Kiwi Property

2015 annual result presentation

Contents

This annual result presentation should be read in conjunction with the NZX announcement and online annual report also released 18 May 2015. Refer to our website **kp.co.nz** or NZX.com

2015 result overview

Corporate

- Year of **transformation**
  - Corporatised
  - Rebranded
- Delivered long-term total return of **9.7%** per annum since inception
- Pre-tax distributable earnings per share growth of **6.6%** delivered
- **Governance strengthened** with the appointment of two new independent directors

Financial

- Record operating profit of **$89.0 million** (+13.1%)
- Improved after tax profit at **$115.2 million** (+13.7%)
- Gearing ratio reduced to **33.5%** (-170 bps)
- Net tangible assets per share **$1.21** (+$0.04)
- Full-year dividend in line with guidance at **6.50** cents per share, up from 6.40 cents per share

Property

- Record property portfolio value of **$2.28 billion**
- Stable occupancy and WALT
  - Office WALT now 7.6 years
- Positive sales growth delivered at all our shopping centres, with total sales increasing **4.3%** over prior year
- Acquisition of Apex Mega Centre for **$64 million** in Dec-14

Corporate structure, capital management and financial review

Gavin Parker
Chief Operating Officer

Stuart Tabuteau
Chief Financial Officer

Our year of transformation

DECEMBER 2013

Internalisation
- Completed separation and transition ahead of time and budget
- Subsequently completed organisational efficiency review and implemented new employee remuneration framework

JULY 2014

Bank debt refinance
- Refinanced all $875 million of facilities
- Delivered immediate interest savings
- Extended weighted average duration

AUGUST 2014

Inaugural bond issue
- $125 million offer - diversified funding base
- Seven-year term - extended duration of funding base
- 6.15% interest semi-annual - 135 basis points over swap rate

DECEMBER 2014

MCN conversion
- Converted at $1.1696
- 103 million new shares on issue

DECEMBER 2014

Corporatisation
- Streamlined corporate structure
- Further cost savings

DECEMBER 2014

Kiwi Property launched
- Rebrand undertaken
- Reviewing digital platforms

Record operating result

Driven by active asset and capital management activities and new corporate structure

Financial performance For the year ended	31-Mar-15 $m	31-Mar-14 $m	Variance $m	 %
Gross rental income	205.8	208.2	-2.4	-1.2
Property operating expenditure	-50.5	-59.5	+9.0	+15.1
Net rental income	**155.3**	**148.7**	**+6.6**	**+4.4**
Property management fee income	0.4	0.1	+0.3	+300.0
Net interest expense (Appendix 1)	-51.6	-55.7	+4.1	+7.4
Manager's base fees	-	-8.1	+8.1	+100.0
Management and admin expenses (Appendix 2)	-15.1	-6.3	-8.8	-139.7
Operating profit (Appendix 3)	**89.0**	**78.7**	**+10.3**	**+13.1**
Fair value change to interest rate derivatives	-13.1	29.1	-42.2	-145.0
Fair value change to investment properties	58.3	8.5	+49.8	+585.9
Loss on disposal of investment properties	-0.8	-3.3	+2.5	+75.8
Insurance and litigation income/(adjustment)	-6.3	52.9	-59.2	-111.9
Termination of management arrangements	-	-74.5	+74.5	+100.0
Other non-operating items	-2.7	-0.8	-1.9	-237.5
Profit before tax	**124.4**	**90.6**	**+33.8**	**+37.3**
Current tax benefit/(expense)	-5.2	0.2	-5.4	-2,700
Deferred tax benefit/(expense)	-4.0	10.5	-14.5	-138.1
Profit after tax	**115.2**	**101.3**	**+13.9**	**+13.7**

> Improved operating profit assisted by:
- improved net rental income
- lower interest expense following conversion of the mandatory convertible notes in Dec-14

> Improved profit before tax assisted by:
- favourable investment property revaluations
- Offset in part by:
  - absence of insurance income relating to Northlands Shopping Centre in the prior year
  - unfavourable movement in interest rate derivatives due to movements in interest rates

> Current tax increased due to the Company returning to a tax paying position following utilisation of tax credits associated with the internalisation payment made in the prior year

Rental income increases

Assisted by developments, leasing and internalisation

For the year ended	31-Mar-15 $m	31-Mar-14 $m	Variance $m	Variance %	Like-for-like var. $m	Like-for-like var. %
Sylvia Park	36.0	34.1	+ 1.9	+5.6	+ 1.9	+5.6
Sylvia Park (Lifestyle)	1.2	-	+1.2	+100.0		
LynnMall	15.3	15.3	-	-	-	-
Centre Place	6.8	3.8	+3.0	+78.9		
The Plaza	14.7	14.1	+0.6	+4.3	+0.6	+4.3
North City	7.3	7.4	-0.1	-1.4	-0.1	-1.4
Northlands	17.7	16.1	+1.6	+9.9		
Retail portfolio	**99.0**	**90.8**	**+8.2**	**+9.0**	**+2.4**	**+3.5**
Vero Centre	19.1	18.5	+0.6	+3.2	+0.6	+3.2
ASB North Wharf	10.9	7.8	+3.1	+39.7		
205 Queen	0.7	8.3	-7.6	-91.6		
The Majestic Centre	5.8	8.0	-2.2	-27.5		
56 The Terrace	2.9	5.3	-2.4	-45.3		
44 The Terrace	2.0	2.1	-0.1	-4.8	-0.1	-4.8
Office portfolio	**41.4**	**50.0**	**-8.6**	**-17.2**	**+0.5**	**+2.3**
Other properties	2.5	2.6	-0.1	-3.8	-0.1	-2.5
Net operating income	**142.9**	**143.4**	**-0.5**	**-0.3**	**+2.8**	**+3.1**
Property management fees	8.3	2.7	+5.6	+207.4		
Fixed rental income adjustments	4.1	2.6	+1.5	+57.7		
Net rental income	**155.3**	**148.7**	**+6.6**	**+4.4**		

> Retail income assisted by:
- continued strong performance at Sylvia Park
- full 12-months of income post completion of developments at Centre Place and Northlands
- acquisition of Apex Mega Centre, subsequently rebranded Sylvia Park's lifestyle precinct

> Office income impacted by:
- sale of final tranche of 205 Queen
- 56 The Terrace 100% vacant from Nov-14 for development
- additional floors used for decanting at The Majestic Centre

> Like-for-like growth assisted by strong leasing success at Vero Centre

> Total net rental income assisted by property management fee savings following internalisation

Dividend targets met

Shareholders to receive 6.50 cents per share

Distributable income **For the year ended**	**31-Mar-15** **$m**	**31-Mar-14** **$m**	**Variance** **$m**	 **%**
Operating profit	89.0	78.7	*+10.3*	*+13.1*
Fixed rental income adjustments	-4.1	-2.6	*-1.5*	*-57.7*
Distributable income before tax	**84.9**	**76.1**	***+8.8***	***+11.6***
Current tax benefit/(expense)	-5.2	0.2	*-5.4*	*-2,700*
Distributable income after tax	**79.7**	**76.3**	***+3.4***	***+4.5***

> Improved distributable income driven by improved operating profit

> Cash dividend to be paid in line with guidance

Dividends **For the year ended**	**31-Mar-15** **$m**	**31-Mar-14** **$m**	**31-Mar-15** **cps[1]**	**31-Mar-14** **cps[1]**
Distributable income after tax	79.7	76.3	7.38	7.55
Transfer to dividend reserve	-2.4	-	-0.20	-
Transfer to retained earnings	-7.0	-11.6	-0.68	-1.15
Cash dividend	**70.3**	**64.7**	**6.50**	**6.40**
Imputation credits[2]	4.7	-	0.44	-
Gross dividend	**75.0**	**64.7**	**6.94**	**6.40**
Dividend reserve (post payment)	**13.6**	11.3		
Payout ratio	**88%**	85%		

1. Calculated using the number of shares entitled to the relevant dividend.
2. Due to the tax deductibility of the internalisation payment made in December 2013, the Company was in a nil tax paying position for the year ended 31 March 2014. Accordingly, the directors determined there were no imputation credits available to be attached to dividends in respective of the year ended 31 March 2014.

Balance sheet strength maintained

Through the continued execution of our strategy

Financial position As at	31-Mar-15 $m	31-Mar-14 $m	Movement $m	 %
Investment properties (Appendix 4)	2,275.8	2,130.2	*+145.6*	*+6.8*
Cash (Appendix 5)	6.2	9.2	*-3.0*	*-32.6*
Insurance income receivable	-	64.3	*-64.3*	*-100.0*
Deferred tax asset	5.1	12.5	*-7.4*	*-59.2*
Other assets	8.5	19.6	*-11.1*	*-56.6*
Total assets	**2,295.6**	**2,235.8**	***+59.8***	***+2.7***
Finance debt (Appendix 5)	766.4	786.5	*-20.1*	*-2.6*
Mandatory convertible notes	-	119.7	*-119.7*	*-100.0*
Deferred tax liability	90.1	93.5	*-3.4*	*-3.6*
Other liabilities	56.5	47.6	*+8.9*	*+18.7*
Total liabilities	**913.0**	**1,047.3**	***-134.3***	***-12.8***
Total equity	**1,382.6**	**1,188.5**	***+194.1***	***+16.3***
Total liabilities and equity	**2,295.6**	**2,235.8**	***+59.8***	***+2.7***

Gearing ratio (requirement <45%)	***33.5%***	***35.2%***	***-170 bps***
Net asset backing per share	***$1.21***	***$1.17***	***+$0.04***

> Total assets increased due to:
- Highest ever recorded value for our investment properties, reflecting:
  - favourable revaluation gains, particularly from our Auckland assets
  - acquisition of Sylvia Park (Lifestyle)

  Offset by:
  - sale of 205 Queen
  - devaluation of our Wellington assets
  - reduction in insurance receivable reflecting successful settlement of our Northlands insurance claim for $60 million

> Mandatory convertible notes converted to 103 million shares in Dec-14

> Gearing reduced due to:
- lower debt following repayment from proceeds of asset sales and insurance claim settlement
- favourable property revaluations and increasing asset values

> NTA improved following favourable asset revaluation gains

Debt sources diversified

Following inaugural bond offer

Finance debt facilities As at 31 March 2015		Facilities expiring $m	%
FY16		-	-
FY17	WBC $57.5	57.5	6.4
FY18	ANZ $52.5, BNZ $65.0, CBA $100.0	217.5	24.2
FY19	ANZ $52.5, BNZ $65.0, CBA $65.0, WBC $100.0	282.5	31.3
FY20	ANZ $52.5, BNZ $65.0, CBA $100.0	217.5	24.2
FY21		-	-
FY22	Bonds $125.0	125.0	13.9
Total facilities		**900.0**	**100.0**
Facilities drawn		768.0	
Undrawn facilities		132.0	

	31-Mar-15	31-Mar-14
Weighted average term to maturity	3.6 years	3.4 years
Weighted average cost of facilities (incl. margin and fees)	6.02%	6.01%

Note: Details on the hedging profile are included at Appendix 6 and 7.

Portfolio performance

Chris Gudgeon

Chief Executive

Active portfolio management

Delivered improvement in key portfolio metrics

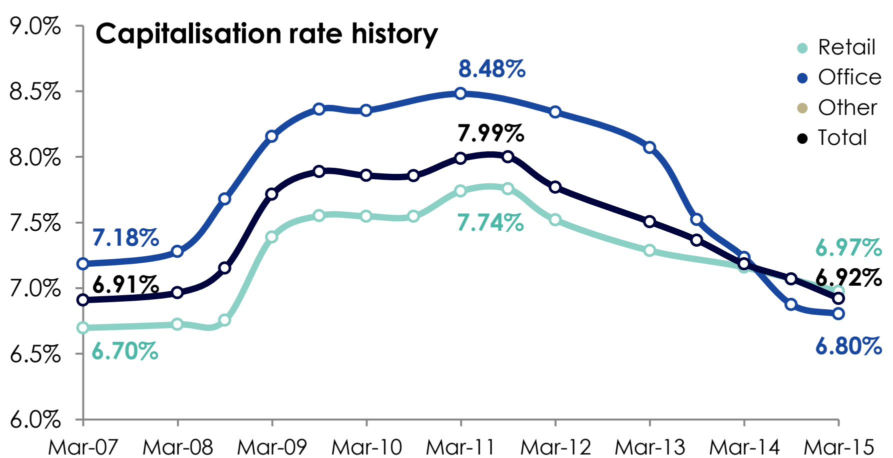
Core portfolio metrics[1] As at	31-Mar-15 Retail	31-Mar-15 Office	31-Mar-15 Total	31-Mar-14 Total	
Number of assets	7	5	**12**	12	
Value (Appendix 9)	$1,531.8m	$673.0m	**$2,204.8m**	$2,064.8m	▲
Proportion of total portfolio by value (Appendix 10)	67%	30%	**97%**	97%	
Weighted average capitalisation rate (Appendix 9)	6.97%	6.80%	**6.92%**	7.19%	▼
Over/(under) renting	-0.2%	+0.7%	**+0.1%**	+1.2%	
Net lettable area (sqm) (Appendix 8)	246,730	117,983	**364,713**	373,277	
Number of tenants (Appendix 9)	800	76	**876**	919	
Proportion of core portfolio by gross income (Appendix 11)	74%	26%	**100%**	100%	
Occupancy (by area)[2] (Appendix 8)	99.3%	96.1%	**98.4%**	97.8%	▲
Weighted average lease term (by income) (Appendix 8)	3.4 years	7.6 years	**4.5 years**	4.7 years	▼

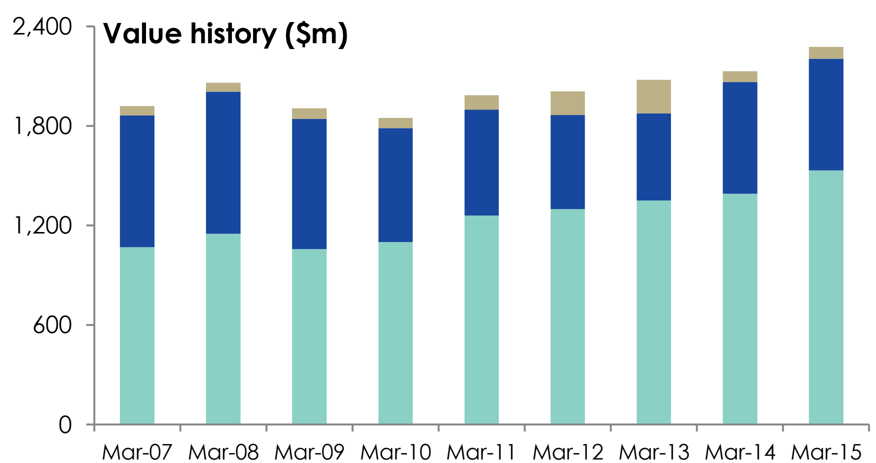
1. At 31 March 2015, excludes adjoining properties and development land which have a combined value of $71.0 million (3% of total portfolio value) at 31 March 2014, excludes adjoining properties and development land which had a combined value of $65.4 million (3% of total portfolio value).
2. Tenancies vacated for development works are excluded from the occupancy statistics. At 31 March 2015, excludes all of 56 The Terrace. At 31 March 2014, excluded 2,800 sqm at The Majestic Centre.

Record portfolio value

Of $2.3 billion

	Retail	Office	Other	Total
Value	$1,531.8m	$673.0m	$71.0m	$2,275.8m
Fair value change	+$58.0m	-$4.5m	+$4.8m	+$58.3m
Capitalisation rate	6.97%	6.80%	n/a	6.92%
Highlights	▲ Continued strong performance from Sylvia Park • +$89 million over past three years	▲ Strong performance from Auckland assets • ASB and Vero +$79 million over past three years ▼ Wellington assets decreased due to project cost increase at The Majestic Centre and 56 The Terrace, and pending expiries at 44 The Terrace	▲ Strong performance from Auckland-based assets	▲ Portfolio has benefitted from high occupancy rates, stronger retail sales at our key assets and a general strengthening in market conditions





Active year for leasing

Delivered ongoing rental uplift and extended lease terms

Static portfolio leasing By portfolio	No. of tenancies	NLA sqm	NLA % of total portfolio	Uplift over prior passing rent $000	Uplift over prior passing rent %	Uplift over prior passing rent CAGR	WALT years	% leases Fixed/CPI reviews
Rent reviews	597	112,167	31	+2,852	+3.8	3.8%	-	91
New leasing	133	17,486	5	+24	+0.2		5.0	-
Retail portfolio	**730**	**129,653**	**36**	**+2,876**	**+3.3**			
Rent reviews	24	32,859	9	+312	+1.9	1.0%	-	52
New leasing	19	10,373	3	+324	+6.7		7.0	-
Office portfolio	**43**	**43,232**	**12**	**+636**	**+3.0**			
Total (static activity)	**773**	**172,885**	**48**	**+3,512**	**+3.2**			**80**

Development leasing	No. of tenancies	~NLA sqm
LynnMall	9	5,184
Total (development activity)	**9**	**5,184**
Total (all activity)	**782**	**178,069**

- Strong retail performances where centres dominate their catchments:
  - Sylvia Park +3.1%
  - LynnMall +6.8%
  - Northlands +10.0%

- Active leasing programme at Vero Centre and The Majestic Centre:
  - 6,200 sqm leased at Vero Centre. Occupancy now 98.8%. Twelve leasing deals concluded, with average tenure of five years and average rental uplift of 7%
  - The Majestic Centre continues to benefit from strong demand for seismically strengthened buildings in Wellington, providing average rental uplift of 7%

Expiries and WALT

Leasing activity extends office WALT to longest in over 10 years

Weighted average lease term (years)
By gross income

As at	31-Mar-15	31-Mar-14
Retail	**3.4**	3.8
Office	**7.6**	6.4
Total	**4.5**	4.7

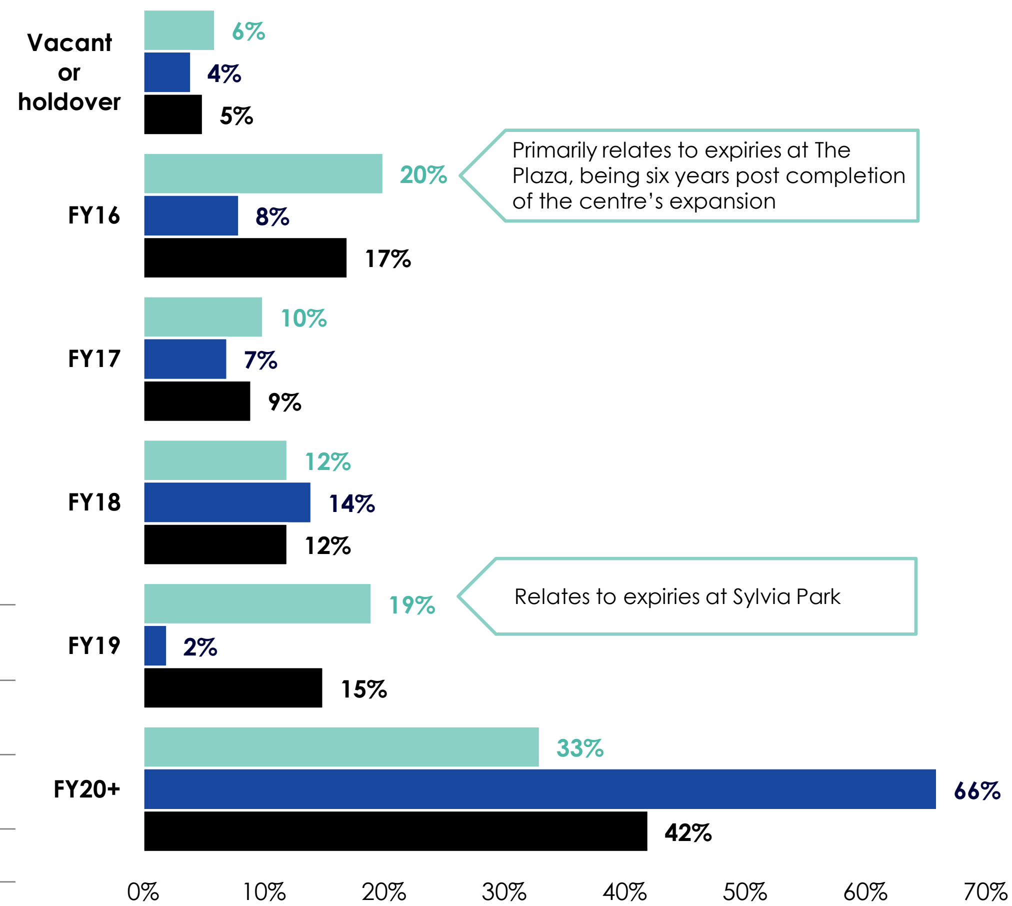
- Active office portfolio leasing has extended the office WALT to the longest in over 10 years
- Leases for current development activity and pending government leases will further extend WALT as follows:

Effect on WALT (years)[1]	Asset impact	Portfolio impact Retail	Portfolio impact Office	Portfolio impact Total
LynnMall (development)	+1.2	+0.2		+0.1
56 The Terrace (government lease)	+17.7		+1.8	+0.7
44 The Terrace (government lease)	+9.8		+0.6	+0.2
All projects		**+0.2**	**+2.2**	**+1.0**

1. Assuming project complete as at 31-Mar-15.

Lease expiry profile
% portfolio gross income

- Retail portfolio
- Office portfolio
- Total portfolio



Retail sales lift 4% over prior year

Driven by resurgence of discretionary spending

Centre	MAT $m Mar-15	% variance from prior Mar-14	% variance from prior Sep-14	Specialty sales $/sqm	Specialty sales GOC
Sylvia Park	**422.1**	+6.0	+4.0	8,700	
Sylvia Park Lifestyle	Tenants do not report sales			-	
LynnMall	**190.8**	+0.8	+1.3	6,900	
Centre Place	**85.0**	+22.4	-0.4	4,900	
The Plaza	**171.5**	+1.6	+1.8	7,500	
North City	**95.3**	+3.5	+2.5	6,300	
Northlands	**321.1**	+1.9	+0.7	8,400	
Total	**1,285.8**	**+4.3**	**+2.0**	**7,400**	**16.5%**

Category	MAT $m Mar-15	% variance from prior Mar-14	% variance from prior Sep-14	Comparable sales $m	Comparable sales Ann % var
Supermarkets	**326.7**	+1.3	+0.8	326.7	+1.3
Department stores	**189.2**	+6.4	+1.5	172.7	+2.0
Cinemas	**19.2**	+11.4	+4.3	16.7	+8.0
Mini-majors	**135.9**	+4.4	+4.5	129.9	+4.6
Specialty	**519.6**	+4.5	+1.5	467.6	+3.6
Commercial services	**95.2**	+8.4	+6.7	87.2	+8.4
Total	**1,285.8**	**+4.3**	**+2.0**	**1,200.8**	**+3.2**

> Positive growth in sales on both a total (**+4.3%**) and unaffected (**+3.2%**) basis

> Sales have increased:
- at all centres
- across all category groups

> Our strategy to evolve the retail mix to include greater dining, leisure and entertainment options and to provide facilities and services beyond conventional retail has yielded positive results

> Discretionary spend categories have shown good growth:
- cinemas **+8%**
- mini-majors/general specialty **+3.8%**
- commercial services (predominately lotto, mobile phone and travel stores) **+8.4%**

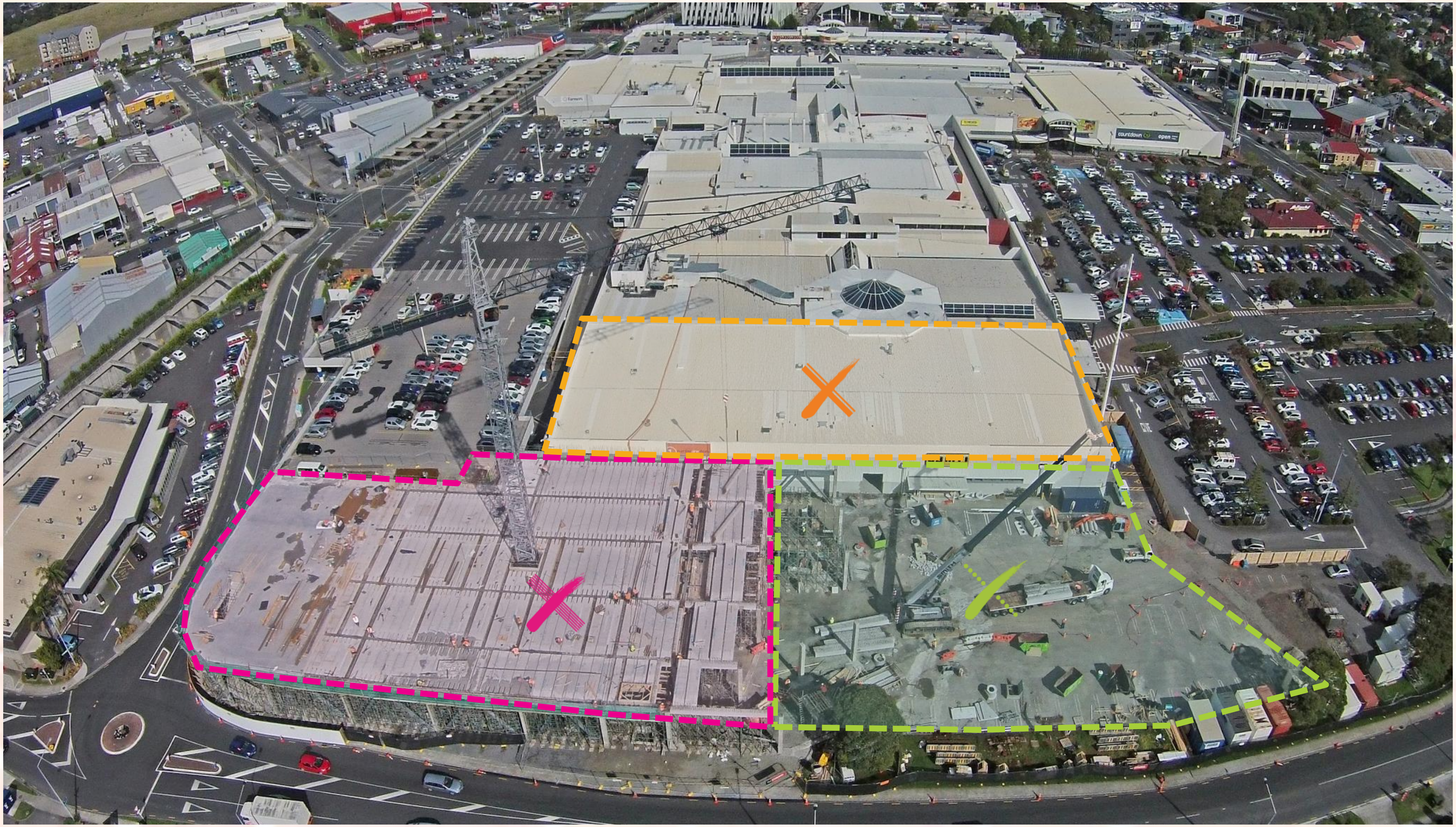
> Mini-major/specialty sub-categories growth coming from:
- retail and personal services **+8.0%**
- food categories **+5.5%**
- general/other **+4.8%**

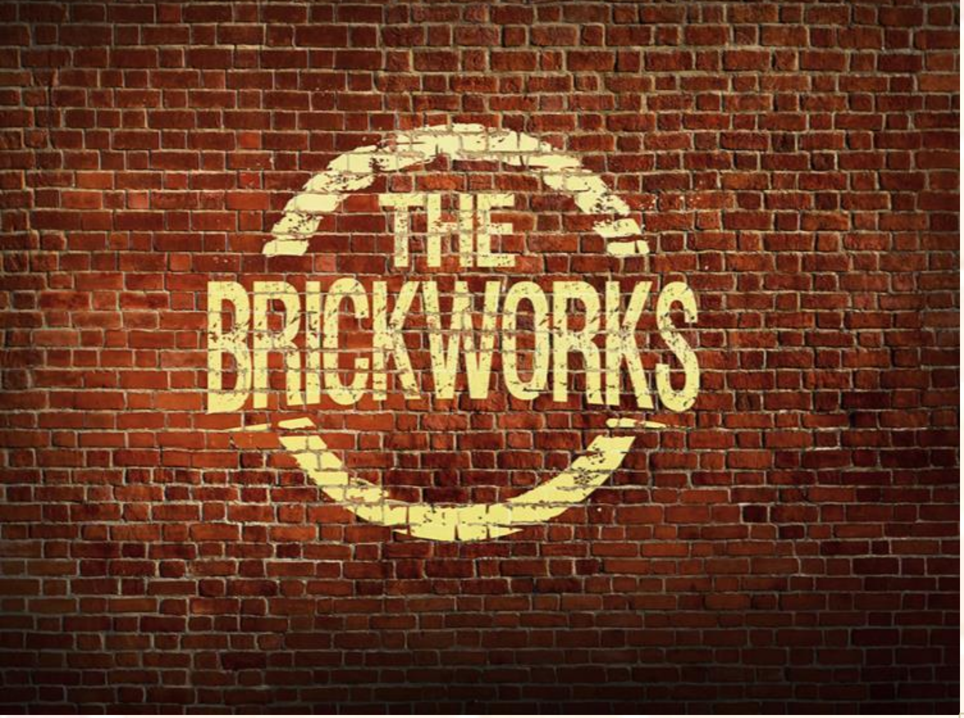
Development activity

LynnMall development

The development incorporates:

- a new 8-screen **Reading Cinemas** multiplex on a 15-year lease
- ‘The Brickworks’ a new dining lane containing **restaurants /cafés**
- an **expanded retail mix**





Leasing status

86%
By area

81%
By income

Leasing statistics above include post year end leasing activity.

Joining Reading's eight-screen cinema complex are a gastro bar and a café, together with food offers specialising in Japanese, Vietnamese, Asian fusion, and wood fired BBQ cuisine.

Tenants taking new leases in the centre as part of the existing centre reconfiguration are NumberOneShoes, Noel Leeming and Westpac

Financial metrics

Cost and value	
Pre-development value (Mar-14)	$206m
Development cost[1]	$39m
Total investment	$245m
Projected value on completion (@7% cap. rate)	$263m
Projected development margin	$18m
Yield	
Yield on project cost	~7.0%

	Spent	Est. FY16	
1. Cost profile	$8.6m	$30.4m	Cost includes letting up allowances.

Timetable

Project approval	Nov-14
Construction commenced	Jan-15
Target completion	Nov-15

For imagery of the development, refer to Appendix 12

56 The Terrace refurbishment

For further details on the development refer to Appendix 13

Programme status

> Preliminary strip out, demolition and enabling works commenced in Sep-14
> Construction works commenced Nov-14
> Tower floor refurbishment is progressing
  - First floor handed over for tenant fitout 7-Apr-15
> On target for July 2016 completion

Cost status

> Total cost increased from $67.3 million to **$72.0 million**[1] due to additional carpark strengthening works

Before

Aurora House demolition

New structure under construction (Mar-15)

Final artist's impression

	Spent	Est. FY16	Est. FY17
1. Cost profile (inclusive of letting up allowances)	$24.2m	$45.0m	$2.8m

The Majestic Centre
Seismic strengthening

Project status
> Two critical elements completed – foundation works and transfer beam
> On-floor and shear core works for 13 of 23 floors now 100% structurally complete
> All remaining tower strengthening works scheduled for completion by end of 2015.
> Podium works will continue into mid-2016
> Target tower NBS rating of 100%

Financial status
> As reported at 1H FY15, complexity and logistical challenges have resulted in time delays and a $29.9 million increase in total cost to an estimated **$83.5 million**[1]

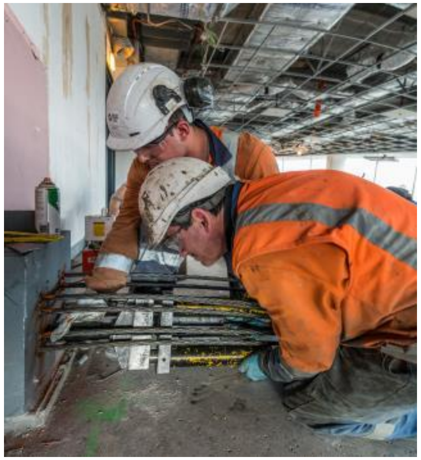
Leasing status
> Leases for **16,700 sqm** (>68% of building NLA) have been completed since the project commenced in July 2012
- Existing tenants: Opus, EQC, New Zealand Trade & Enterprise, Cigna, Ernst & Young, Cliftons
- New tenants: Summerset Holdings, New Zealand Transport Authority

	Spent	Est. FY16	Est. FY17
1. Cost profile	$58.9m	$21.6m	$3.0m

Level 22 wall bracing ►

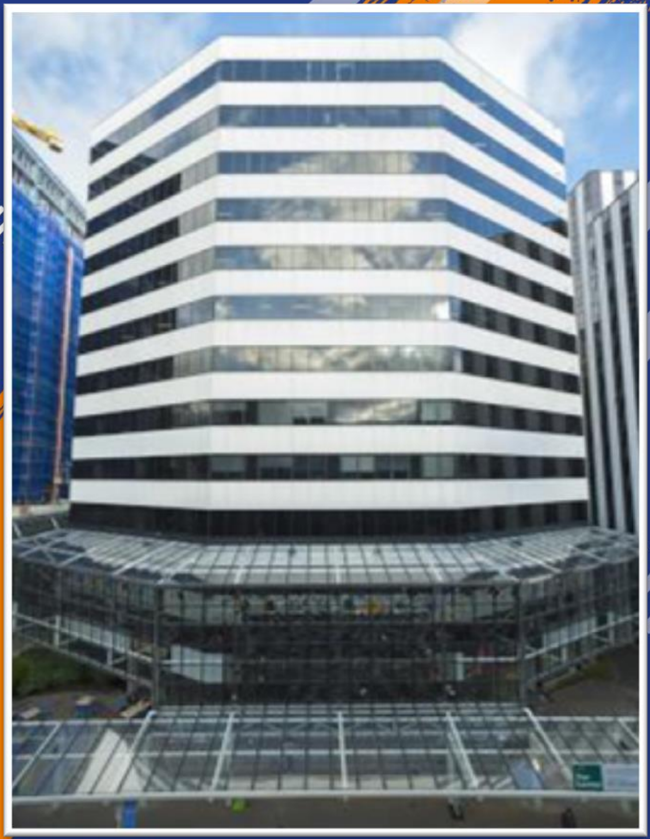
Materials used

Concrete: 1,300 cubic metres
Reinforcing steel: 180 tonnes
Structural steel: 457 tonnes
Bolts: 20,000
Anchors: 32,000
Post-tensioning strand 53 kms



▲On-floor post tensioning strand

◄Level 5 transfer beam strengthening



44 The Terrace

Proposed new 12-year Crown lease agreements and refurbishment

Proposed leases

> 12-year lease agreements to be concluded in Jun-15
  - Area: 8,059 sqm of office space (84% of the office area)
  - Tenants: Sitting tenants Tertiary Education Commission, Commerce Commission and Energy Efficiency and Conservation Authority (each on a separate lease)
  - Commencement: Schedules to commence Jul-15

> Proposed rentals provide a 23% uplift on existing levels, achieved from completion of staged floor refurbishments

Proposed refurbishment

> $12.6 million upgrade and refurbishment
  - Seismic strengthening to an NBS rating of 80%
  - Base building finishes refurbishment
  - Building services upgrade

> Construction commences Jun-15
  - Progressive works while tenants remain in occupation

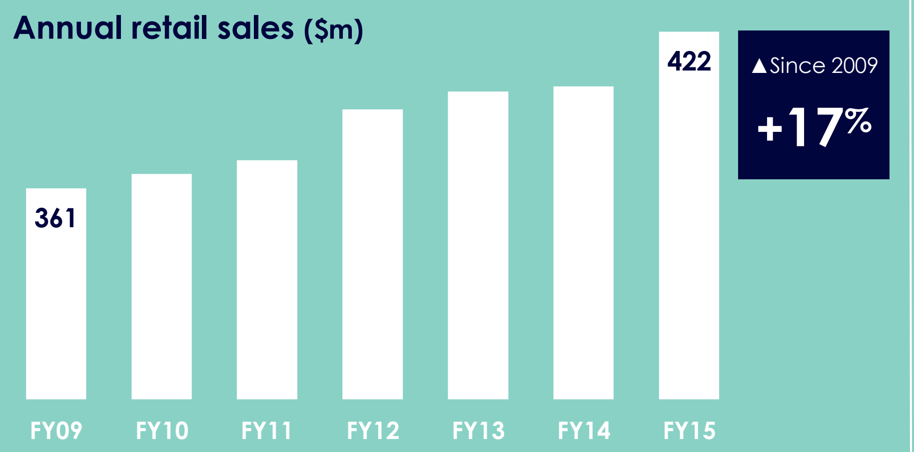
Estimated cost and value	$m
Pre-development value (Mar-15)	23.5
Development cost[1]	12.6
Total investment	36.1
Projected value on completion	38.4
Projected development margin	2.3

	Est. FY16	Est. FY17
1. Cost profile	$5.5m	$7.1m

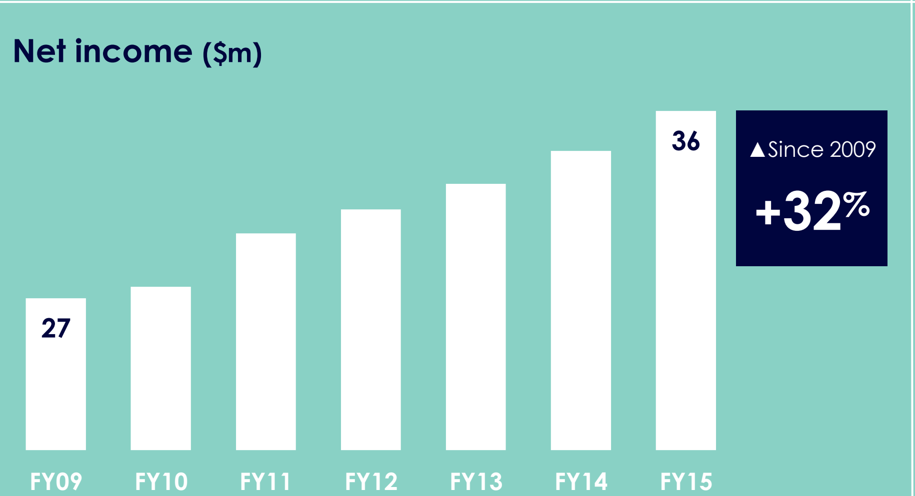
Sylvia Park
Standout performer since opening

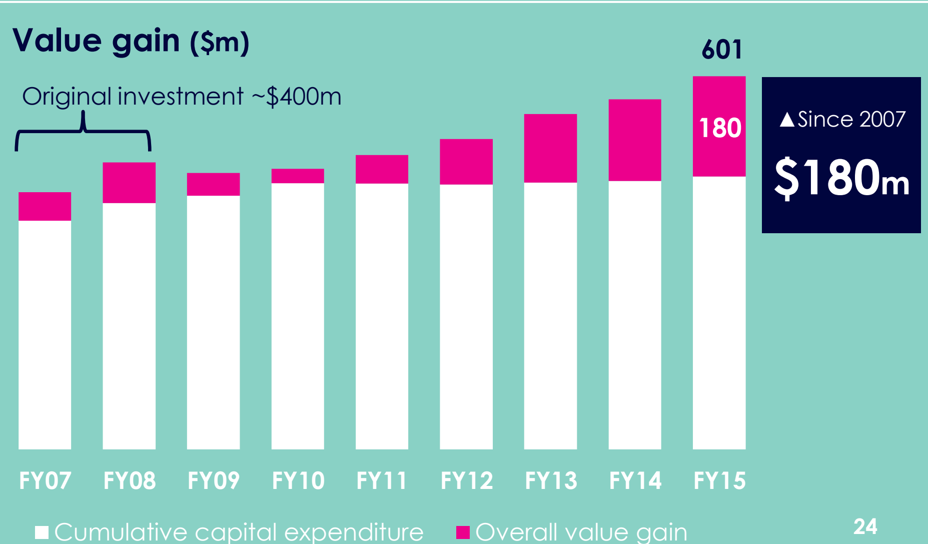
Sylvia Park is already New Zealand's largest regional shopping centre, yet offers significant potential and the opportunity to create a world-class retail offer

Sylvia Park
Standout performer since opening



Sylvia Park has built on its market dominance, with over 12 million shoppers per annum contributing to increasing annual sales, strong rental growth and a rising asset value





Sylvia Park
Bringing to life our town centre vision

- > Significant opportunities to capitalise on:
  - the centre's 'Metropolitan Centre' status under Auckland City's new Unitary Plan
  - its location adjacent to major road networks
  - rail and bus transport links
  - waiting list of prospective tenants
- > The planning framework allows gross floor area to be increased to 250,000 sqm, including expansion of the retail, food and beverage and entertainment component to 120,000 sqm[1]

Potential retail expansion

- > ~20,000 sqm expansion comprising:
  - new international retailers
  - specialty retail stores
  - department store(s)
  - additional carparking
- > Estimated cost of ~$150 million
- > Estimated timing:
  - Pre-development[2] 2015 – 2016
  - Construction 2017 – 2018
  - Completion 2018

Potential office development

- > Initial office building 7,500 sqm over 5-6 levels
- > High profile to State Highway 1 and south-eastern arterial
- > Estimated cost of ~$45 million
- > Utilise airspace above the shopping centre
- > Connectivity to rail and bus public transport links
- > Proximity to services and amenities

Any development will ultimately be market-led and subject to commercial viability

1. Floor area allowances relate to Sylvia Park Shopping Centre site.
2. Includes design, consenting and pre-leasing.

Outlook and dividend guidance

Focus on strategy

Strategy pillars

> Maintaining a strong financial position

> Intensively managing our assets to drive investment performance

> Rigorously assessing our investment decisions to ensure we add value

Focus for FY16

> **Intensively manage our assets**

- Priorities for our **retail** portfolio
  - Continue our customer-centric focus on improving shopping experiences
  - Continue to evolve our retail mix to maximise productivity
  - Introduce new flagship international retail brands
  - Advance a new digital platform to connect better with shoppers
  - Develop new revenue sources in brand space marketing
  - Progress plans for a new department store at Northlands
- Priorities for our **office** portfolio
  - Complete strengthening works and leasing programme at The Majestic Centre
  - Progress government accommodation projects at 56 and 44 The Terrace
  - Refurbish Vero Centre lobby to maintain 'best in class' status

> **Progress our Auckland-focused investment strategy**

- Launch our new dining and entertainment precinct at LynnMall
- Progress the next stage of our town centre vision for Sylvia Park:
  - potential retail expansion to accommodate new international retailers, additional specialty stores, department store(s) and more carparking
  - potential high profile office development in airspace adjacent to State Highway 1
- Investigate and/or pursue retail investment in locations favoured by the Auckland Unitary Plan

> **Continue capital recycling programme**

> **Explore joint venture opportunities**

Cash dividend guidance for FY16

6.60
cents per share
(up from 6.50 cents per share)

Based on the outlook for the Company and subject to a continuation of reasonable economic conditions.

Appendices

Appendix 1
Net interest expense

For the year ended	31-Mar-15 $m	31-Mar-14 $m	Variance $m	Variance %
Interest income	0.4	0.4	-	-
Interest on bank debt	-42.0	-50.4	*+8.4*	*+16.7*
Interest on bonds	-5.4	-	*-5.4*	*-100.0*
Interest on MCNs	-7.8	-10.7	*+2.9*	*+27.1*
Net interest expense incurred	**-54.8**	**-60.7**	**+5.9**	**+9.7**
Interest capitalised to:				
LynnMall Shopping Centre	0.1	-	*+0.1*	*+100.0*
The Majestic Centre	1.8	1.3	*+0.5*	*+38.5*
56 The Terrace	0.8	0.2	*+0.6*	*+300.0*
Other	0.5	0.5	-	-
Completed developments	-	3.0	*-3.0*	*-100.0*
Total capitalised interest	**3.2**	**5.0**	***-1.8***	***-36.0***
Net interest expense	**-51.6**	**-55.7**	***+4.1***	***+7.4***

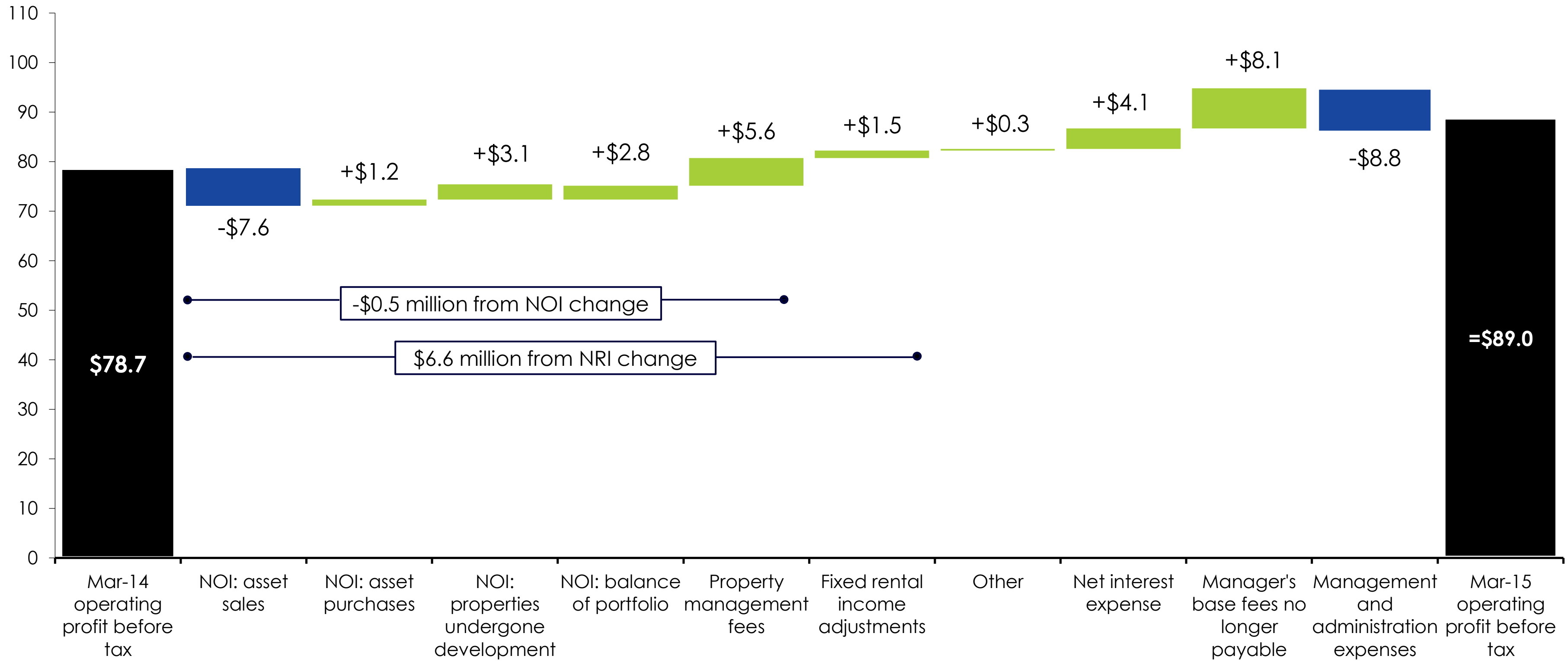
Appendix 2
Management expense ratio (MER)

For the year ended	31-Mar-15 $m	31-Mar-14 $m
Management and administration expenses	15.1	14.3
Less: property management fee recoveries	-5.9	-1.7
Net expenses	**9.2**	**12.6**
Average property assets	**2,203.0**	**2,103.3**
Management expense ratio	**0.42 bps**	**0.60 bps**

> Internalisation and corporatisation benefits reflected in MER reduction

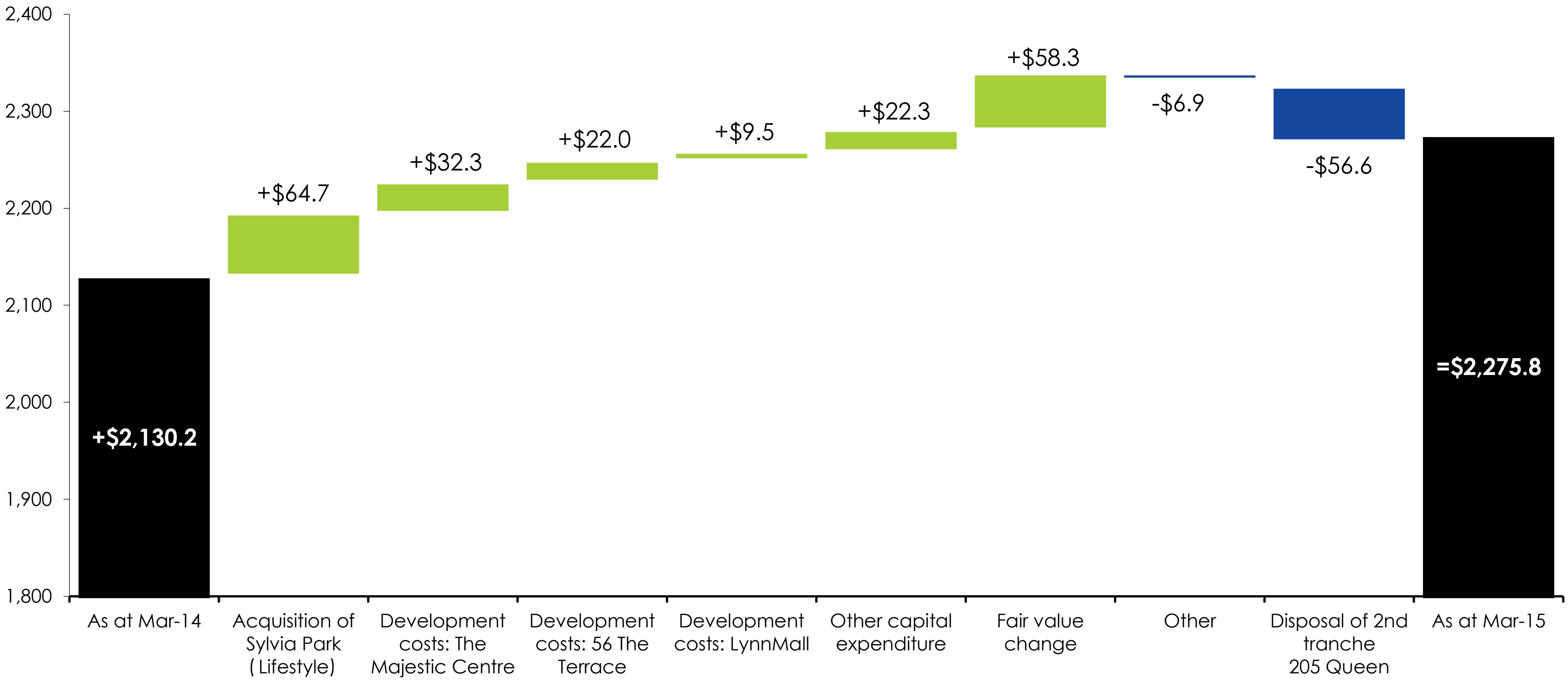
Appendix 3

Operating profit movement (FY14 to FY15 $m)

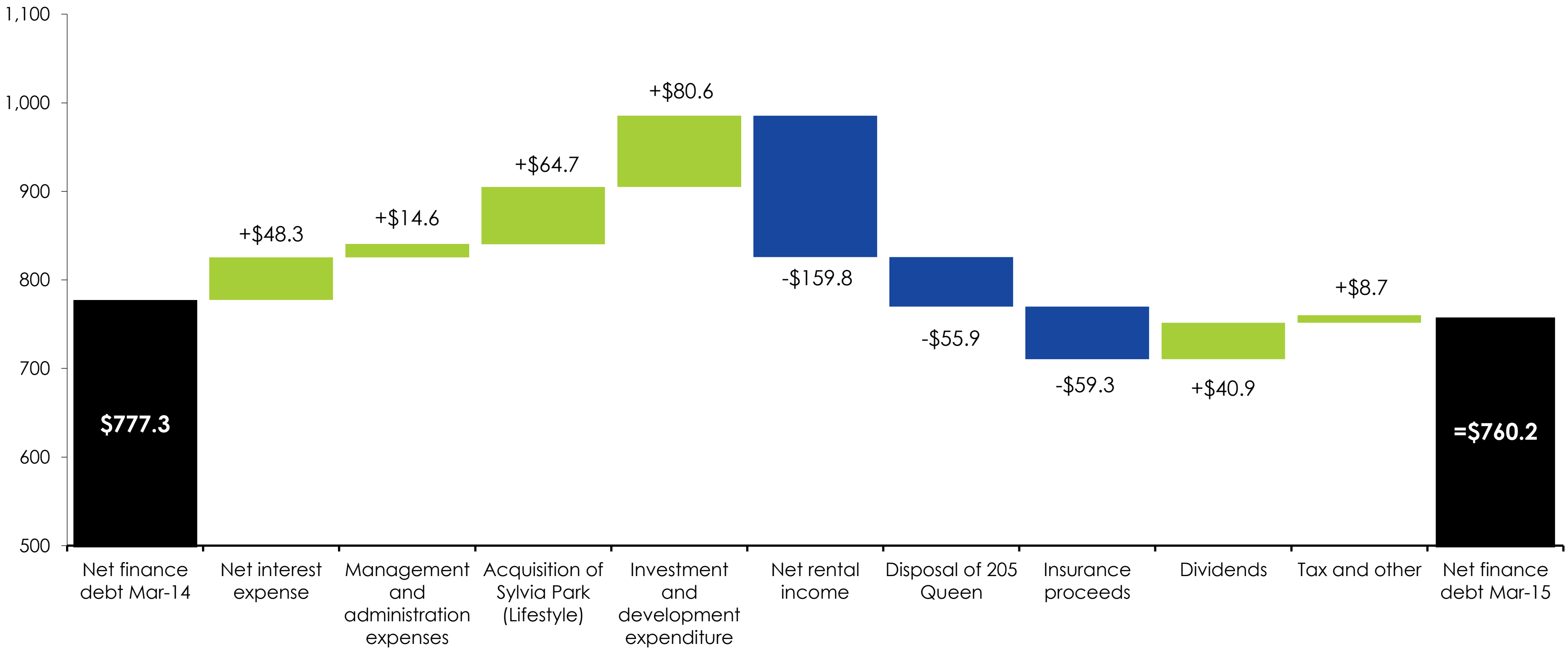


Appendix 4

Investment properties movement (FY14 to FY15 $m)



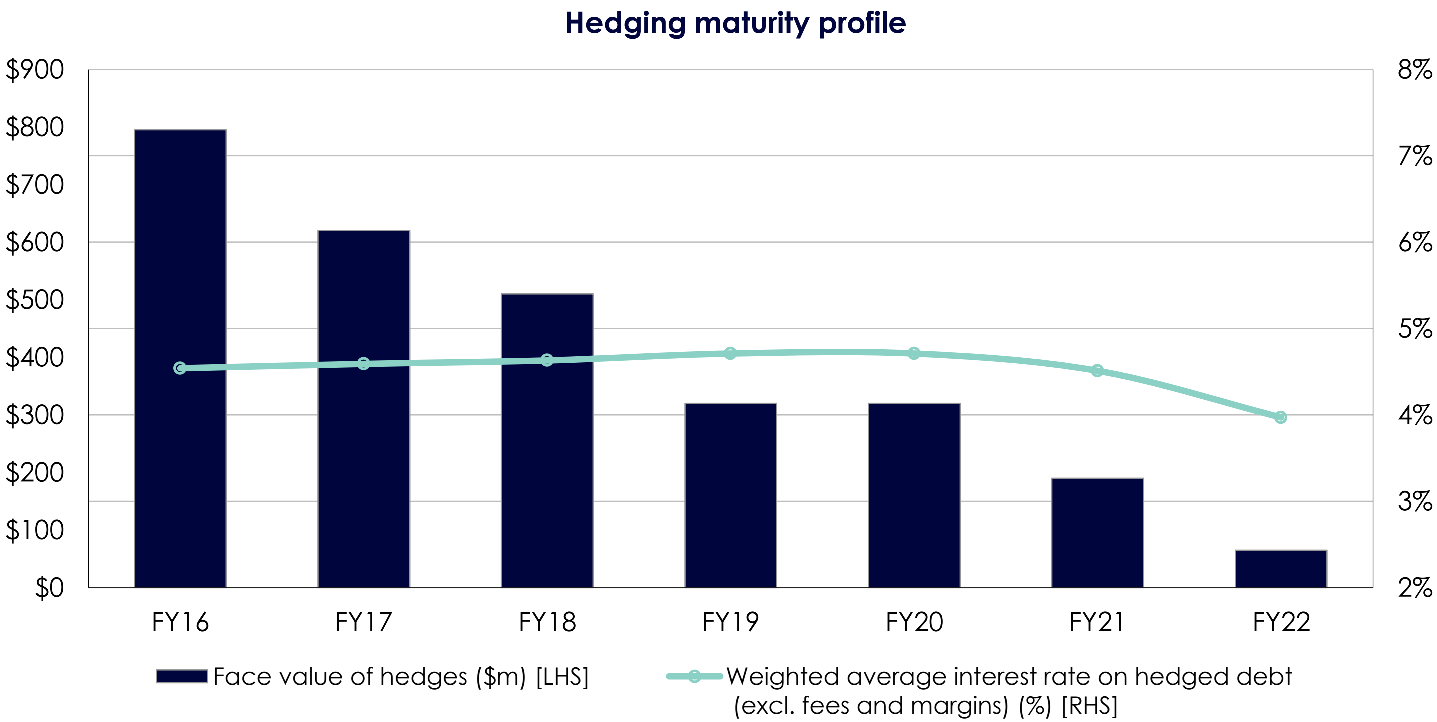
Appendix 5
Net finance debt movement (FY14 to FY15 $m)



Appendix 6

Hedging profile (prior to swap restructure)

Hedging profile (inclusive of $125m bond issuance)	31-Mar-15[1]	31-Mar-14
Percentage of drawn finance debt hedged (fixed rate)	81%	74%
Weighted average interest rate of active swaps (excl. fees and margin)	4.68%	4.70%
Weighted average term to maturity of interest rate hedges	3.3 years	2.9 years



1. Refer to Appendix 7 for post year end restructure.

Appendix 7
Swap restructure (post year end)

> Partial restructure of the interest rate hedging portfolio post year end, resulting in:
- lengthened duration
- reduced weighted average interest rate

	Restructured[1]	31-Mar-15[2]
Percentage of drawn debt hedged	61%	81%
Weighted average term to maturity of portfolio	3.7 years	3.3 years
Weighted average interest rate of active swaps[3]	4.10%	4.68%

> A payment of ~$8.0 million (after tax) was made to achieve the restructure

> Reduces weighted average cost of facilities by ~50 bps (based on 31-Mar-15 position)

1. Calculated as at 31 March 2015 but adjusted for the swap restructure.
2. Refer to Appendix 6 for 31 March 2015 position.
3. Excludes fees and margins.

Appendix 8
Portfolio statistics

Portfolio / property As at	Ownership % Mar-15	Ownership % Mar-14	NLA sqm Mar-15	NLA sqm Mar-14	Occupancy % Mar-15	Occupancy % Mar-14	WALT years Mar-15	WALT years Mar-14
Sylvia Park, Auckland	**100**	100	72,165	71,185	**99.6**	99.6	**3.1**	3.6
Sylvia Park (Lifestyle), Auckland	**100**	-	16,182	-	**100.0**	-	**4.9**	-
LynnMall, Auckland	**100**	100	32,054	32,220	**100.0**	100.0	**3.4**	3.6
Centre Place, Hamilton	**100**	100	26,906	26,869	**95.9**	95.7	**5.2**	6.0
The Plaza, Palmerston North	**100**	100	32,444	32,281	**100.0**	100.0	**2.9**	3.5
North City, Porirua	**100**	100	25,466	25,702	**99.1**	100.0	**3.1**	3.5
Northlands, Christchurch	**100**	100	41,513	41,497	**99.5**	100.0	**3.2**	3.6
Retail portfolio			**246,730**	**229,754**	**99.3**	99.4	**3.4**	3.8
Vero Centre, Auckland	**100**	100	39,525	39,445	**98.8**	92.7	**4.8**	5.4
ASB North Wharf, Auckland	**100**	100	21,625	21,625	**100.0**	100.0	**15.6**	16.6
205 Queen[1], Auckland	**-**	50	-	25,679	**-**	93.0	**-**	4.6
The Majestic Centre, Wellington	**100**	100	24,529	24,507	**91.7**	98.2	**6.3**	4.2
56 The Terrace[2], Wellington	**100**	100	22,195	22,158	**-**	95.9	**-**	0.5
44 The Terrace, Wellington	**100**	100	10,109	10,109	**87.7**	87.7	**0.9**	1.9
Office portfolio			**117,983**	**143,523**	**96.1**	95.1	**7.6**	6.4
Investment portfolio			**364,713**	**373,277**	**98.4**	97.8	**4.5**	4.7

1. The sale of the remaining 50% interest in the asset settled on 3-Jun-14.
2. The asset is currently vacant as it is undergoing redevelopment so is excluded from occupancy and WALT statistics.

Appendix 9

Portfolio values and cap rates

Portfolio / property As at	Capitalisation rates %			Adopted value $m		Fair value mvmt	
	Mar-15	Mar-14	Var. bps	Mar-15	Mar-14	$m	%
Sylvia Park	6.25	6.50	25	601.0	564.0	+31.0	+5.4
Sylvia Park (Lifestyle)[1]	7.00	-	n/a	64.4	-	-0.3	-0.5
LynnMall[2]	7.00	7.13	12	225.5	206.0	+10.4	+4.8
Centre Place[3]	8.32	8.25	-7	117.0	122.5	-8.2	-6.6
The Plaza	7.25	7.25	-	206.0	196.0	+9.8	+5.0
North City	8.25	8.25	-	97.5	96.4	+0.9	+1.0
Northlands	7.38	7.75	38	220.4	205.3	+14.4	+7.0
Retail portfolio	**6.97**	**7.17**	**18**	**1,531.8**	**1,390.2**	**+58.0**	**+3.9**
Vero Centre	6.50	6.88	38	323.0	299.0	+22.3	+7.4
ASB North Wharf	6.50	6.88	38	175.0	162.2	+10.6	+6.5
205 Queen (2014: 50%)	-	8.50	n/a	-	56.3	-	-
The Majestic Centre	7.75	8.00	25	80.8	76.6	-28.7	-26.3
56 The Terrace[4]	7.25	7.25	-	70.7	53.4	-4.8	-6.4
44 The Terrace	8.63	8.50	-12	23.5	27.1	-3.9	-14.1
Office portfolio	**6.80**	**7.23**	**43**	**673.0**	**674.6**	**-4.5**	**-0.7**
Investment portfolio	**6.92**	**7.19**	**26**	**2,204.8**	**2,064.8**	**+53.5**	**+2.5**
Adjoining properties				49.5	45.9	+3.3	+6.9
Development land				21.5	19.5	+1.5	+7.3
Total portfolio				**2,275.8**	**2,130.2**	**+58.3**	**+2.6**

1. The asset was not valued at 31 March 2015. It is recorded at the independent valuation undertaken at the time of its acquisition in December 2014.
2. The capitalisation rate at Mar-15 is the 'on completion' assessed rate.
3. The asset was valued at 31 March 2015 as two separate properties, Centre Place North and Centre Place South. Figures shown represent the consolidated position.
4. The capitalisation rate (at Mar-14 and Mar-15) is the 'on completion' assessed rates.

Appendix 10
Diversification

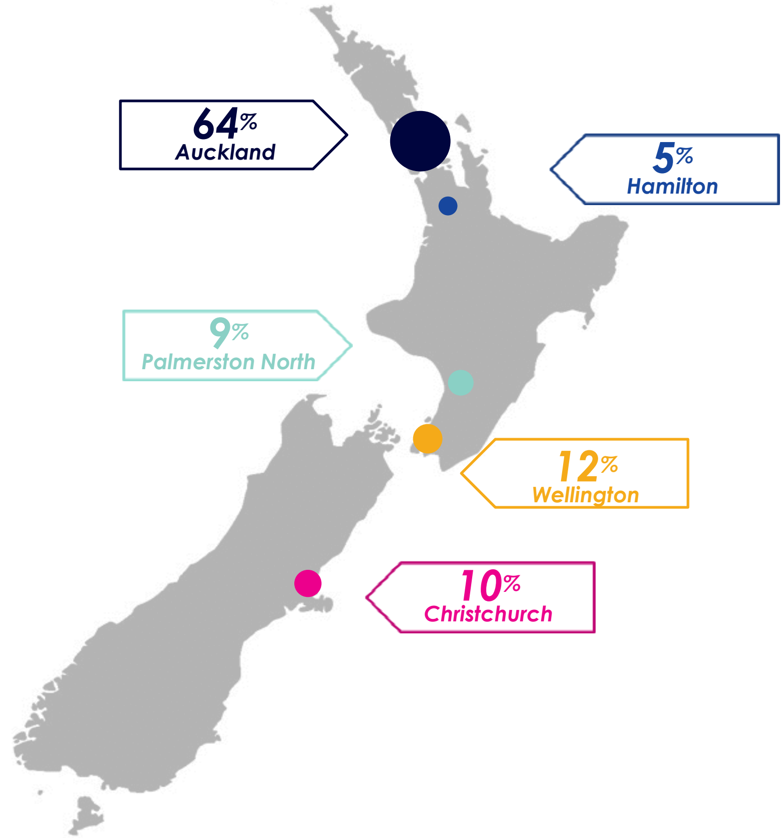
Sector diversification
(by portfolio value)

67% Retail

30% Office

3% Other

Geographic diversification
(by portfolio value)



Appendix 11
Our tenants

Total portfolio

(% of core portfolio gross income)

New Zealand chains	31%
Australian and international chains	24%
Department stores	7%
Supermarkets	5%
Independent retailers	5%
Cinemas	2%
Retail (800 tenants)	**74%**
Banking	7%
Government	5%
Legal	4%
Insurance	4%
Consultancy	2%
Financial services	2%
Other	2%
Office (76 tenants)	**26%**

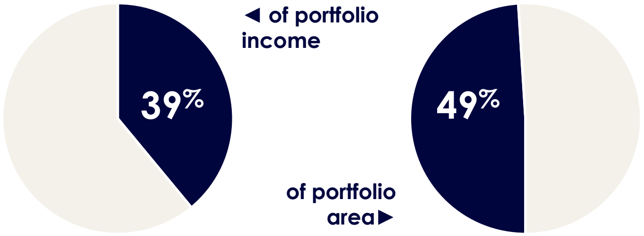
- Retail portfolio
- Office portfolio
- Total portfolio

Top 20

(% of core portfolio gross income)

ASB Bank	7.5%
Farmers	3.9%
Progressive Enterprises	3.3%
Vero Insurance	2.4%
Bell Gully	2.3%
Russell McVeagh	2.3%
Foodstuffs	2.0%
Just Group	1.7%
Hallenstein/Glasson	1.6%
Kmart	1.5%
Cotton On Clothing	1.5%
The Warehouse	1.3%
Hoyts Cinemas	1.3%
Whitcoulls	1.2%
ANZ Bank	1.2%
Valleygirl	1.0%
Pascoes	0.9%
Hannahs	0.8%
Noel Leeming	0.8%
Opus	0.8%

Collectively, the top 20 tenants represent:



Appendix 12

LynnMall development

Northern entrance

Central Plaza

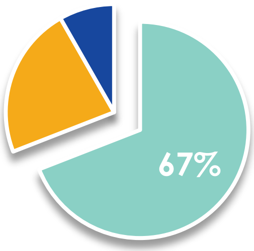
South view

Internal looking east to Brickworks

Appendix 13
56 The Terrace project metrics

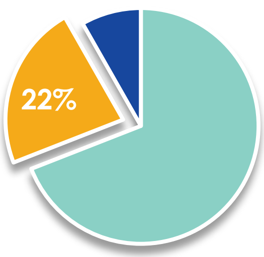
Key project metrics	
Development cost	$72.0m
Estimated value on completion	$120.9m
Estimated yield on completion	~7.5%
Crown net lettable area	24,200 sqm
Crown initial lease term	18 years
Crown lease commencement	August 2016
Rent reviews	Fixed 1.75% pa (3-yearly rests) Market every 6 years

Appendix 14
Retail market

Portfolio weighting by value	Outlook	Key points	
	▲	**Sales growth outlook is positive**	> Consumer are spending again - Boosted by improving household incomes, falling fuel prices, low mortgage rates, buoyant housing market and strong population growth through net migration > GDP is forecast to grow - Growth is forecast at 3% for 2015, with an annual average growth of 2.5% over the next five years

Appendix 15
Auckland CBD office market

Portfolio weighting by value



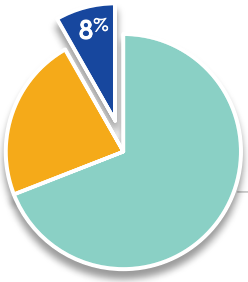
Outlook		Key points (Premium and A-grade accommodation)
▶	**Supply**	> Stable supply in Premium-grade until Downtown Tower completes in 2020 > Increase in A-grade stock from 2015 with Victoria Street and Wynyard Quarter
▲	**Absorption**	> Solid tenant demand environment expected to result in positive absorption across Prime office grades until at least 2018
▼	**Vacancy**	> Premium-grade vacancy 0.9%, and with no new supply and positive absorption, expected to remain at negligible levels over the medium term > A-grade vacancy 2.0%, but forecast to increase from 2015 as new supply comes on stream
▲	**Rents** ($/sqm / net effective)	> Forecast to grow at an average of 3.3% and 2.4% per annum from 2014-2018 for Premium and A-grade respectively
▼	**Yield**	> Improving market conditions have supported firming of cap rates to 2007 peak levels > Premium-grade to stabilise at ~6.5% after 2015 and A-grade at ~7.25%

Source: CBRE Research. Auckland Property Market Outlook, November 2014.

Appendix 16

Wellington CBD office market

Portfolio weighting by value



Outlook		Key points (A-grade and B-grade accommodation)
▶	**Supply**	> Minimal additions to A-grade supply > B-grade environment is complex with numerous seismic upgrades underway and a number of planned projects dependent on pre-commitment
▶	**Absorption**	> Both A and B-grade buildings have fluctuating but overall positive absorption forecasts over the next five years as the various upgrade scenarios play out. Tenant demand for better quality buildings is likely to assist the higher office grades
▲	**Vacancy**	> A-grade vacancy fluctuates but remains within range of 1.5% to 3.0% > B-grade vacancy is volatile, but forecast to move between 7% and 10% over the medium term
▲	**Rents** ($/sqm / net effective)	> Forecast to grow at an average of 3% and 3.7% per annum from 2014-2018 for A-grade and B-grade respectively. Further assisted by reducing insurance premiums
▼	**Yield**	> Expected to stabilise at ~8.1% and ~9.2% for A-grade and B-grade respectively

Source: CBRE Research. Wellington Property Market Outlook, November 2014.

Appendix 17
Glossary of terms

Comparable sales	Comparable sales provides a more normalised picture of sales trends by excluding centres which have undergone redevelopment in either year of comparison, in this instance Centre Place.
Department stores	Includes both full line and discount department stores (i.e. Farmers, Kmart and The Warehouse).
Distributable income	An alternative measure used by the Company to determine income available to pay dividends.
Gearing ratio	Calculated as finance debt (which includes secured bank debt and the $125 million face value bonds) over total tangible assets (which excludes interest rate derivatives).
Like-for-like rental income	Excludes assets purchased, disposed of or undergoing development in either year of comparison.
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.
Operating profit before other income/(expenses) and tax (operating profit before tax)	An alternative performance measure used to assist investors in assessing the Company's underlying operating performance.

Disclaimer

Kiwi Property Group Limited ('KPG') has prepared this presentation (the 'Presentation') and the information contained in it is intended to provide general information only and does not take into account your individual objectives, financial situation or needs. It is not intended as investment or financial advice and must not be relied upon as such. Some of the information in this Presentation is based on unaudited financial data which may be subject to change. You should assess whether the Presentation is appropriate for you and consider talking to a financial adviser or consultant before making any investment decision. This Presentation is not an offer or invitation for subscription or purchase of securities or other financial products.

All reasonable care has been taken in relation to the preparation and collation of the Presentation. Neither KPG, its directors, officers, employees, agents, associates, nor any other person accepts responsibility for any loss or damage howsoever occurring resulting from the use of or reliance on the Presentation by any person. Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

Caution regarding forward-looking statements

This Presentation includes forward-looking statements regarding future events and the future financial performance of KPG. 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 Group Limited, 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 KPG's property portfolio, its ability to obtain funding on acceptable terms, the risks inherent in property ownership and leasing, and KPG's business generally. Given these uncertainties, you are cautioned that this Presentation should not be relied upon as a recommendation or forecast by KPG, any of its directors, officers, employees, agents or associates. None of KPG, 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.

May 2015