating absorption forecasts over the next five years as the various upgrade scenarios play out
▲ Vacancy	<ul style="list-style-type: none"> > Most new A-grade stock coming on stream is pre-committed. Vacancy fluctuates but remains within a range of 2.3% to 4.1% over the short to medium term > B-grade vacancy is expected to remain low until 2018 when 30,000 sqm at Bowen Campus returns to stock
▶ Rents (\$/sqm / net effective)	<ul style="list-style-type: none"> > Modest short-term rental growth is expected > B-grade rentals have stabilised as the market has adopted additional contractual obligations when dealing with buildings with low seismic ratings
▼ Yield	<ul style="list-style-type: none"> > Further firming expected for both grades to the end of 2016 with yields stabilising at ~7.7% and ~9.2% for A and B grades respectively

Source: CBRE Research. Wellington Property Market Outlook (November 2015), Wellington Property Market Outlook (February 2016).

Wellington office weighting (by total portfolio value)



A-grade 9%

B-grade 1%

Our exposure to the Wellington market

	A-grade	B-grade
Vacancy	4.0%	0.0%
WALT (years)	12.8	10.7

Vacancy and WALT statistics include the Ministry of Social Development lease at The Aurora Centre which commences August 2016.

Our expectations

- > Our long-term leases to the Crown largely limit our exposure to Wellington market conditions
- > Completion of works at The Majestic Centre and 44 The Terrace will enable leasing of the remaining 2,800 sqm and 1,500 sqm of current vacant/decant space respectively



Chicken Tikka (three pieces) \$5.50
 Chicken Tandoori (one piece) \$4.50
 Lamb Aloo \$3.00
 Vegetable Samosa (one piece) \$2.00
 Vegetable Pakora (three pieces) \$2.50
 Vegetable Korma \$9.00
 Chick Peas Curry
 Green Peas Potato
 Paneer Mushroom Curry
 Garlic Dahl

Plain Naan
 Cheese & Garlic Naan
 Aloo Paratha
 Poppadom
 Meat Combo Meal
 any meat curry with rice
 plain naan and small drink
 Vegetable Combo Meal
 any vegetable curry with rice
 plain naan and small drink

ICE TRADERS

oporto

HABITUAL FIX
Fresh Food

Appendix 6.
OTHER INFORMATION



Glossary of terms

6.1

Department stores	Includes both full line and discount department stores (i.e. Farmers, Kmart and The Warehouse)
Funds from operations (FFO)	FFO is an alternative performance measure used to assist investors in assessing the Company's underlying operating performance and to determine income available for distribution. FFO is calculated in accordance with guidelines issued by the Property Council of Australia.
Gearing ratio	Calculated as finance debt (which includes secured bank debt and the \$125 million face value of the bonds) over total tangible assets (which excludes interest rate derivatives)
GOC: Specialty sales gross occupancy cost	Calculated as total gross occupancy costs over total specialty moving annual turnover (excluding GST)
Like-for-like rental income	Excludes assets purchased, disposed of or undergoing development in either year of comparison
Like-for-like retail sales	Only includes sales from those tenancies who have traded for the past 24 months
Moving annual turnover	Stated excluding GST
Net interest expense	Net of interest income and interest capitalised
Net operating income (NOI)	Excludes income resulting from straight-lining of fixed rental increases and includes the amortisation of lease incentives
Net rental income (NRI)	Gross rental income less property operating expenses, including amortisation of lease incentives and rental income resulting from straight-lining of fixed rental increases



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