kiwi

kiwi property 2018 interim result presentation

interim result

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2017

Photography Logan West

This interim result presentation, for the six months ended 30 September 2017, should be read in conjunction with the NZX announcement and online interim report also released on 20 November 2017. Refer to our website **kp.co.nz** or nzx.com.

Property statistics within this presentation represent owned assets only; property interests managed on behalf of third parties are excluded.

Unless otherwise indicated, all of the numerical data provided in this Presentation is stated as at or for the six months ended 30 September 2017. All amounts are in New Zealand dollars. Due to rounding, numbers within this Presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Refer to Appendix 6.01 of this presentation for a glossary of terms.

creating a world-class town centre at Sylvia Park

2.02-2.10 Sylvia Park development

'The Grove'
- fully leased
- tenants trading from Dec-17
- on target to deliver original investment returns
  - 6.5% initial yield
  - 8.5% IRR

central carpark
- on budget and on programme for completion in Nov-18
- will provide ~600 carparks

No. 1 Sylvia Park
- construction on programme for completion May-18
- 50% leased (by income)
- on target to deliver original investment returns
  - 6.7% initial yield
  - 8.8-9.0% IRR

galleria and south carpark
- pre-leasing on target with department store anchor secured
- 'for construction' design documentation completes Dec-17
- construction pricing and contractor selection Q1 2018
- construction commencement Q2 2018[1]

Note 1 Subject to feasibility confirmation and final board approval.

creating exceptional places to shop

1.13 retail sales by centre
1.14 retail sales by category
2.11 ‘Langdons Quarter’, Northlands

‘Langdons Quarter’ Northlands

- we’re creating a vibrant new dining and entertainment precinct below the existing cinemas
  - 12 food tenancies including two new external restaurants
  - reconfiguration and remix of existing food offering

reshaping our offer

- we’ve continued to reshape our offer to provide our customers with the best performing stores and services

focus on better customer experiences

- customer service improvements
- more live events
- further community programmes
- enhanced wifi
- valet parking
- targeted social media marketing

creating exceptional places to work

Vero Centre

- on programme and budget to refresh the Suncorp space to create a smart, modern and agile workspace that will allow for a new way of working
- new 12-year Suncorp lease commences in April 2018

construction progress on Suncorp internal stair works between levels 11 and 15 (3 out of 4 floors completed)

44 The Terrace

- ground floor redevelopment complete with new retail tenancies enhancing both tenant amenity and income performance

new Superfino cafe

recycling capital to fund future growth

The Majestic Centre

- post reporting date, secured an unconditional agreement for sale at $123.2 million
- settlement will occur in Dec-17
- proceeds will be used to reduce bank debt and provide further flexibility to fund value-enhancing opportunities
  - pro-forma gearing at 30-Sep-17 is 28.3% (after adjusting for the disposal)
- we will retain management of the building on behalf of the owner

North City

- identified as a non-core asset
- marketing and sales process underway and ongoing

building long-term investment opportunities

4.03 Drury landholdings
4.04 Sylvia Park landholdings

Drury land

- settled acquisition of 30.6 hectares
- total landholdings now 42.7 hectares – acquired for $39.8 million
- third parcel of 8.6 hectares secured by way of first right of refusal, with price to be agreed
- in conjunction with Watercare, Auckland Transport and neighbouring landowners and developers, participating in the Auckland Council led structure plan for Drury East/West

Sylvia Park adjoining land

- post reporting date acquisition
- secured a further 3.2-hectare strategic landholding adjacent to Sylvia Park
- purchase price: $27.1 million
- initial yield: ~4%
- with adjoining land forms a 7.7-hectare contiguous redevelopment opportunity
- total Mount Wellington land holdings now >31 hectares

key: existing holdings | acquired post reporting date

continuing to lead in sustainability achievements

- Memorandum of Understanding entered into with Meridian Energy
- seeking to roll out New Zealand's largest combined solar installation at four of our retail centres
  - when complete, the new arrays are expected to deliver capacity in excess of 650kW
  - when combined with the existing Sylvia Park array, the expected capacity will exceed 1MW (enough to power 134 standard homes for a year)
- Kiwi Property will be New Zealand's largest commercial consumer of solar power
- Meridian will invest the upfront system cost and charge Kiwi Property for the power generated

existing Sylvia Park solar array

our strategy is delivering robust financial results

$47.9m

profit after tax

+$2.3m +5.0%

we've delivered record funds from operations, assisted by increased rental income from development and acquisition activity and supported by underlying rental growth

$54.2m

funds from operations

+$6.5m +13.6%

3.821 cps

funds from operations

+0.12 cps +3.1%

3.425 cps

interim cash dividend

+0.05 cps +1.5%

5.01 profit after tax
5.04 FFO
5.05 dividends
5.06 AFFO

we've maintained a strong balance sheet

$3.1b

property assets

+$92m +3.1%

31.2%

gearing[1]

-330 bps

$1.39

net asset backing per share

FY17: $1.39

we've increased the size and quality of the portfolio following the acquisition of our strategic landholdings in Drury, together with the progression of our developments at Sylvia Park

gearing remains comfortably within our target band (25%-35%) following repayment of debt from the proceeds of the equity raise completed in July 2017

1.03 portfolio statistics
5.07 balance sheet
5.09 net finance debt movement

Note 1 Pro-forma gearing, post the sale of The Majestic Centre, is 28.3%. Refer to slide 6 for details of the sale.

we're delivering on our capital management strategy

4.84%

weighted average
cost of debt

FY17: 4.61%

3.5 years

weighted average
term to maturity of debt

FY17: 3.5 years

BBB (stable)

corporate credit rating

we've diversified our sources of bank debt with the addition of China Construction Bank and HSBC

post the reporting period, S&P Global Ratings[1] assigned Kiwi Property

- **a BBB (stable) corporate credit rating, and**
- **an issue credit rating of BBB+ to each of the existing fixed-rate senior secured bonds (KPG010 and KPG020)**

5.07 balance sheet
5.09 net finance debt movement
5.10 finance debt facilities
5.11 capital management metrics
5.12 fixed-rate debt profile

Note 1 Further information about S&P Global Ratings' credit rating scale is available at www.standardandpoors.com A rating is not a recommendation by any rating organisation to buy, sell or hold Kiwi Property securities. The rating is current as at the date of this Presentation and may be subject to suspension, revision or withdrawal at any time by S&P Global Ratings.

we've created a stronger portfolio

3.1%

rental growth from new leasing and rent reviews

FY17: +3.3%

99.4%

occupancy

FY17: 98.8%

5.3 years

weighted average lease term

FY17: 5.6 years

the successful execution of our investment strategy has resulted in a stronger portfolio

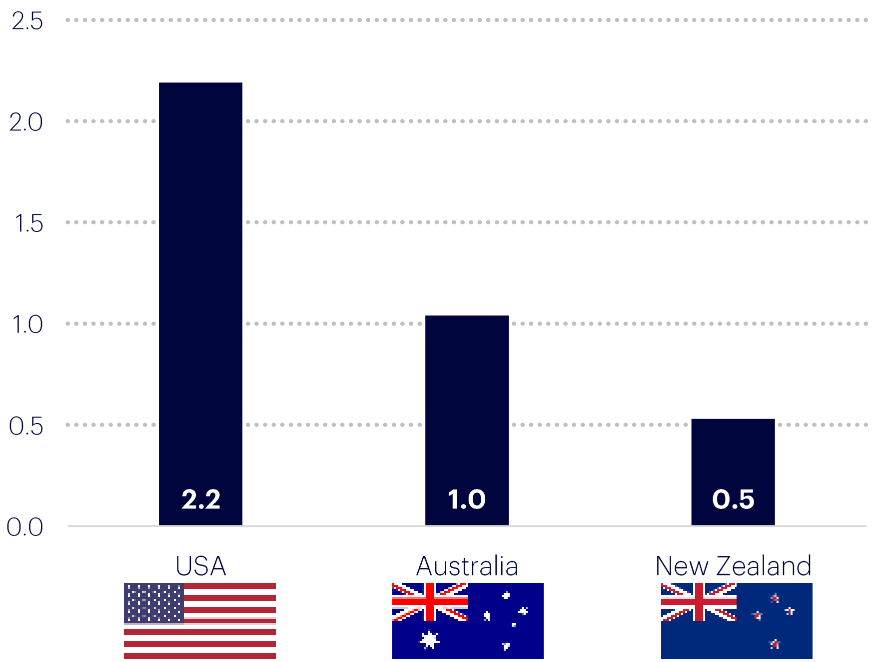
- **rental growth >3% has been achieved, underpinned by a high percentage of structured rental reviews (86%)**
- **occupancy and weighted average lease term are at healthy levels and above the long-term averages**

1.03 portfolio statistics
1.04 rental income
1.10 new leasing and rent reviews
1.11 lease expiry profile

the bricks and mortar story

why New Zealand is not the United States

retail floorspace per capita[1]	USA	Australia	NZ
population (million)	323.1	24.3	4.7
retail floorspace (million sqm)	708.1	25.2	2.5
retail floorspace per capita (sqm)	2.2	1.0	0.5



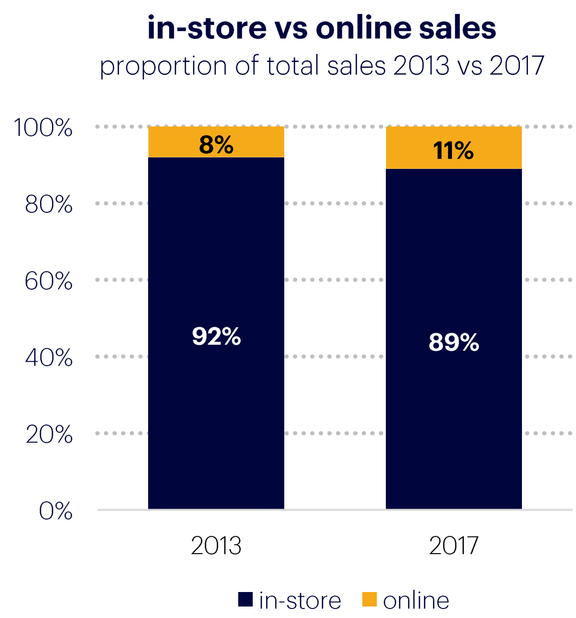
New Zealand has one-quarter of the retail floorspace per capita when compared to the USA and half that of Australia

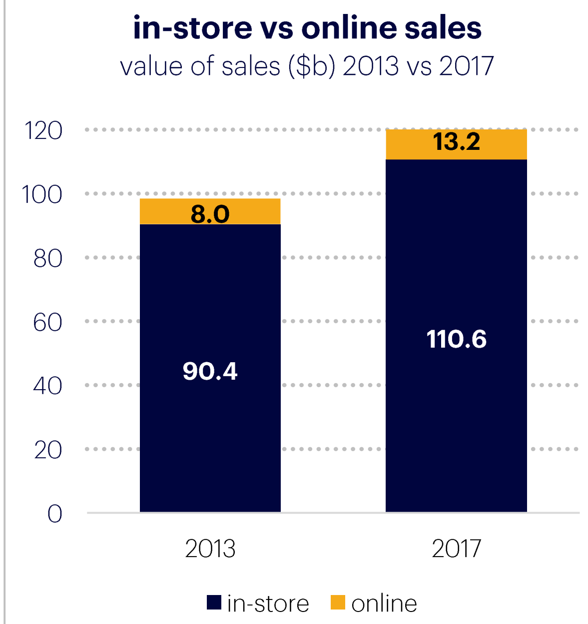
New Zealand is a more balanced market with potential for further growth. Research indicates that Auckland alone could cater for an additional ~55,000 sqm of retail floorspace per annum for the next five years based on projected growth in population and spend[2]

Note 1 ICSC (International Council of Shopping Centres) (Statistics as at Dec-16). **Note 2** Market Economics (Sep-17).

the bricks and mortar story

in-store sales are growing





between 2013 and 2017 online sales grew at nearly three times the rate of in-store sales

however, in-store sales still account for 89% of total sales, down just three percentage points since 2013

and, over the same period, the total value of in-store sales has increased $20 billion to more than $110 billion

Source: BNZ Marketview statistics.

the bricks and mortar story

how we're keeping our centres relevant

better stores

we're focused on attracting best-in-class, destinational retailers which create higher visitation and help us to improve overall sales productivity

better food

we're enhancing the social experience aspect of shopping by increasing the range and quality of food outlets, with a focus on placemaking and a curated mix of operators

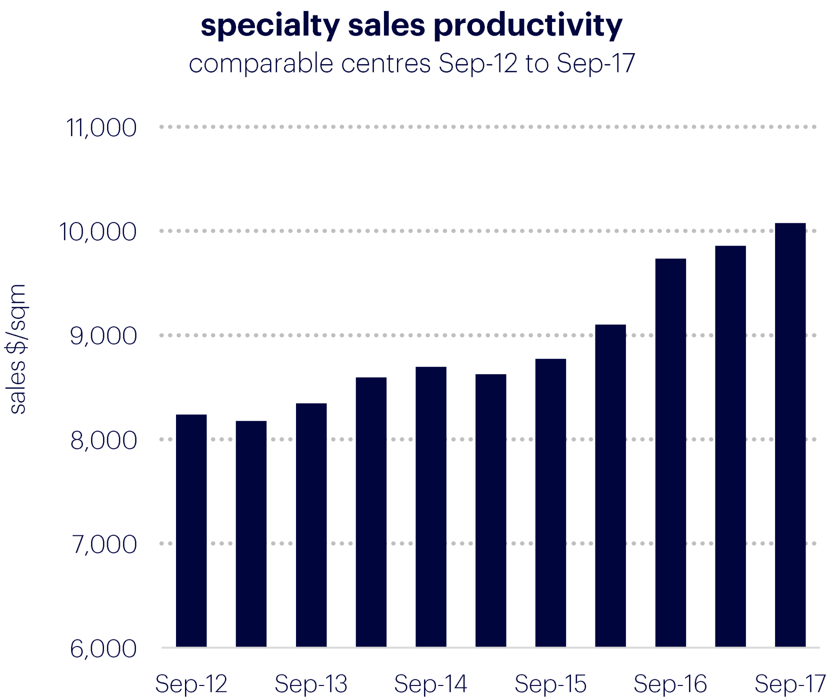
better experiences

we're improving the overall customer experience through initiatives such as live events, activation, parking management, valet parking, better wifi and social media connectivity

the bricks and mortar story

evolving our retail mix

1.13 retail sales by centre
1.14 retail sales by category
1.15 retail sales history



our retail mix evolution has helped drive sales productivity over the five-year period, with 4.1% per annum growth

annual sales continue a positive trajectory

1.13 retail sales by centre
1.14 retail sales by category
1.15 retail sales history

total sales of $1.75 billion have been recorded across our shopping centre portfolio, with strong growth in discretionary spend categories

total sales growth

overall	excl. supermarkets and hardware
+6.7%	+9.2%

like-for-like sales growth

overall	excl. supermarkets and hardware
+1.3%	+2.4%

- a positive performance from most centres has produced total sales growth of +6.7% or +1.3% on a like-for-like basis
- notable results from Sylvia Park (+19.2%), North City (+10.6%) and Centre Place (+8.7%) on a total sales basis
- supermarkets and hardware stores under-performed due to new supply in various markets. If these categories were excluded, total and like-for-like growth would improve to +9.2% and +2.4% respectively

like-for-like specialty sales growth

pharmacy and wellbeing (incl. personal services)	commercial services (incl. mobile phones and travel)	general retail	food
+5.0%	+4.3%	+4.1%	+2.1%

- like-for-like specialty sales growth was +2.4% and was led by the discretionary spend categories shown above
- mini-majors, which comprise larger stores across a mix of discretionary spend retail categories, also experienced good like-for-like sales growth of +3.8%

we will continue to deliver on our strategy

- advance our town centre vision at Sylvia Park
  - successfully open ‘The Grove’ dining precinct
  - advance construction and leasing of the No. 1 Sylvia Park office building
  - advance construction of the central carpark
  - satisfy pre-development requirements for the galleria expansion and south carpark
- commence our ‘Langdons Quarter’ food and entertainment precinct redevelopment at Northlands
- progress masterplanning for our Drury land
  - settle purchase of the remaining land parcel
  - advance structure planning towards securing town centre zoning
- progress value-adding initiatives at The Base
- complete the sale of The Majestic Centre

we have a clear focus for the balance of 2018

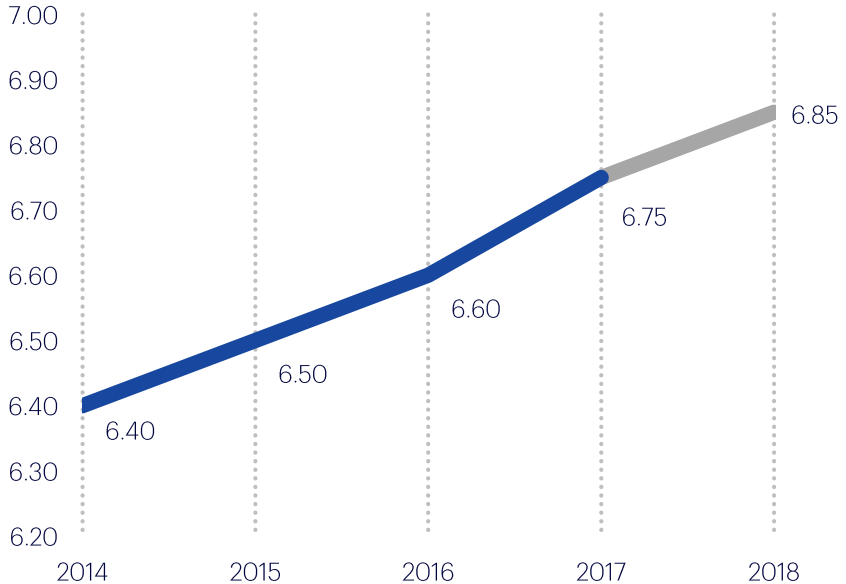
outlook and dividend guidance

FY18 cash dividend guidance

6.85

cents per share[1]

cash dividend (cents per share)



Note 1 Subject to a continuation of reasonable economic conditions.

Kiwi Property remains in great shape. The successful implementation of our strategy has provided a solid platform for the future

- increased rental income from recent acquisitions and developments
- diversified revenue sources
- high occupancy and structured rent reviews
- a long weighted average lease term and high-quality tenant covenant
- a robust balance sheet
- organic growth opportunities through our development pipeline

5.04 FFO
5.05 dividends

property

property appendices: index

property portfolio review

development update

market update

our portfolio

retail portfolio


Sylvia Park


Sylvia Park Lifestyle


LynnMall


Westgate Lifestyle


The Base


Centre Place - North

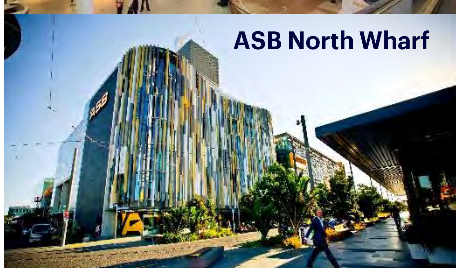

The Plaza


North City


Northlands

office portfolio


Vero Centre


ASB North Wharf


The Majestic Centre


The Aurora Centre


44 The Terrace

property portfolio summary

1.02

		30-Sep-17 retail	30-Sep-17 office	30-Sep-17 total	31-Mar-17 retail	31-Mar-17 office	31-Mar-17 total
number of assets	1.03	9	5	**14**	9	5	**14**
value ($000)[1,2]	1.03	2,061.9	894.3	**2,956.2**	2,019.4	879.1	**2,898.5**
proportion of total portfolio by value	1.07	67%	29%	**96%**	68%	30%	**98%**
weighted average capitalisation rates[2,3]	1.03	not applicable, assets were not independently valued at Sep-17			6.52%	6.13%	**6.40%**
over/(under) renting[2]					-0.8%	+0.3%	**-0.5%**
net lettable area (sqm)	1.03	353,675	120,646	**474,321**	353,761	120,620	**474,381**
number of tenants	1.12	961	83	**1,044**	959	83	**1,042**
proportion of investment portfolio by gross income	1.12	72%	28%	**100%**	72%	28%	**100%**
occupancy (by area)[4]	1.03	99.5%	99.3%	**99.4%**	99.1%	97.8%	**98.8%**
weighted average lease term (by income)	1.03	3.6 years	9.7 years	**5.3 years**	3.8 years	10.1 years	**5.6 years**

The following notes apply to all of appendix 1.00 (where applicable): Note 1 At 30-Sep-17, excludes other properties and development land which had a combined value of $105.2 million (4% of total portfolio value). At 31-Mar-17, excluded other properties and development land which had a combined value of $70.9 million (2% of total portfolio value). **Note 2** Assets were not independently valued at 30-Sep-17. Assets are held at their 31-Mar-17 independent valuations, adjusted for capital expenditure incurred over the period, with the exception of development land acquired during the period which is carried at cost including acquisition costs. **Note 3** Due to development activity, the capitalisation rate for Sylvia Park is the' as if complete' assessed rate. **Note 4** Vacant tenancies with current or pending development works are excluded from the occupancy statistics. At 30-Sep-17 excludes 1,082 sqm at The Base and 404 sqm at Northlands. At 31-Mar-17 excluded 1,296 sqm at The Base. Tenancies at Westgate Lifestyle subject to vendor rental underwrites are treated as occupied. **General note** Kiwi Property owns 100% of all assets except The Base which is owned 50%.

1.03 portfolio statistics
1.07 sector and grade diversification
1.12 tenant diversification

portfolio statistics

	adopted value $m		capitalisation rate %		NLA sqm		occupancy %		WALT years	
as at	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17
Sylvia Park	787.4	755.0	not applicable, assets were not independently valued at Sep-17	5.88	73,852	73,852	99.9	100.0	3.5	3.6
Sylvia Park Lifestyle	70.8	70.9		6.38	16,536	16,536	100.0	100.0	3.5	3.2
LynnMall	271.5	271.0		6.38	37,526	37,542	99.9	99.3	4.2	4.5
Westgate Lifestyle	87.2	87.0		6.50	25,581	25,581	100.0	100.0	6.8	7.2
The Base	195.4	195.0		6.50	85,137	85,155	99.6	98.5	3.2	3.3
Centre Place- North	66.2	66.0		8.63	15,812	15,822	93.3	92.9	2.9	3.0
The Plaza	219.3	215.5		7.00	32,299	32,299	100.0	100.0	3.8	4.0
North City	112.4	110.5		7.63	25,439	25,403	100.0	100.0	4.1	4.0
Northlands	251.7	248.5		7.25	41,493	41,571	99.7	98.5	2.6	2.9
retail portfolio	**2,061.9**	**2,019.4**		**6.52**	**353,675**	**353,761**	**99.5**	**99.1**	**3.6**	**3.8**
Vero Centre	385.9	381.0		5.75	39,529	39,529	99.1	100.0	6.6	6.9
ASB North Wharf	196.9	196.3		5.75	21,625	21,625	100.0	100.0	13.1	13.7
The Majestic Centre	122.2	119.4		7.25	24,615	24,615	97.8	92.1	6.1	6.8
The Aurora Centre	144.9	140.7		6.50	24,527	24,526	100.0	100.0	16.7	17.2
44 The Terrace	44.4	41.7		6.88	10,350	10,325	100.0	92.8	9.0	9.2
office portfolio	**894.3**	**879.1**		**6.13**	**120,646**	**120,620**	**99.3**	**97.8**	**9.7**	**10.1**
investment portfolio	**2,956.2**	**2,898.5**		**6.40**	**474,321**	**474,381**	**99.4**	**98.8**	**5.3**	**5.6**
adjoining properties	58.6	57.9								
development land	46.6	13.0								
total portfolio	**3,061.4**	**2,969.4**								

For notes supporting these values and statistics, refer to appendix 1.02.

1.02 property portfolio summary

rental income

1.04

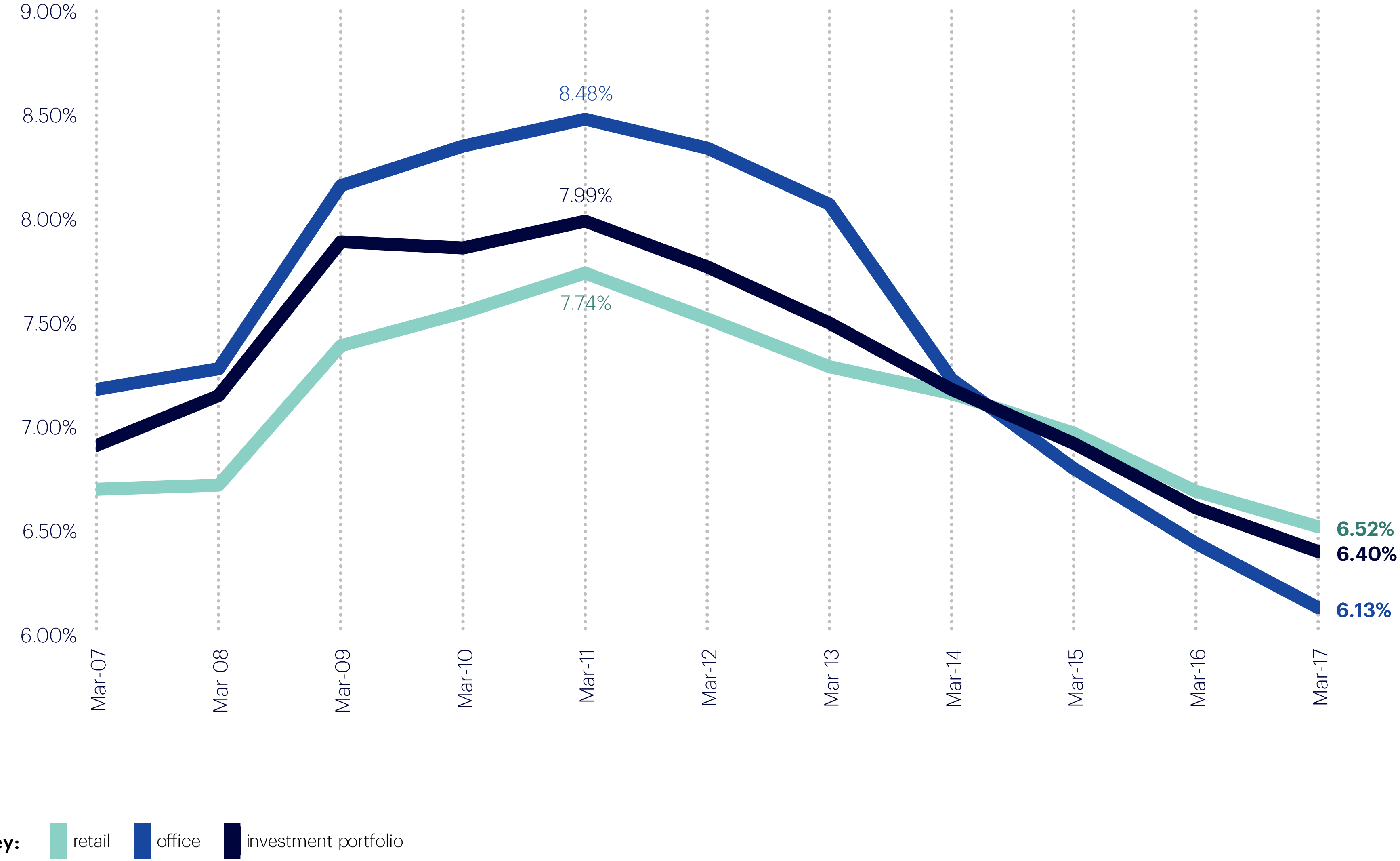
six months ended	30-Sep-17 $m	30-Sep-16 $m	variance $m	variance %	like-for-like variance $m	like-for-like variance %
Sylvia Park	21.4	18.4	+3.0	+16.1	+1.0	+5.4
Sylvia Park Lifestyle	2.4	2.4	-	-	-	-
LynnMall	9.2	9.0	+0.2	+1.5	+0.2	+1.5
Westgate Lifestyle	3.0	1.5	+1.5	+96.7		
The Base	5.9	3.8	+2.1	+56.0		
Centre Place– North	2.9	2.7	+0.2	+8.4	+0.2	+8.4
Centre Place– South	-	0.7	-0.7	-100.0		
The Plaza	8.1	7.9	+0.2	+2.5	+0.2	+2.5
North City	4.7	4.4	+0.3	+7.1	+0.3	+7.1
Northlands	9.4	9.6	-0.2	-2.4	-0.2	-2.4
retail portfolio	**67.0**	**60.4**	**+6.6**	**+10.8**	**+1.7**	**+3.0**
Vero Centre	10.2	11.4	-1.2	-10.4	-0.4	-4.3
ASB North Wharf	6.0	5.8	+0.2	+3.9	+0.2	+3.9
The Majestic Centre	4.3	3.5	+0.8	+22.7	+0.8	+22.7
The Aurora Centre	4.5	1.4	+3.1	+219.8		
44 The Terrace	1.5	1.1	+0.4	+32.2		
office portfolio	**26.5**	**23.2**	**+3.3**	**+13.9**	**+0.6**	**+2.8**
other properties	1.3	1.4	-0.1	-3.3	-0.1	-3.3
net operating income	**94.8**	**85.0**	**+9.8**	**+11.4**	**+2.2**	**+2.8**
straight-lining fixed rental increases	0.3	1.9	-1.6	-84.2		
net rental income	**95.1**	**86.9**	**+8.2**	**+9.4**		

improved rental income

- full period contributions from
  - H&M and Zara at Sylvia Park, The Aurora Centre and 44 The Terrace following completion of development works in prior period
  - acquisition of Westgate Lifestyle and The Base in the prior period
- strong performances at Sylvia Park and North City
- offset by
  - sale of Centre Place – South
  - rental downside from decant space during redevelopment works at Vero Centre

5.01 profit after tax

capitalisation rate history



geographic diversification

($1.9b) Auckland

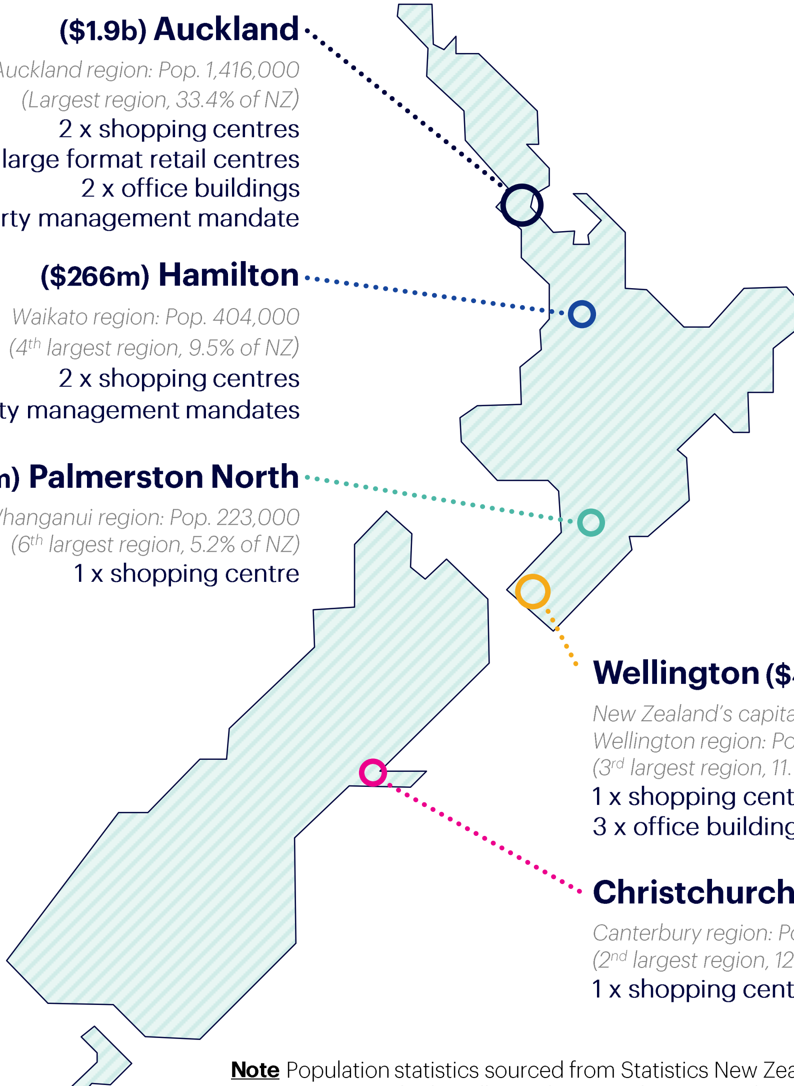
Auckland region: Pop. 1,416,000
(Largest region, 33.4% of NZ)
2 x shopping centres
2 x large format retail centres
2 x office buildings
1 x 3rd party management mandate

($266m) Hamilton

Waikato region: Pop. 404,000
(4th largest region, 9.5% of NZ)
2 x shopping centres
2 x 3rd party management mandates

($219m) Palmerston North

Manawatu-Whanganui region: Pop. 223,000
(6th largest region, 5.2% of NZ)
1 x shopping centre



Wellington ($425m)

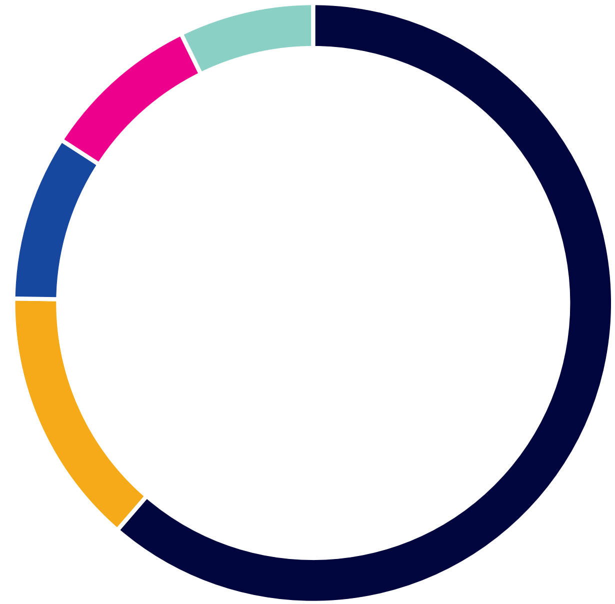
New Zealand's capital city
Wellington region: Pop. 471,000
(3rd largest region, 11.1% of NZ)
1 x shopping centre
3 x office buildings

Christchurch ($259m)

Canterbury region: Pop. 539,000
(2nd largest region, 12.7% of NZ)
1 x shopping centre

Note Population statistics sourced from Statistics New Zealand, 2013 Census results (usually resident population count).

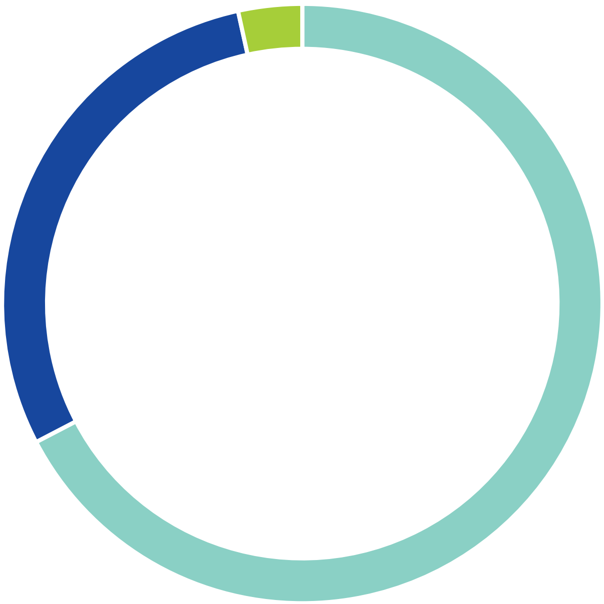
geographic diversification
by investment portfolio value



Auckland	62%
Wellington	14%
Hamilton	9%
Christchurch	8%
Palmerston North	7%

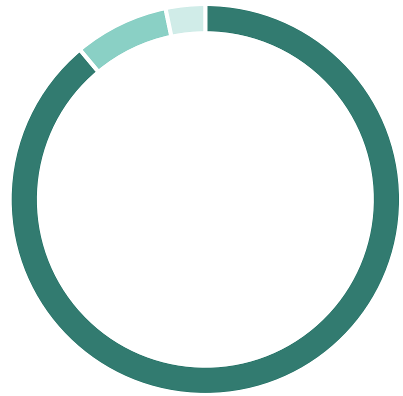
sector and grade diversification

sector diversification
by investment portfolio value



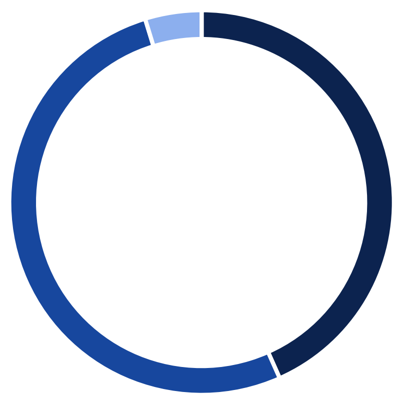
retail	**67%**
office	**29%**
other	**4%**

retail diversification
by retail portfolio value



regional centres	**89%**
large format centres	**8%**
sub-regional centres	**3%**

office diversification
by office portfolio value



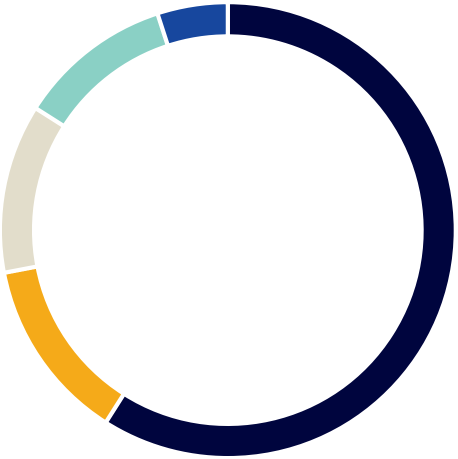
Premium	**43%**
A-grade	**52%**
B-grade	**5%**

retail portfolio diversification

property type
by retail portfolio value

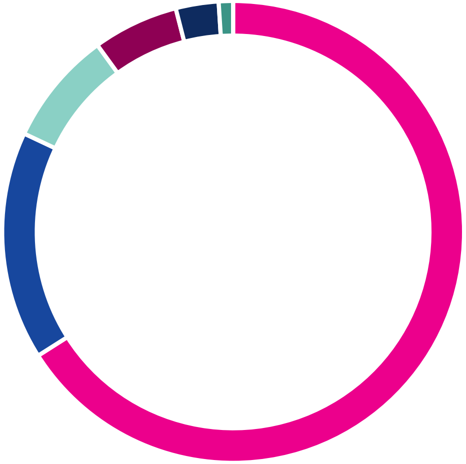
regional centres	89%
large format centres	8%
sub-regional centres	3%

geographic diversification
by retail portfolio value



Auckland	59%
Hamilton	13%
Christchurch	12%
Palmerston North	11%
Wellington	5%

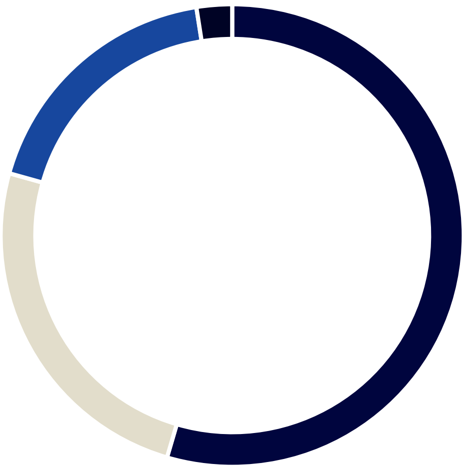
tenant diversification
by retail portfolio income



specialty	66%
mini-majors	16%
department stores and DDS	8%
supermarkets	6%
cinemas	3%
home and living majors	1%

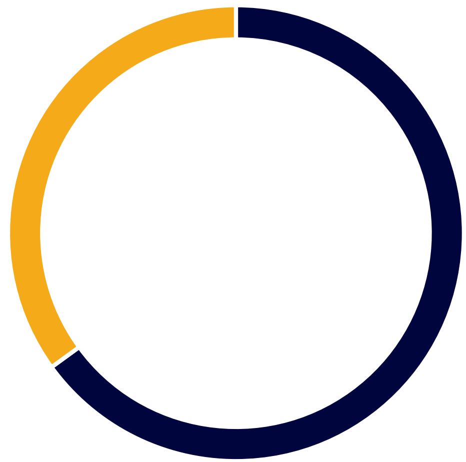
office portfolio diversification

property type
by office portfolio value



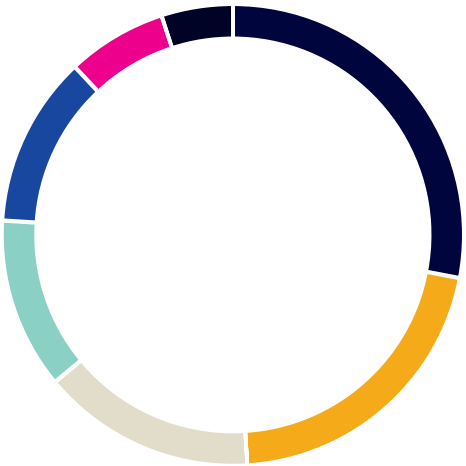
Premium	43%
A-grade	30%
A-grade campus	22%
B-grade	5%

geographic diversification
by office portfolio value



Auckland	65%
Wellington	35%

tenant diversification
by office portfolio income



government	28%
banking	21%
legal	15%
insurance	12%
other	12%
financial services	7%
consultancy	5%

new leasing and rent reviews

rent reviews	retail	office	total
no.	323	21	344
NLA (sqm)	77,819	24,092	101,911
% investment portfolio NLA	16	5	21
rental movement (%)	**+3.6**	**+2.9**	**+3.4**
compound annual growth (%)	+3.4	+2.7	+3.2
structured increases (% portfolio)	90	77	86

new leases and renewals	retail	office	total
no.	82	4	86
NLA (sqm)	22,164	2,780	24,944
% investment portfolio NLA	5	1	6
rental movement (%)	**+0.6**	**+10.1**	**+1.5**
WALT (years)	5.5	6.4	5.6

total (static, excl development)	retail	office	total
no.	405	25	430
NLA (sqm)	99,983	26,872	126,855
% investment portfolio NLA	21	6	27
rental movement (%)	**+3.0**	**+3.4**	**+3.1**

development new leases	no.	sqm	uplift over budget
new leases	6	4,463	+1.4%

retail

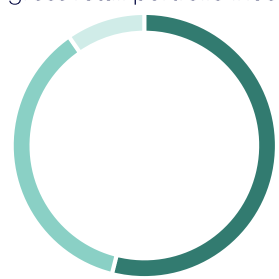
- performance underpinned by predominance of annual structured rent reviews and favourable leasing outcomes at Sylvia Park, The Base and North City

office

- uplift from rent reviews ahead of CPI
- given high occupancy, long WALT and active leasing over the past few years, there have been only a small number of new leases year to date

retail rent reviews

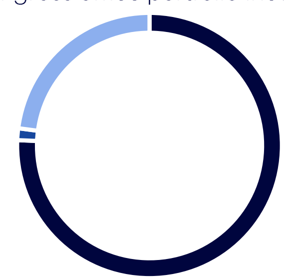
% of gross retail portfolio income



fixed	**54%**
CPI-based	**36%**
market and other	**10%**

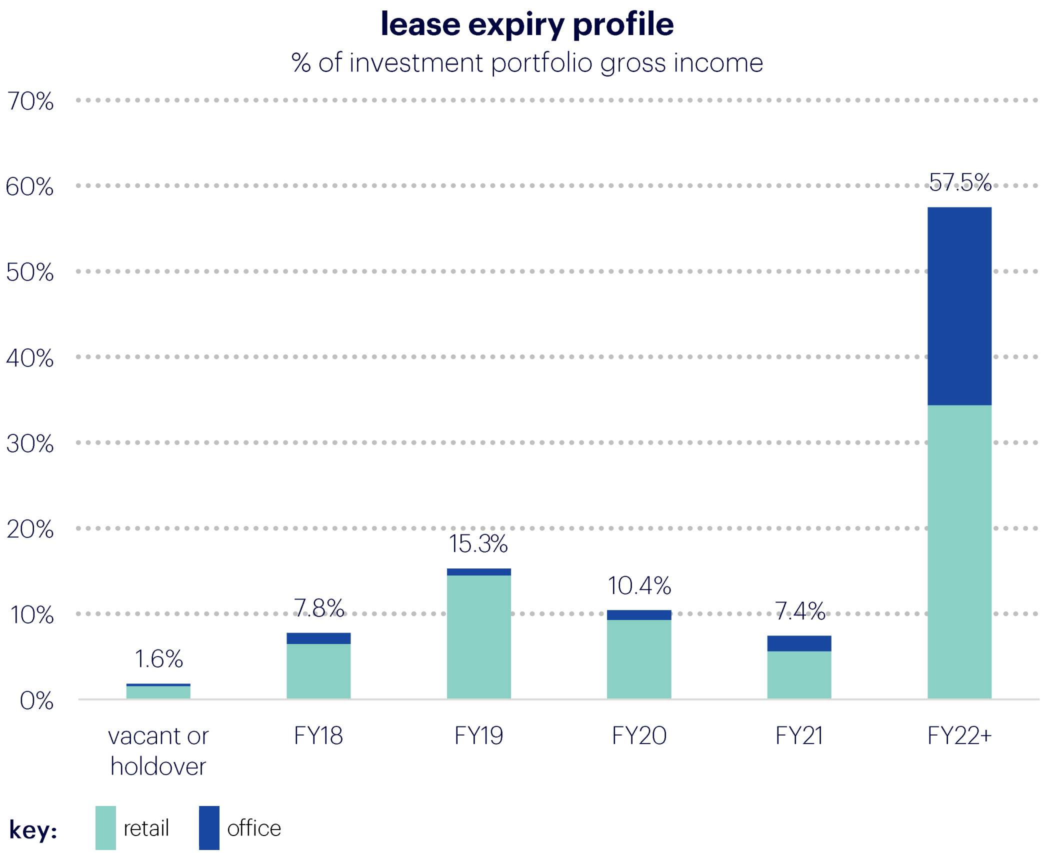
office rent reviews

% of gross office portfolio income



fixed	**76%**
CPI-based	**2%**
market and other	**22%**

lease expiry profile



retail

- a cyclical expiry peak occurs at Sylvia Park in 2019, coinciding with our retail expansion plans

office

- the completion of long-term Government leases in Wellington and retention of anchor tenants in the Vero Centre have improved the office portfolio expiry profile
- the key FY18 expiry relates to space within the Vero Centre currently being used as decant space for the Suncorp refurbishment ahead of commencement of their new 12-year lease

weighted average lease term (years)

retail	office	total
3.6	**9.7**	**5.3**

tenant diversification

tenant diversification
% of investment portfolio gross income

supermarkets	4
department stores	3
discount department stores (DDS)	3
cinemas	2
home and living	1
mini-majors	12
fashion	17
food	9
general	7
pharmacy and wellbeing	6
home and living	2
other	6
retail (961 tenants)	**72**
government	8
banking	6
legal	4
insurance	3
financial services	2
consultancy	1
other	4
office (83 tenants)	**28**

key: majors mini-majors specialty

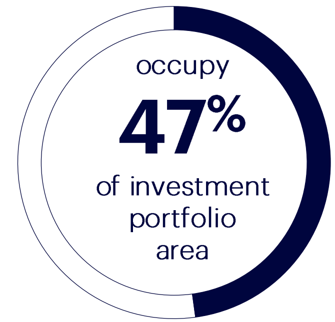
top 20 tenants
% of investment portfolio gross income

ASB Bank	6.5
Ministry of Social Development	4.6
Farmers[1]	2.9
Progressive Enterprises	2.7
Cotton On Group	1.9
Foodstuffs	1.7
Bell Gully	1.7
Just Group	1.7
Vero Insurance	1.7
The Warehouse	1.6
Hallenstein/Glasson	1.4
Russell McVeagh	1.4
Hoyts Cinema	1.3
Kmart	1.3
ANZ Bank	1.0
Whitcoulls[1]	0.9
Craigs Investment Partners	0.9
Pascoes[1]	0.8
Westpac	0.7
Hannahs	0.7

Note 1 Controlled by the James Pascoe Group.

key: retail portfolio tenant office portfolio tenant

our top 20 tenants



have a weighted average lease term of

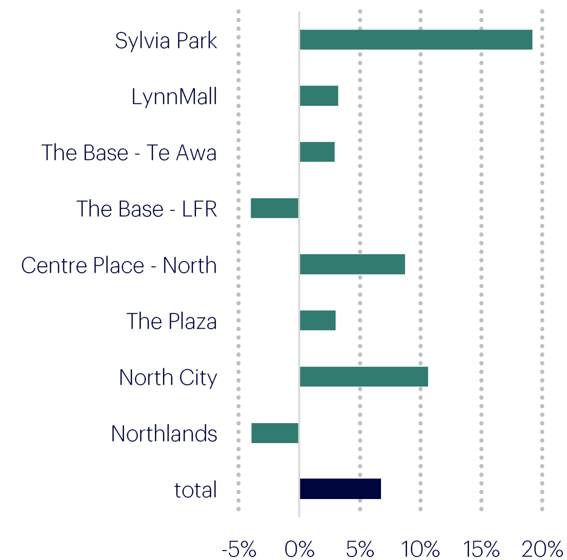
8 years

retail sales by centre

twelve months ended	MAT $m 30-Sep-17	% var. from Sep-16 total	% var. from Sep-16 like-for-like	shopping centre specialty sales[2] $/sqm	shopping centre specialty sales[2] GOC%	pedestrian count[3] millions per annum 30-Sep-17
Sylvia Park	546.7	+19.2	+3.6	12,400	12.8	14.3
Sylvia Park Lifestyle[1]	7.4	-	-	-	-	-
LynnMall	237.8	+3.2	+1.5	10,100	11.0	7.8
Westgate Lifestyle[1]	10.6	-	-	-	-	-
The Base– Te Awa	141.2	+2.9	+0.5	9,900	12.0	4.7
The Base– LFR	135.3	-4.0	-2.7	-	-	-
Centre Place– North	64.7	+8.7	+1.1	6,900	14.0	3.6
The Plaza	188.5	+3.0	+2.4	9,400	14.0	6.4
North City	120.3	+10.6	+9.7	8,900	12.0	4.9
Northlands	295.6	-3.9	-3.4	9,700	14.0	8.0
total	**1,748.1**	**+6.7**	**+1.3**	**10,100**	**12.5**	**49.7**

Note 1 Sales data is being requested however most tenants are not obliged to provide under current leases. Total sales reported are shown, but due to the changing composition of those who do report, comparable statistics are not meaningful.
Note 2 Specialty sales $/sqm and GOC% include commercial services categories. For historical data, refer to Appendix 1.15.
Note 3 Pedestrian data is not currently collected at the Lifestyle centres.

total sales growth by centre



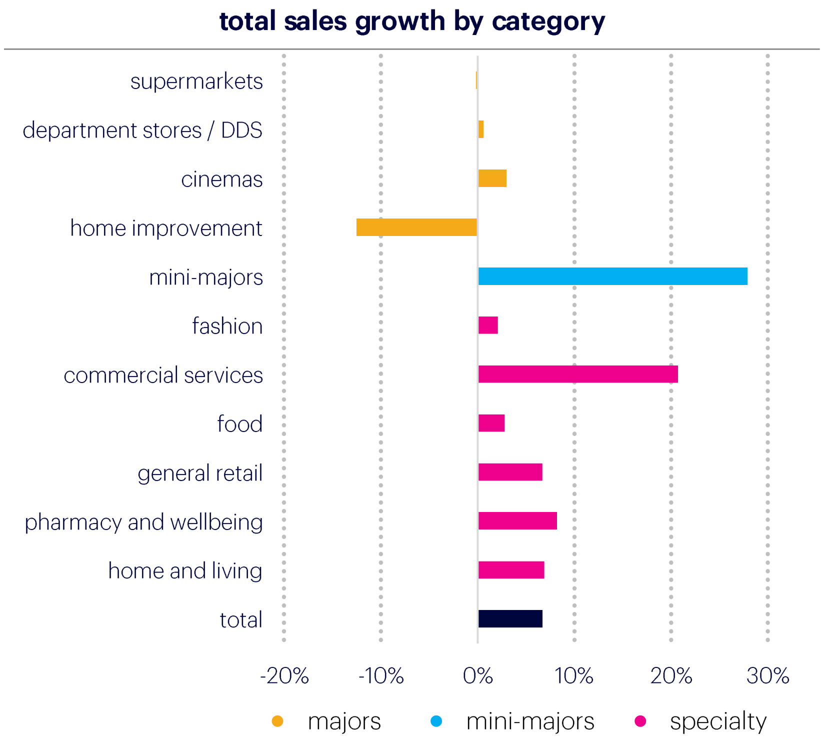
- overall, sales grew across our portfolio by +6.7%
- the result has been positively influenced by active leasing with a focus on retailers with strong trading performance
- Northlands continues to be impacted by an increase in retail floorspace across the city and The Base – LFR sales have been similarly impacted by the opening of two more large format hardware stores in Hamilton within the past year
- North City's sales grew strongly, assisted by the strength of Kmart together with higher post-earthquake patronage due to competing retail having been closed for repairs

1.15 retail sales history

retail sales by category

	MAT $m	% var. from Sep-16	
twelve months ended	30-Sep-17	total	like-for-like
● supermarkets	314.5	-0.2	-0.2
● department stores / DDS	251.2	+0.6	+0.6
● cinemas	36.4	+3.0	+1.2
● home improvement[1]	43.2	-12.5	-12.5
● mini-majors	268.8	+27.9	+3.8
● fashion	291.9	+2.1	+2.0
● commercial services	178.8	+20.7	+4.3
● food	142.0	+2.8	+2.1
● general retail	97.4	+6.7	+4.1
● pharmacy and wellbeing	95.7	+8.2	+5.0
● home and living[1]	28.2	+6.9	-5.4
total	**1,748.1**	**+6.7**	**+1.3**

Note 1 Home improvement and home and living includes hardware, furniture, home furnishing, home electronics and appliances.



- positive total sales growth has been recorded across all categories except supermarkets and home improvement predominantly due to new supply in the various markets
- at +1.3%, like-for-like growth is moderate, noting that if the competition affected categories are removed, this would have been +2.4%
- discretionary spend categories have all recorded positive growth, being led by pharmacy and wellbeing (+5.0%) and commercial services (+4.3%)
- like-for-like mini-majors growth (+3.8%) has been led by Sylvia Park-based retailers who have benefitted from the surge in patronage at that centre

retail sales history

1.15

shopping centre specialty sales MAT $/sqm	Sep-12	Mar-13	Sep-13	Mar-14	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16	Mar-17	Sep-17
Sylvia Park	8,300	8,600	8,800	8,900	9,000	9,400	9,900	10,800	11,600	12,000	12,400
LynnMall	7,000	7,100	7,500	7,900	8,400	8,300	8,600	8,400	8,900	9,800	10,100
The Base- Te Awa									10,100	10,400	9,900
Centre Place- North	6,400	6,000	6,100	6,700	6,600	6,200	6,400	6,800	7,400	7,300	6,900
The Plaza	8,300	8,200	8,100	8,200	8,300	8,300	8,700	8,800	9,000	9,500	9,400
North City	7,800	7,600	7,600	7,400	7,500	7,200	6,500	7,000	7,900	8,300	8,900
Northlands	11,300	10,800	10,900	11,200	10,800	10,300	10,300	10,600	11,300	9,800	9,700
portfolio	**8,200**	**8,200**	**8,300**	**8,600**	**8,700**	**8,700**	**8,800**	**9,100**	**9,800**	**9,900**	**10,100**

sustainability achievements

as at 31 March 2017

1.16

- in October 2016, included in the Carbon Disclosure Project's Carbon Leadership Group by scoring an A- (under a revised and strengthened assessment methodology)
- included in the worldwide CDP 2016 Leadership List

- 22 electric car charging stations have now been installed across the portfolio, 4 of which are superchargers for Teslas
- reduced our carbon footprint by 34% compared to our 2012 base year

- support of NABERSNZ to promote energy efficient buildings. Three buildings now rated

- 7,700 new LED lights installed in the common areas of our properties
  - saving over 3,000,000 kWh per annum – enough to power the equivalent of 302 typical homes

environmental savings (as at 31 March 2017)

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

saved 8,100,000 kWh of energy
- enough to supply 813 typical homes

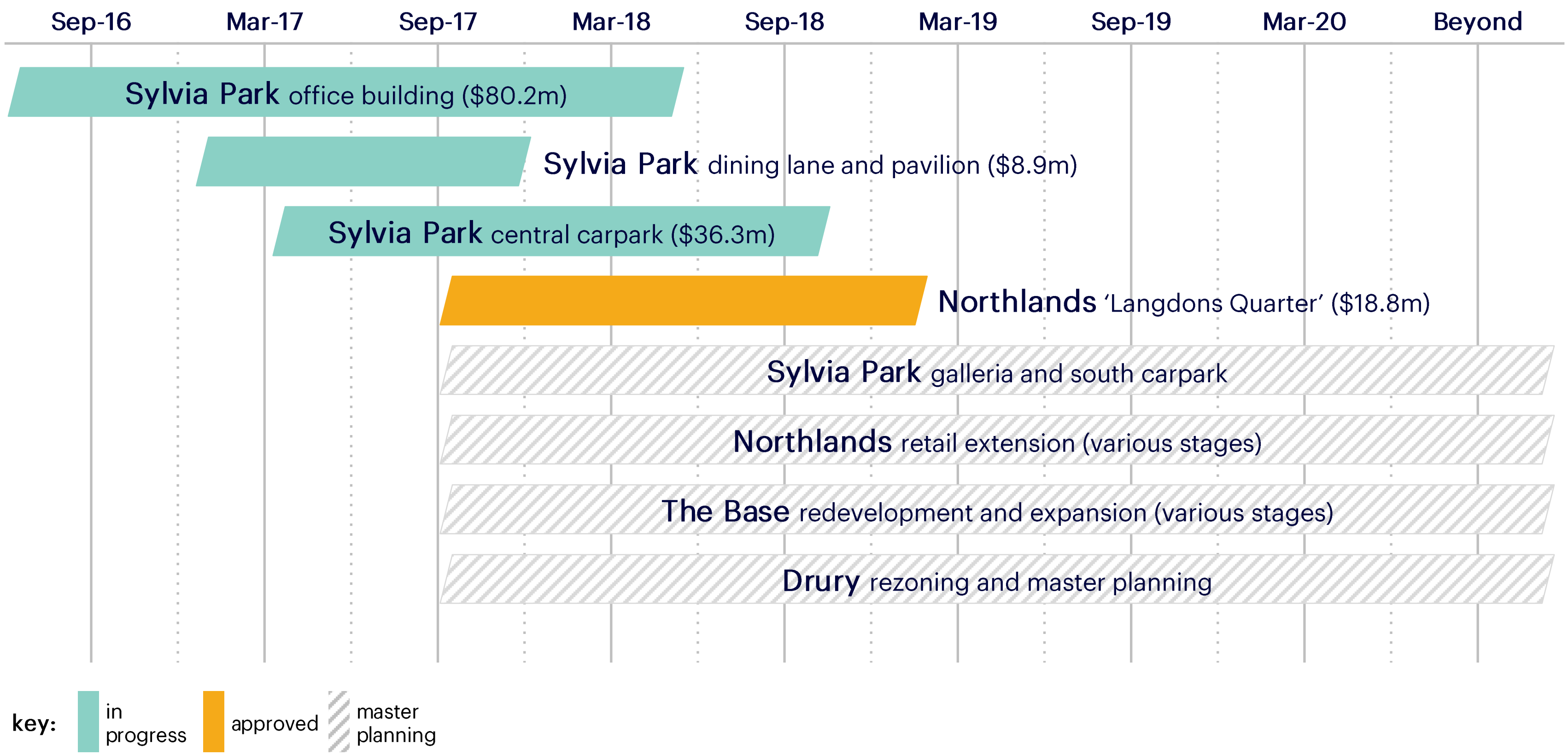
saved 124 million litres of water
- enough to fill 2,471 domestic swimming pools

diverted 216 tonnes of waste from landfill
- equivalent to filling 352 jumbo bins

reduced our carbon emissions by 2,968 tonnes since 2012
- equivalent to 704 return flights from Auckland to London

development pipeline

2.01



Sylvia Park

ground floor redevelopment

H&M and Zara
COMPLETE
the first ever NZ stores for H&M and Zara

dining lane and pavilion
UNDER CONSTRUCTION
contemporary, landscaped alfresco dining experience and upgrade of the existing dining lane

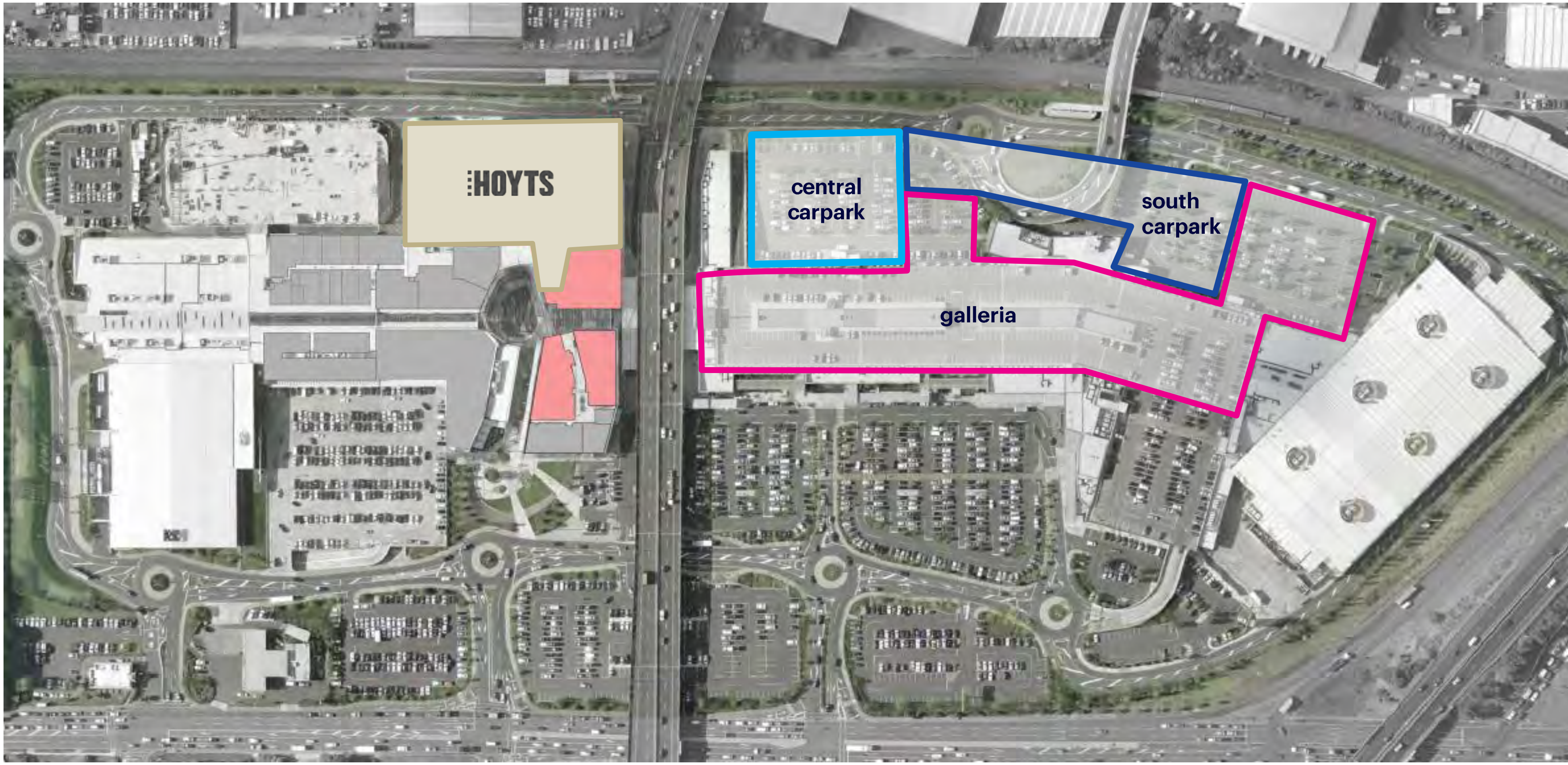
office building
UNDER CONSTRUCTION
12,200 sqm building comprising nine office levels plus ground floor restaurants

central carpark
UNDER CONSTRUCTION
a five-level carpark structure providing ~600 parking spaces

Kiwi Property

Sylvia Park

first floor redevelopment



galleria and south carpark

ADVANCED PLANNING

a new galleria level providing a department store, a new concept café court, an expanded retail offer including international brands new to NZ along with a new ~900 space carpark building

‘The Grove’, Sylvia Park

dining lane and pavilion

2.04

project overview

- a contemporary alfresco dining experience
- 100% leased to a range of restaurants
  - Better Burger
  - Birdie’s Bar and Deli
  - Casablanca
  - Cleaver & Co[1]
  - Garrison Public House
  - Hawker & Roll[1]
  - Mexico
  - The Coffee Club
  - The Little District[1]
  - Wagamama

financial metrics

total project cost	$8.9m
target initial yield on project cost	6.5%
target 10-year IRR	8.5%

timetable

construction commenced	Jan-17
trading commences	Dec-17

	spent to		to spend	
cost profile $m	FY17	1H FY18	2H FY18	FY19
incl. letting up allowances	1.5	4.5	2.9	-

Note 1 These tenants are located on the ground floor of the office building and are opening as part of the dining lane precinct, but form part of the office building project metrics.

Artist’s impression. Concept only. Subject to change.

'The Grove', Sylvia Park

dining lane and pavilion progress at 14 November 2017

No. 1 Sylvia Park
office building

2.06

project overview
- new 10-level building
    - nine levels of offices (11,370 sqm)
    - ground floor dining precinct (800 sqm)

leasing status
- 50% leased by income
    - office floors anchored by IAG and BizDojo
    - ground floor retail tenancies fully leased
- strong enquiry for remaining office floors

financial metrics

total project cost	$80.2m
target initial yield on project cost	6.7%
target 10-year IRR	8.8-9.0%
target value on completion	$87.5m

timetable

construction commenced	Aug-16
construction completion	May-18

	spent to		to spend	
cost profile $m	FY17	1H FY18	2H FY18	FY19
incl. letting up allowances	12.9	17.7	37.5	12.1

Artist's impression. Concept only. Subject to change.

No. 1 Sylvia Park

office building progress at 19 October 2017

2.07

Sylvia Park

central carpark

project overview

- new five-level carpark building
  - ~600 carparks
  - vehicle management system
  - well located between Zara and H&M
  - will improve parking ratio to 6.0 per 100 sqm of retail NLA and relieve current parking pressures
  - enhanced customer amenity

financial metrics	
total project cost	$36.3m

timetable	
construction commenced	Apr-17
construction completion	Nov-18

	spent to		to spend	
cost profile $m	FY17	1H FY18	2H FY18	FY19
total	2.9	6.5	12.4	14.5

Artist's impression. Concept only. Subject to change.

Sylvia Park

central carpark progress at 26 October 2017

2.09

Sylvia Park

galleria and south carpark

2.10

project overview

- new galleria retail level
  - ~20,000 sqm
  - department store
  - new concept café court
  - an expanded retail offer with exciting new brands and concepts
  - additional multi-deck carpark (~900 spaces)

leasing

- secured a lease commitment from Farmers[1] for a new 8,000 sqm, two-level, flagship store

financial metrics

target total project cost[1]	~$200m
target initial yield on project cost	>6.0%
target 10-year IRR	>8.0%

target timetable

conclude detailed design	Dec-17
construction pricing	by Q1 2018
main contractor selection	by mid-18
board approval (subject to satisfactory pricing)	by mid-18
construction commencement	2018
construction completion	2020

Note 1 Subject to final approval by the board of Kiwi Property. **Note 2** Subject to securing satisfactory construction cost pricing outcomes and final approval by the board of Kiwi Property.

Artist's impression. Concept only. Subject to change.

'Langdons Quarter', Northlands

a vibrant food and entertainment precinct

project overview

- active response to customer demands
- new food and entertainment precinct below the existing cinema complex
  - 12 tenancies including two new external restaurant structures
  - undertaking required seismic strengthening work in that area
  - cinema refurbishment
- reconfiguration and remix of existing food offering

leasing status

- strong leasing interest

financial metrics	seismic	non-seimsic	total
total project cost ($m)	6.8	12.0	18.8
target initial yield on non-seismic project cost		6.0%	
target 10-year IRR		8.0%	

timetable	
construction commences	Jan-18
target construction completion	Oct-18

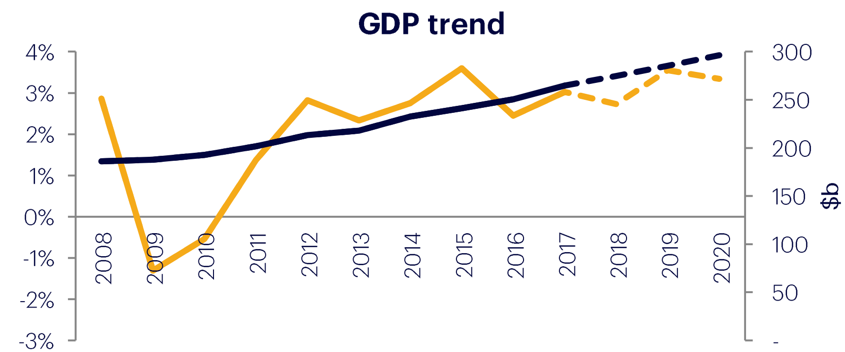
	to spend	
cost profile ($m)	2H FY18	FY19
incl. letting up allowances	5.4	13.4

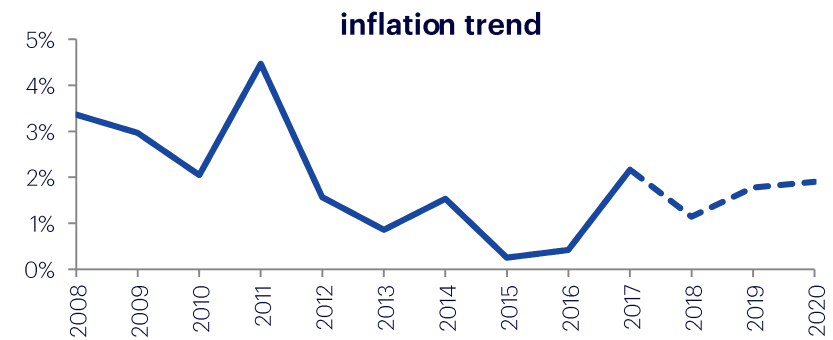
Artist's impression. Concept only. Subject to change.

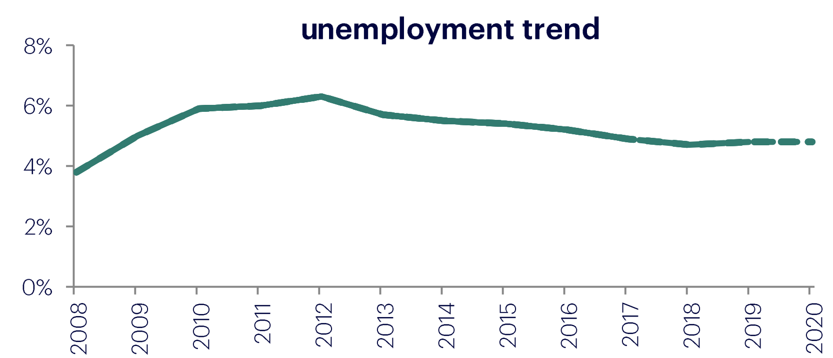
New Zealand economic overview

gross domestic product (GDP)[1]		
GDP growth pa (Sep-17 est.)		2.5%
GDP (2018 est.)		$275 billion
GDP per capita (2018 estimate)		$57,263
inflation[1]		
annual inflation (Sep-17 estimate)		1.8%
labour market[2]		
unemployment rate		4.6%
currency		
currency (at 10-Nov-17)		US $1.00 = NZ $1.44
		JPY100 = NZ $1.27
household economic information		
annual wages growth rate[2]		1.9%

Note 1 Sourced from New Zealand Institute of Economic Research Quarterly Predictions (Sep-17). **Note 2** Sourced from Statistics New Zealand (Statistics as at Sep-17).







Kiwi Property

Auckland CBD office market

outlook	key points (Premium and A-grade accommodation)	
▶	supply	- no change to Premium-grade stock until the 2019 completion of the 39,000 sqm PwC Tower - ~50,000 sqm of new A-grade space added over 2017, including 17,000 sqm at the refurbished 125 Queen Street
▲	absorption	- solid tenant demand environment expected to result in positive absorption across Prime office grades in the short-term as new supply comes on-board and landlords backfill remaining space
▶	vacancy	- Premium-grade vacancy is currently 1.5% and is expected to increase from 2018 as existing tenants downsize and new supply enters the market - A-grade vacancy currently 6.9%, primarily as a result of 125 Queen Street returning to supply
▲	rents ($/sqm/net effective)	- Premium and A-grade net effective rents average $475/sqm and $363/sqm respectively. - for both grades, low rental growth is expected over the short term before declining when new supply comes to the market
▶	yield	- for both Premium and A-grade space, yields are expected to stabilise from this year with further compression limited by the forecast supply and flow-on effect to vacancy and rents

Note Sourced from CBRE Research: Auckland Property Market Outlook (Jun-17), Auckland Yield & Rent update (Oct-17), Auckland CBD Office Market Trends (Aug-17).

our Auckland office exposure


	Premium	A-grade
buildings	Vero Centre	ASB North Wharf
value $m	385.9	196.9
office portfolio % by value	43.1	22.0
total portfolio % by value	12.6	6.4
WALT years	6.6	13.1
occupancy %	99.1	100
expectations	With no new supply of Premium-grade space until 2019, we anticipate that Vero Centre will continue to benefit from high tenant demand and occupancy. This should translate into higher achievable rents over the short to medium term although cap rate stabilisation may limit further value growth	ASB North Wharf has excellent investment qualities; an unparalleled and improving location, new, high-quality building and a long-term lease in place to a secure tenant. Its value should continue to benefit from high investor demand for these attributes

Kiwi Property

Wellington CBD office market

outlook	key points (A-grade and B-grade accommodation)	
▲	supply	- in 2018 and 2019, over 50,000 sqm of A-grade space is expected to re-enter supply, predominantly the return of buildings withdrawn for repair post the 2016 earthquake and the completion of WAP2 projects - over 32,000 sqm of B-grade space was removed in 2016 and an additional 44,000 in 2017
►	absorption	- A-grade absorption is expected to be positive as vacant space is filled by tenants from lower grades - B-grade absorption is expected to be positive over the next three years as stock returns to market
►	vacancy	- A-grade vacancy is currently 0.5% and expected to remain relatively stable - B-grade vacancy is 4.4% but is expected to increase over the next few years as stock is refurbished and returned to market
▼	rents ($/sqm/net effective)	- net effective rents average $279/sqm and $218/sqm for A and B-grade respectively - A-grade growth is expected to slow following WAP2 related tenancy moves in 2019 - B-grade is expected to decrease as more stock returns to market - a further negative force on rental rates is an expected increase in opex as insurance premiums increase following the 2016 earthquake activity
▼	yield	- some further yield firming expected over next one to two years after which yields ae expected to soften marginally then stabilise in response to interest rates and supply/demand conditions

Note: Sourced from CBRE Research: Wellington Property Market Outlook (Jun-17), Wellington Yield and Rent update (Sep-17), Wellington CBD Office Space Market Trends (Aug-17).

our Wellington office exposure

	A-grade	B-grade
buildings	The Aurora Centre The Majestic Centre	44 The Terrace
value $m	267.1	44.4
office portfolio % by value	29.9	5.0
total portfolio % by value	8.7	1.4
WALT years	11.2	9.0
occupancy %	98.9	100.0
expectations	Strengthening and refurbishment works have repositioned both assets. The Majestic Centre is well placed to benefit from tenant demand for seismically resilient workplaces. The Aurora Centre's long-term government lease limits our exposure to competitive leasing	44 The Terrace now presents as a solid investment-grade asset. It has been strengthened and refurbished to an excellent standard. Long-term government leases limit our exposure to competitive leasing

Kiwi Property

group

group appendices: index

our vision, objective and goals

our vision

to deliver 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

9.4% achieved since inception

pre-tax funds from operations per share growth

>2% per annum

0.7%[1] achieved

Note 1 For the six months ended 30 September 2017. The result is impacted by the equity raise completed in July 2017.

our investment strategy

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

our core portfolio

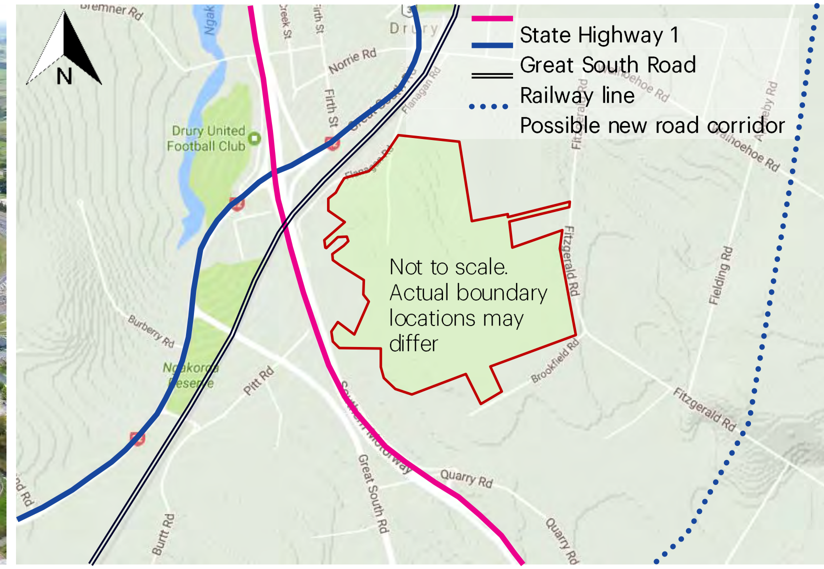
Auckland	we have a strong bias to Auckland given its superior prospects for economic, population and employment growth
retail assets	we target - dominant regional shopping centres - large format retail centres that are in - the 'golden triangle', comprising Auckland (in particular locations favoured by the Auckland Unitary Plan), the Waikato and the Bay of Plenty - regions outside of Auckland with positive growth prospects
office assets	we target - prime-grade assets in Auckland - Wellington assets that attract long-term government leases

third party management

we also manage properties for third parties and joint owners to diversify our revenue streams and leverage our management platform

Drury landholdings

we've assembled a mixed-use town centre development site, 35km south of Auckland's CBD



investment rationale

- zoned' Future Urban' under the Auckland Unitary Plan
- highly visible and accessible site
- close to motorway, main arterial routes and railway links
- significant infrastructure upgrades planned for the area
- high household formation and population growth forecast
- large-scale complementary developments planned for Drury
- ability to leverage our town centre development experience

key transaction and property metrics

purchased **42.7ha**	acquisition price **$39.8m**
right of first refusal **8.6ha**[1]	acquisition price **market value** at the time the right is exercised
total area **51.3ha**	

Note 1 The right of first refusal has been triggered. The provisions of the agreement are currently being worked through.

Sylvia Park landholdings

4.04

we've further consolidated our landholdings adjacent to the centre

ref	property	land hectares
1	Sylvia Park	20.41
2	Sylvia Park Lifestyle	3.12
3	77 Carbine Road	2.83
4	79 Carbine Road/10 Clemow Drive	3.20
5	Carbine/Clemow block	1.63
	total holdings	**31.19**

key: existing holding acquired post reporting date

profit after tax

5.01

six months ended		30-Sep-17 $m	30-Sep-16 $m	variance $m	variance %
property revenue	1.04	123.1	114.2	+8.9	+7.7
property management income		0.8	0.4	+0.4	+103.1
interest and other income		0.2	0.2	-	-
total income		**124.1**	**114.8**	**+9.3**	**+8.1**
direct property expenses	1.04	-28.0	-27.3	-0.7	-2.5
interest and finance charges	5.02	-22.4	-20.1	-2.3	-11.2
employment and administration expenses	5.03	-10.1	-9.2	-0.9	-9.9
net fair value loss on interest rate derivatives		-1.9	-2.6	+0.7	+26.3
loss on disposal of investment properties		-	-1.1	+1.1	+100.0
total expenses		**-62.4**	**-60.3**	**-2.1**	**-3.4**
profit before tax		**61.7**	**54.5**	**+7.2**	**+13.3**
current tax		-12.1	-12.1	-	-
deferred tax		-1.7	+3.2	-4.9	-153.0
profit after tax[1] (GAAP[2] measure)		**47.9**	**45.6**	**+2.3**	**+5.0**

Note 1 The reported profit has been prepared in accordance with New Zealand generally accepted accounting practice (GAAP) and complies with New Zealand Equivalents to International Financial Reporting Standards. The reported profit information has been extracted from the interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410. **Note 2** Generally Accepted Accounting Practice (GAAP) is a common set of accounting principles, standards and procedures that companies must follow when they compile their financial statements. Kiwi Property's financial statements comply with New Zealand Equivalents to International Financial Reporting Standards and other guidance as issued by the External Reporting Board, as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

- our strategy has again delivered strong results for the period. Acquisitions and developments completed during the 2017 financial year have supported underlying rental growth and an increase in funds from operations

1.04 rental income
5.02 interest and finance charges
5.03 management expense ratio
6.01 glossary

interest and finance charges

six months ended		30-Sep-17 $m	30-Sep-16 $m	variance $m	variance %
interest on bank debt		-16.9	-18.0	+1.1	+6.1
interest on bonds		-6.6	-4.2	-2.4	-57.1
interest expense incurred		**-23.5**	**-22.2**	**-1.3**	**-5.9**
interest capitalised to					
Sylvia Park		0.7	0.2	+0.5	+250.0
Westgate Lifestyle		-	1.3	-1.3	-100.0
The Aurora Centre		-	0.3	-0.3	-100.0
Drury land		0.2	-	+0.2	+100.0
other properties under development		0.2	0.3	-0.1	-33.3
total capitalised interest		**1.1**	**2.1**	**-1.0**	**-47.6**
interest and finance charges	5.01	**-22.4**	**-20.1**	**-2.3**	**-11.2**

increased interest expense

- driven by full period impact of the second bond series
- assisted by reduced bank debt following repayment from the proceeds of the equity raise completed in July 2017

5.01 profit after tax
5.09 net finance debt movement
5.10 finance debt facilities

management expense ratio (MER)

5.03

twelve months ended	30-Sep-17 $m	31-Mar-17 $m	30-Sep-16 $m
employment and administration expenses	18.9	18.0	17.3
less expenses recovered through property management fees	-8.4	-7.9	-6.6
net expenses	**10.5**	**10.1**	**10.7**
weighted average assets under management	**2,933.8**	**2,848.0**	**2,634.7**
management expense ratio[1] (non-GAAP measure)	**36 bps**	**35 bps**	**40 bps**

Note 1 MER is an alternative non-GAAP measure used by Kiwi Property to assist investors in assessing the Company's underlying operating costs. MER is a measure commonly used by real estate entities. MER does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. Kiwi Property determines MER through an annualised calculation, where employment and administration expenses, net of property management fee income recovered from tenants, is divided by the weighted average value of its property assets.

expense growth

- expense growth due to
  - an increase in the underlying number of assets owned, and leases managed by the Company
  - additional resources delivering new digital, casual leasing and advertising revenues
  - legal services brought in-house, resulting in a reduction in direct property expenditure

recoveries

- recoveries growth due to an increase in the underlying assets owned and managed by the Company

weighted average assets

- assets growth due to completed acquisitions and developments

6.01 glossary

FFO

5.04

six months ended		30-Sep-17 $m	30-Sep-16 $m	variance $m	variance %
profit after tax	5.01	47.9	45.6	+2.3	+5.0
adjusted for					
loss on disposal of investment properties	5.01	-	1.1	-1.1	-100.0
net fair value loss on interest rate derivatives	5.01	1.9	2.6	-0.7	-26.3
straight-lining of fixed rental increases		-0.3	-1.9	+1.6	+84.2
amortisation of tenant incentives		3.0	3.5	-0.5	-14.3
deferred tax (benefit)/expense	5.01	1.7	-3.2	+4.9	+153.0
funds from operations (FFO)[1] (non-GAAP measure)	5.05	**54.2**	**47.7**	**+6.5**	**+13.6**

Note 1 FFO is an alternative non-GAAP 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 a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia. The reported FFO information has been extracted from the Company's interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410.

5.01 profit after tax
5.05 dividends
6.01 glossary

dividends

six months ended		30-Sep-17 $m	30-Sep-16 $m	30-Sep-17 cps[2]	30-Sep-16 cps[2]
funds from operations (FFO)[1]	5.04	**54.2**	**47.7**	**3.821**	**3.705**
amount retained		-5.6	-4.3	-0.396	-0.330
cash dividend		**48.6**	**43.4**	**3.425**	**3.375**
imputation credits		13.0	12.1	0.920	0.940
gross dividend		**61.6**	**55.5**	**4.345**	**4.315**
cash dividend payout ratio to FFO		90%	91%		

Note 1 FFO is an alternative non-GAAP 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 a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia. The reported FFO information has been extracted from the Company's interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410. **Note 2** Calculated using the number of shares entitled to the relevant dividend (Sep-17: 1,417,584,261 shares, Sep-16: 1,286,218,017 shares). **General note** The Dividend Reinvestment Plan is operational for eligible shareholders in respect of the interim dividend for FY18. No discount will be applied to the price at which shares will be issued.

dividend policy

Kiwi Property's dividend policy is to pay out up to 100% of FFO as cash dividends. To provide sufficient flexibility for dividends to be maintained despite variations in economic conditions or volatility of earnings arising from property-specific matters such as a development or redevelopment, income is retained from time to time and used to normalise future dividends.

In fixing a dividend for any period, consideration will be given to, amongst other things, current and forecast earnings and operating cash flows, capital requirements, the Company's gearing position, general business and financial conditions, and the solvency requirements of the Companies Act.

The payment of dividends is not guaranteed by Kiwi Property and Kiwi Property's dividend policy may change from time to time.

payout ratio target range

Kiwi Property's target payout ratio is typically between 85% and 95% of FFO.

5.04 FFO
6.01 glossary

AFFO

six months ended		30-Sep-17 $m	30-Sep-16 $m	variance $m	variance %
funds from operations (FFO)[1]	5.04	**54.2**	**47.7**	**+6.5**	**+13.6**
adjusted for					
maintenance capital expenditure		-2.6	-3.8	+1.2	+31.6
tenant incentives provided		-8.5	-6.2	-2.3	-37.1
adjusted funds from operations (AFFO)[2] (non-GAAP measure)		**43.1**	**37.7**	**+5.4**	**+14.2**
cash dividend payout ratio to AFFO		113%	115%		

Note 1 FFO is an alternative non-GAAP 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 a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia. The reported FFO information has been extracted from the Company's interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410.
Note 2 AFFO is an alternative non-GAAP performance measure used by Kiwi Property. AFFO is a measure used by real estate entities to describe their underlying and recurring cash flows from operations. Broadly, AFFO adjusts FFO by deducting the cost of lease incentives provided to tenants and annual maintenance capital expenditure. AFFO does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. AFFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia.

5.04 FFO
5.05 dividends
6.01 glossary

balance sheet

as at		30-Sep-17 $m	31-Mar-17 $m	movement $m	movement %
investment properties	5.08	3,061.4	2,969.4	+92.0	+3.1
cash	5.09	8.2	9.8	-1.6	-16.3
deferred tax assets		4.7	4.2	+0.5	+11.9
other assets		13.5	16.5	-3.0	-18.2
total assets		**3,087.8**	**2,999.9**	**+87.9**	**+2.9**
finance debt	5.09	959.1	1,030.4	-71.3	-6.9
deferred tax liabilities		95.6	93.4	+2.2	+2.4
other liabilities		66.6	70.0	-3.4	-4.9
total liabilities		1,121.3	1,193.8	-72.5	-6.1
total equity		1,966.5	1,806.1	+160.4	+8.9
total equity and liabilities		**3,087.8**	**2,999.9**	**+87.9**	**+2.9**
gearing ratio (requirement <45%)	5.11	*31.2%*	*34.5%*	*-330 bps*	
net asset backing per share (NTA)		*$1.39*	*$1.39*	-	

investment properties

- increased due to
  - acquisition of Drury land
  - capital expenditure, predominantly at Sylvia Park

finance debt

- decreased following repayment of debt from the proceeds of the equity raise
  - completed: July 2017
  - net proceeds: $157 million

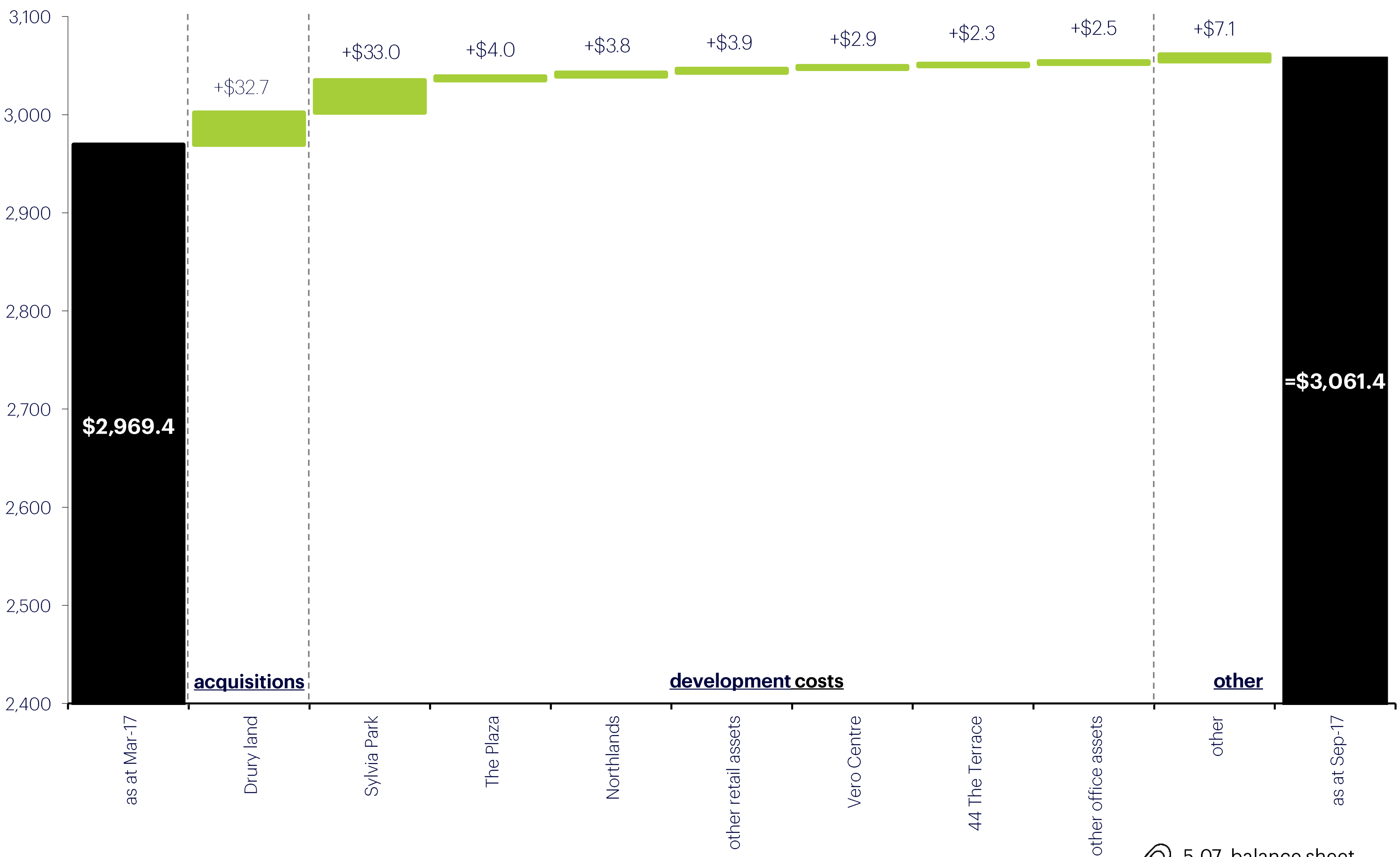
gearing

- decreased following completion of equity raise, offset by acquisition and capital expenditure

5.08 investment properties movement
5.09 net finance debt movement
5.11 capital management metrics

investment properties movement ($m)

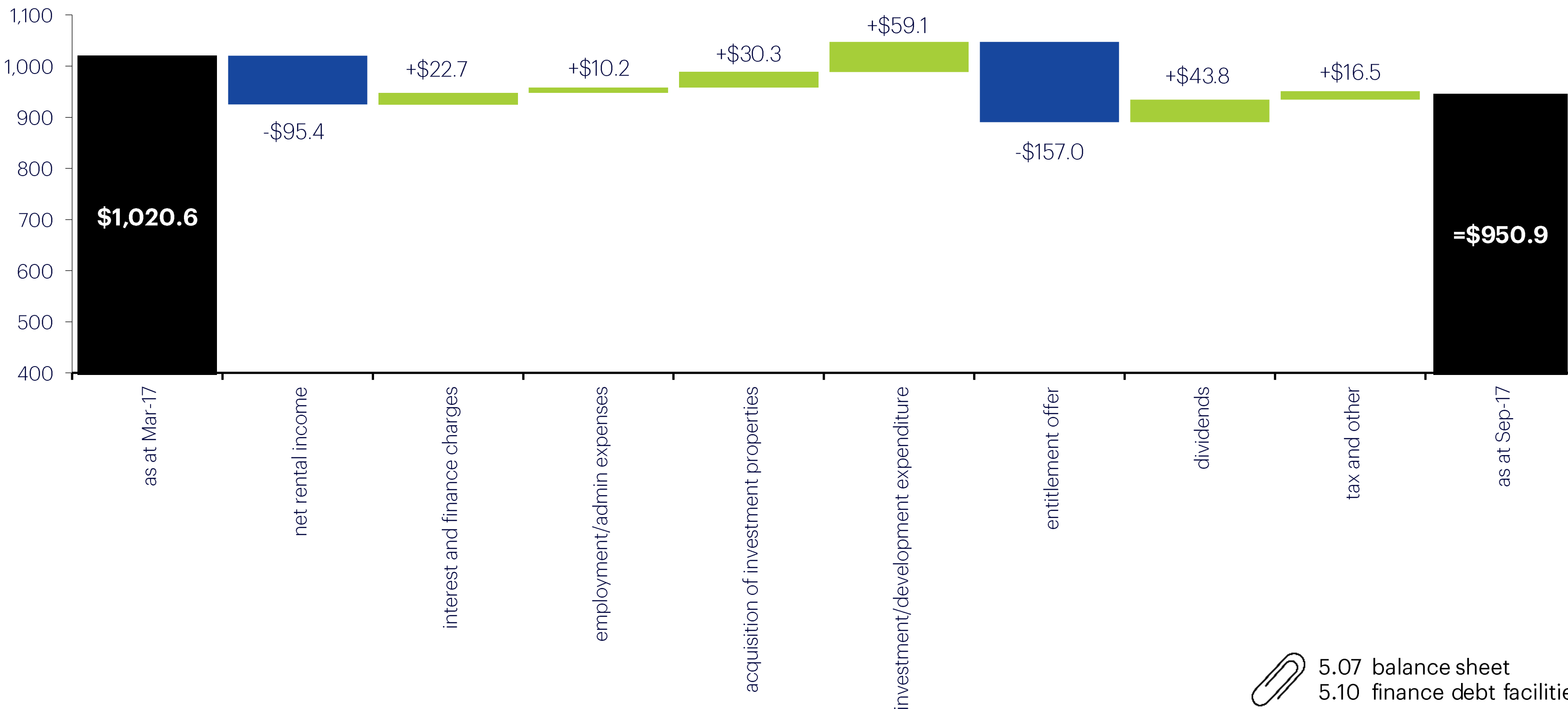
5.08



5.07 balance sheet

net finance debt movement ($m)

as at	31-Mar-17	30-Sep-17
bank debt	782.5	711.0
bonds	247.9	248.1
cash on deposit	-9.8	-8.2
net finance debt	**1,020.6**	**950.9**



5.07 balance sheet
5.10 finance debt facilities

finance debt facilities ($m)

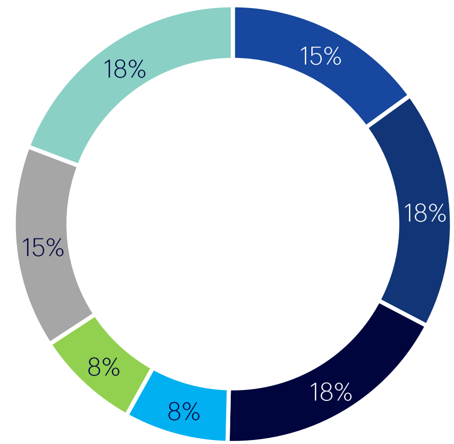
debt maturity profile

as at 30-Sep-17

		$m	%
FY18		-	-
FY19	$30 · $28 · $45.0 · $30	133.0	10
FY20	$52.5 · $73.0 · $80.0 · $52.5	258.0	20
FY21	$52.5 · $74.0 · $80.0 · $52.5 · $33.0	292.0	22
FY22	$60.0 · $55.0 · $25 · $60.0 · $125.0 · $34.0	359.0	28
FY23	$33.0	33.0	3
FY24	$125.0 · $100.0	225.0	17
total facilities		**1,300**	**100**
facilities drawn		961	74
undrawn facilities		339	26

key: ANZ BNZ CBA CCB HSBC Westpac Bonds

debt sources



increased total facilities and diversified debt sources

- added China Construction Bank and HSBC to the pool of banking lenders
- increased facilities by a net $75 million. Repaid a portion of shorter dated debt
- additional facilities to
  - provide funding headroom
  - undertake developments at Sylvia Park

5.09 finance debt movement
5.11 capital management metrics

Kiwi Property

capital management metrics

5.11

finance debt metrics as at	30-Sep-17	31-Mar-17
weighted average term to maturity	3.5 years	3.5 years
weighted average interest rate (incl. of bonds, active interest rate derivatives, margins and line fees)	4.84%	4.61%

covenants– gearing as at	30-Sep-17	31-Mar-17
gearing [must be <45%] calculated as finance debt / total tangible assets	31.2%	34.5%

covenants– interest cover ratio for the year ended	30-Sep-17	31-Mar-17
interest cover ratio [must be >2.25 times] calculated as net rental income / net interest expense	4.07	4.07

credit ratings– S&P Global Ratings[1]	
corporate	BBB (stable)
issue (for existing fixed-rate senior secured bonds (KPG010 and KPG020))	BBB+

Note 1 Further information about S&P Global Ratings' credit rating scale is available at www.standardandpoors.com. A rating is not a recommendation by any rating organisation to buy, sell or hold Kiwi Property securities. The rating is current as at the date of this presentation and may be subject to suspension, revision or withdrawal at any time by S&P Global Ratings.

gearing

- decreased following repayment of debt from the proceeds of the equity raise

debt and hedging policy

The board of Kiwi Property has approved a Debt and Hedging Policy. The primary objective of this policy is to set the parameters for managing the Company's debt and associated financial risks, including limiting variations in finance costs (within an acceptable range) to assist the Company to meet its dividend guidance, its financial goals and its corporate objective.

target gearing ratio

This policy identifies that Kiwi Property's target gearing range is between 25% and 35%.

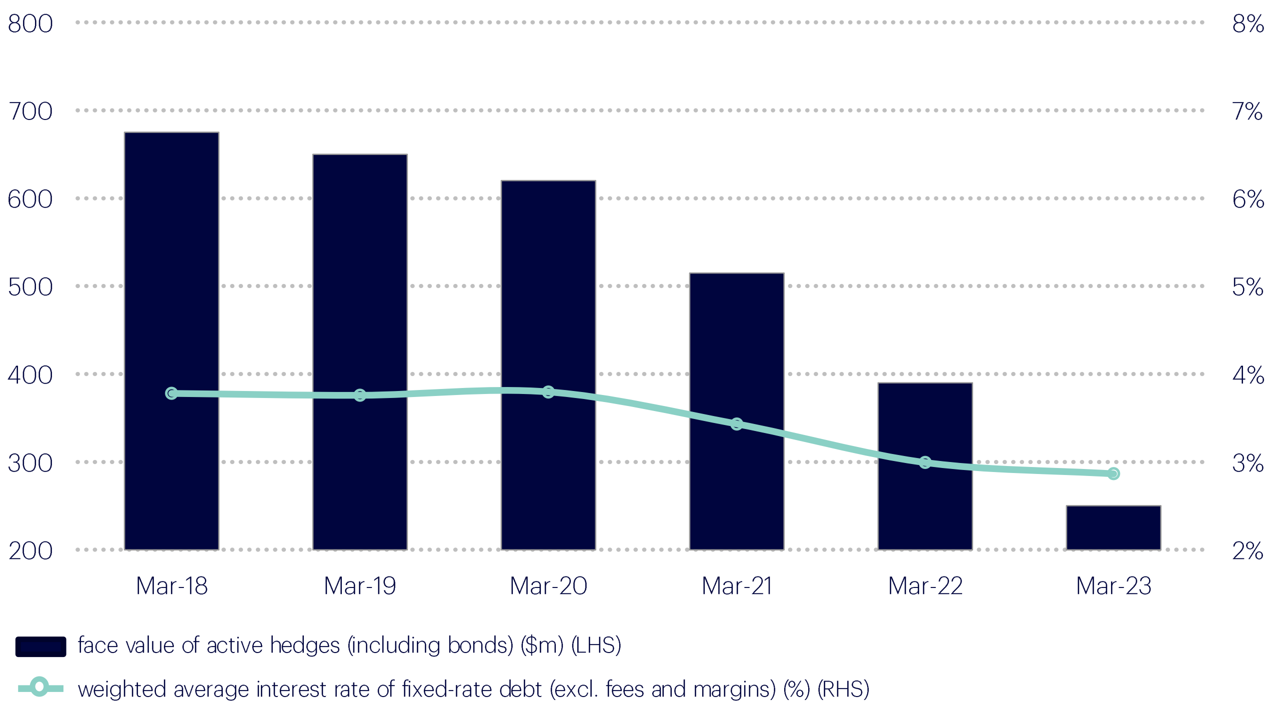
bank covenant limit

Under Kiwi Property's banking facilities, gearing must be <45%.

fixed-rate debt profile

fixed-rate profile (inclusive of bonds on issue (Sep-17: $250 million, Mar-17: $250 million))	30-Sep-17	31-Mar-17
percentage of drawn finance debt at fixed rates	70%	65%
weighted average interest rate of active fixed-rate debt (excl. fees and margins)	3.78%	3.76%
weighted average term to maturity of active fixed-rate debt	3.5 years	3.5 years

fixed-rate debt maturity profile



glossary

adjusted funds from operations (AFFO)	AFFO is an alternative non-GAAP performance measure used by Kiwi Property. AFFO is a measure used by real estate entities to describe their underlying and recurring cash flows from operations. Broadly, AFFO adjusts FFO by deducting the cost of lease incentives provided to tenants and annual maintenance capital expenditure. AFFO does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. AFFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia.
discount department store (DDS)	includes Kmart and The Warehouse.
funds from operations (FFO)	FFO is an alternative non-GAAP 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 a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia. The reported FFO information has been extracted from the Company's interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410.
gearing ratio	calculated as finance debt (which includes secured bank debt and the face value of bonds) over total tangible assets (which excludes interest rate derivatives and deferred tax assets).
generally accepted accounting practice (GAAP)	a common set of accounting principles, standards and procedures that companies must follow when they compile their financial statements. Kiwi Property's financial statements comply with New Zealand Equivalents to International Financial Reporting Standards and other guidance as issued by the External Reporting Board, as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

glossary
continued

gross occupancy cost (GOC)	total gross occupancy costs expressed as a percentage of 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.
management expense ratio (MER)	MER is an alternative non-GAAP measure used by Kiwi Property to assist investors in assessing the Company's underlying operating costs. MER is a measure commonly used by real estate entities. MER does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. Kiwi Property determines MER through an annualised calculation, where employment and administration expenses, net of property management fee income recovered from tenants, is divided by the weighted average value of its property assets.
moving annual turnover (MAT)	annual sales on a rolling 12-month basis (excluding GST).
net operating income (NOI)	excludes income resulting from straight-lining of fixed rental increases and includes the amortisation of lease incentives and property management fee income.
net rental income (NRI)	NOI, including rental income resulting from straight-lining of fixed rental increases.
profit after tax	the reported profit has been prepared in accordance with New Zealand generally accepted accounting practice and complies with New Zealand Equivalents to International Financial Reporting Standards. The reported profit information has been extracted from the interim financial statements which have been the subject of a review by an Independent Auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410.

calendar of key dates

interim dividend payment (for the six months ended 30 September 2017)	
• ex date	4 December 2017
• record date	5 December 2017
• payment date	20 December 2017
KPG010 bond interest payment	20 February 2018
KPG020 bond interest payment	7 March 2018
FY18 annual result announcement	21 May 2018
final dividend payment (for the six months ended 31 March 2018)	
• ex date	5 June 2018
• record date	6 June 2018
• payment date	21 June 2018
annual meeting of shareholders	5 July 2018
KPG010 bond interest payment	20 August 2018
KPG020 bond interest payment	7 September 2018

Note Dates are subject to change.

disclaimer

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caution regarding forward-looking statements

This Presentation includes forward-looking statements regarding future events and the future financial performance of Kiwi Property. Any forward-looking statements included in this Presentation involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Kiwi Property, its directors, officers, employees, agents and associates.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which those statements are based including, without limitation, in particular because of risks associated with the New Zealand economy which could affect the future performance of Kiwi Property's property portfolio, its ability to obtain funding on acceptable terms, the risks inherent in property ownership and leasing, and Kiwi Property's business generally. Given these uncertainties, you are cautioned that this Presentation should not be relied upon as a recommendation or forecast by Kiwi Property, any of its directors, officers, employees, agents or associates. None of Kiwi Property, any of its directors, officers, employees, agents or associates undertakes any obligation to revise the forward-looking statements included in this Presentation to reflect any future events or circumstances.

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20 November 2017

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