KIWI INCOME PROPERTY TRUST
30 SEPTEMBER 2013

INTERIM RESULT

KIWI INCOME PROPERTY TRUST

KIWI INCOME PROPERTY TRUST IS MANAGED WITHIN

Colonial First State
Global Asset Management

METRO by Hoyts, Centre Place, Hamilton

CONTENTS

This presentation should be read in conjunction with the accompanying NZX announcement

Refer to: **kipt.co.nz** or **nzx.com**

RESULTS OVERVIEW

KIWI INCOME PROPERTY TRUST

MARKETS

General economy and property markets showing signs of gradual recovery

Economy
- Canterbury rebuild gains pace
- strong housing markets
- high commodity prices
- low interest rates
- recovering labour markets
- improving confidence

Retail
- improving economic growth should assist sales growth target of 2-4% over the medium term

Auckland office
- reducing vacancy and increasing rents forecast for prime grades with stable supply and positive absorption

Wellington office
- rental growth suppressed by over-renting and reduction in Government demand
- tenant and investment demand greatest for buildings exhibiting seismic strength

FINANCIAL

Improved operating profit and profit after tax compared to prior comparable period

$37.5m Operating profit ↑
- increased rental income
- no Manager's performance fee

$61.9m Profit after tax ↑
- assisted by interest rate derivatives valuation gain
- one-off reduction in deferred tax

34.0% Gearing ratio ↑
- increased as a result of development and seismic strengthening expenditure

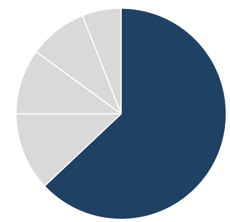
3.20cpu Cash distribution
- cash distribution for half year, in line with guidance
- continue to project full-year distribution of 6.40 cents per unit

OPERATING

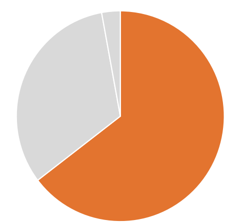
Firming capitalisation rates in Auckland assist growth in portfolio value

$2.14b Portfolio value ↑
- reflects expenditure on development projects and valuation uplifts from cap rate firming offset by Unisys House write-down

63% Weighting to Auckland



65% Weighting to retail sector



$1.4b Annual sales ↓
- total sales down 1.7% from Sep-12 but remain steady compared to Mar-13 levels

RESULTS OVERVIEW

KIWI INCOME PROPERTY TRUST

OPERATING

The addition of ASB North Wharf to the core portfolio has improved most metrics, notably WALT

486
New leases and rent reviews concluded

- average 2.6% rent growth achieved over prior passing rents

5.1yrs
WALT ⬆

- addition of ASB North Wharf to core portfolio improves office WALT to 7.0 years

95.4%
Portfolio occupancy ⬇

- office occupancy impacted by vacancies at 205 Queen and Unisys House
- retail occupancy maintained at >99%

COMPLETED DEVELOPMENTS

Three development projects successfully completed during the period

ASB North Wharf
- opened on-time and budget and will deliver a year-one initial yield of 8.5%
- currently valued at $158.5 million

Centre Place
- final stage opened Oct-13 99% leased by area
- completed offer well received by shoppers
- Initial yield 5.8% increasing to ~7%

Northlands
- reopened 11 shops after reconstruction
- restored approximately $1million net income to the centre

POTENTIAL DEVELOPMENT

Advanced negotiations underway for new long-term Crown lease and building refurbishment

56 The Terrace (Unisys House)
- lease to the Crown of no less than 15 years over all office space
- $67 million refurbishment and strengthening program
- subject to final Crown approval

DIVESTMENT (post period)

Capital recycling to maintain balance sheet flexibility

205 Queen[1]
- 50% interest sold for $47.5 million, settles ~Jan-14
- remaining 50% to be sold at prevailing market value on or before Mar-17

1. Subject to Overseas Investment Office and ground lessor approvals

FINANCIAL PERFORMANCE Solid operating result

KIWI INCOME PROPERTY TRUST

Financial performance For the six months ended		30-Sep-13 $m	30-Sep-12 $m	Variance $m	 %
Gross rental income		101.5	98.2	+3.3	+3.4
Property operating expenditure		-30.1	-30.2	+0.1	+0.3
Net rental income	Appendix 1	**71.4**	**68.0**	**+3.4**	**+5.0**
Net interest expense[1]	Appendix 2	-26.8	-25.1	-1.7	-6.8
Manager's base fees		-5.7	-5.3	-0.4	-7.5
Manager's performance fees		-	-1.4	+1.4	+100.0
Other expenses		-1.4	-1.5	+0.1	+6.7
Operating expenditure		**-33.9**	**-33.3**	**-0.6**	**-1.8**
Operating profit before tax[2]	Appendix 3	**37.5**	**34.7**	**+2.8**	**+8.1**
Interest rate derivatives [fair value change]		20.3	-0.2	+20.5	+100.0
Property revaluations [fair value change]		4.4	-1.2	+5.6	+100.0
Insurance proceeds		2.0	-	+2.0	+100.0
Internalisation evaluation costs		-0.7	-	-0.7	-100.0
Other non-operating items		-0.4	-1.3	+0.9	+69.2
Profit before tax		**63.1**	**32.0**	**+31.1**	**+97.2**
Current tax expense		-3.0	-8.2	+5.2	+63.4
Deferred tax benefit		1.8	2.8	-1.0	-35.7
Profit after tax[3]		**61.9**	**26.6**	**+35.3**	**+132.7**

- Operating profit before tax improvement due to:
  - rental income from ASB North Wharf
  - absence of a Manager's performance fee payable, compared to the prior comparable period

1. Shown net of interest income and interest capitalised
2. Operating profit before tax is an alternative performance measure used by the Trust to assist investors in assessing the Trust's underlying operating performance
3. 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 Independent Accountants pursuant to New Zealand Institute of Chartered Accountants Review Engagement Standard RS-1

DISTRIBUTIONS Delivered in line with guidance

Distributable income For the six months ended	30-Sep-13 $m	30-Sep-12 $m	Variance $m	 %
Operating profit before tax[1]	37.5	34.7	*+2.8*	*+8.1*
Depreciation recovery offset[2]	-	3.4	*-3.4*	*-100.0*
Non-cash rental adjustments[3]	-0.8	0.3	*-1.1*	*-366.7*
Distributable income before tax	**36.7**	**38.4**	***-1.7***	***-4.4***
Current tax expense	-3.0	-8.2	*+5.2*	*+63.4*
Distributable income after tax[1]	**33.7**	**30.2**	***+3.5***	***+11.6***

Distributions	30-Sep-13 $m	30-Sep-12 $m	30-Sep-13 cpu[4]	30-Sep-12 cpu[4]
Distributable income after tax	33.7	30.2	3.35	3.06
Transfer from/(to) distribution reserve	-1.5	2.4	-0.15	0.24
Cash distribution	**32.2**	**32.6**	**3.20**	**3.30**
Imputation credits	-	4.8	-	0.49
Gross distributions paid	**32.2**	**37.4**	**3.20**	**3.79**
Payout ratio	96%	108%		

	30-Sep-13 $m	31-Mar-13 $m	Variance $m
Distribution reserve (post payment)	12.8	11.3	+1.5

- Movement in current tax impacted by depreciation recovery in the prior period and incentives and capitalised costs in the current period

1. Operating profit before tax and distributable income are alternative performance measures used by the Trust to assist investors in assessing the Trust's underlying operating performance and to determine income available for distribution
2. Proceeds from sale of Beca House used to cover tax payable for depreciation recovered
3. Includes rental income resulting from straight-lining of fixed rental increases
4. Calculated using the number of units entitled to the distribution

Strong financial position maintained

KIWI INCOME PROPERTY TRUST

Financial position As at	30-Sep-13 $m	31-Mar-13 $m	Movement $m	 %
Assets				
Investment properties Appendix 4	2,143.9	2,076.5	+67.4	+3.2
Cash on deposit	4.2	12.0	-7.8	-65.0
Insurance proceeds receivable	18.6	16.6	+2.0	+12.0
Other assets	21.5	21.4	+0.1	+0.5
Total assets	**2,188.2**	**2,126.5**	**+61.7**	**+2.9**
Liabilities				
Bank debt Appendix 5	744.0	681.0	+63.0	+9.3
Mandatory convertible notes	119.3	118.9	+0.4	+0.3
Deferred tax liability	93.6	101.1	-7.5	-7.4
Other liabilities	59.3	93.4	-34.1	-36.5
Total liabilities	**1,016.2**	**994.4**	**+21.8**	**+2.2**
Unit Holder funds	**1,172.0**	**1,132.1**	**+39.9**	**+3.5**
Gearing ratio (Trust Deed requirement <40%)[1]	*34.0%*	*32.0%*	*+2.0bps*	
Net tangible asset backing per unit (NTA)	*$1.16*	*$1.14*	*+$0.02*	

1. Calculated as secured bank debt over total assets

- Investment properties movement due to:
  - capital expenditure on development projects
  - valuation uplift from capitalisation rate firming at ASB North Wharf and Vero Centre, offset by Unisys House write-down

BANK DEBT PROFILE

$465m of bank debt extended

KIWI INCOME PROPERTY TRUST

Bank facilities

		Facilities expiring $m	Facilities expiring %
FY14		-	-
FY15		-	-
FY16	ANZ **$60.0**	60.0	7
FY17	ANZ **$105.0**; Westpac **$65.0**	170.0	20
FY18	BNZ **$92.5**; CBA **$100.0**	192.5	23
FY19	Westpac **$100.0**; BNZ **$127.5**; CBA **$100.0**	327.5	38
FY20	CBA **$100.0**	100.0	12
Total facilities		**850.0**	**100**

	30-Sep-13	31-Mar-13
Weighted term to maturity (years)	3.9	3.8
Weighted average cost of facilities (incl. margin and fees)	6.78%	7.05%
% of drawn debt hedged Appendix 6	87%	80%

- Weighted term to maturity extended through the renewal and extension of:
  - $300 million of CBA facilities in May-13
  - $165 million of Westpac facilities in Sep-13

PORTFOLIO METRICS

Sound portfolio metrics maintained

Core portfolio metrics[1]		30-Sep-13 Retail	30-Sep-13 Office	30-Sep-13 Total	31-Mar-13 Total
Number of assets		6	6	**12**	11
Value ($000)		1,385.1	696.8	**2,081.9**	1,874.9
Proportion of total portfolio by value		65%	32%	**97%**	90%
Weighted average capitalisation rate[2]		7.31%	7.52%	**7.38%**	7.52%
Net lettable area (sqm)	Appendix 7	218,035	143,509	**361,544**	338,986
Number of tenants	Appendix 9	762	132	**894**	865
Proportion of core portfolio by gross income		66%	34%	**100%**	100%
Occupancy	Appendix 7	99.8%	88.6%	**95.4%**	97.2%
Weighted average lease term	Appendix 7	4.1 years	7.0 years	**5.1 years**	4.3 years

1. At 30-Sep-13, excludes adjoining properties and development land which have a combined value of $62.0 million and represents 3% of total portfolio value. At 31-Mar-13, excludes ASB North Wharf under construction, adjoining properties and development land which had a combined value of $201.6 million representing 10% of total portfolio value
2. Office portfolio weighted average capitalisation rate includes Unisys House at the 'on completion' assessed capitalisation rate of 7.25% however this has been weighted by the 'in progress' value of $51.2 million

- The addition of ASB North Wharf to the portfolio has improved most metrics including, most notably, the weighted average lease term

PORTFOLIO VALUE

Valuations stable

KIWI INCOME PROPERTY TRUST

Portfolio / property As at	Capitalisation rates % Sep-13	Mar-13	Var. bps	Adopted value $m Sep-13	Mar-13	Fair value increase/(decrease)[1] $m	%
Sylvia Park	n/a	6.63	n/a	542.4	540.0	+0.1	+0.0
LynnMall	n/a	7.38	n/a	204.6	204.0	-0.2	-0.1
Centre Place	n/a	8.25	n/a	128.4	104.9	-2.1	-1.6
The Plaza	n/a	7.50	n/a	196.5	196.0	+0.5	+0.3
North City	n/a	8.25	n/a	99.8	99.5	-0.3	-0.3
Northlands	n/a	7.75	n/a	213.4	205.5	-0.2	-0.1
Retail portfolio	**7.31**	**7.31**	**n/a**	**1,385.1**	**1,349.9**	**-2.2**	**-0.2**
Vero Centre	7.13	7.50	-37	290.0	273.0	+15.6	+5.7
ASB North Wharf[2]	7.00	7.38	-38	158.5	-	+7.8	+5.2
205 Queen	n/a	9.13	n/a	98.1	96.6	-0.1	-0.1
The Majestic Centre	n/a	8.00	n/a	71.8	61.3	0.0	0.0
Unisys House[3]	7.25	8.75	-150	51.2	67.0	-16.7	-24.6
44 The Terrace	n/a	8.50	n/a	27.2	27.1	0.0	+0.1
Office portfolio	**7.52**	**8.07**	**-55**	**696.8**	**525.0**	**+6.6**	**+1.0**
Investment portfolio	**7.38**	**7.52**	**-15**	**2,081.9**	**1,874.9**	**+4.4**	**+0.2**
ASB North Wharf (under construction)				-	140.1	0.0	0.0
Adjoining properties				42.7	42.5	0.0	0.0
Development land				19.3	19.0	0.0	0.0
Total portfolio				**2,143.9**	**2,076.5**	**+4.4**	**+0.2**

- Three office assets independently valued:
  - Vero Centre
  - ASB North Wharf
  - Unisys House
- Firming capitalisation rates in Auckland lead to value increases for Vero and ASB
- Decrease in value of Unisys House reflects impending vacancy

1. Fair value increase/(decrease) is calculated after allowing for capital expenditure over the period
2. ASB North Wharf transferred to the core portfolio following practical completion in May-13. The Mar-13 capitalisation rate is shown for comparative purposes only but is not included in the weighted average office capitalisation rate for that period
3. Unisys House capitalisation rate at Sep-13 is the 'on completion' assessed rate of 7.25%, however this has been weighted by the 'in progress' value of $51.2 million

LEASING AND RENT REVIEWS Positive rental growth achieved

Static portfolio leasing By portfolio	No. of tenancies	NLA sqm	NLA % of portfolio	Uplift over prior passing rent $000	Uplift over prior passing rent %	CAGR %	WALT years
Rent reviews	361	65,900	30.2	1,351	+3.3	3.0	-
New leasing	86	12,500	5.7	38	+0.4	-	5.1
Retail portfolio	**447**	**78,400**	**35.9**	**1,389**	**+2.8**		
Rent reviews	18	6,700	5.5	89	+2.9	1.6	-
New leasing	21	9,600	7.8	-15	-0.4	-	3.8
Office portfolio	**39**	**16,300**	**13.3**	**74**	**+1.1**		
Total portfolio	**486**	**94,700**	**27.9**	**1,463**	**+2.6**		

Development leasing	No. of tenancies	NLA sqm
Centre Place	13	1,600
Northlands	6	800
ASB	1	300
Total	20	2,700

CPI and fixed rent reviews underpin retail growth

- Fixed and CPI-related rent reviews (~89% of all reviews) delivered **+3.3%** growth

Gains at Northlands offset by a challenging leasing market at Centre Place

Sylvia Park	+1.0%
Centre Place	-17.9%
Northlands	+21.7%
Balance of portfolio	-1.3%
Total	**+0.4%**

Positive result from office activity indicative of improving market fundamentals in Auckland

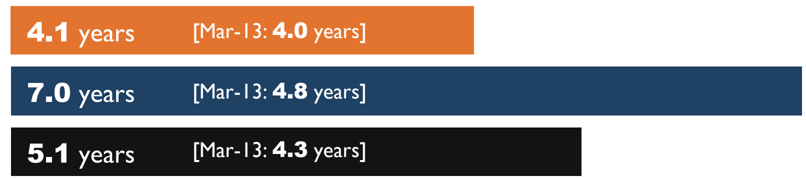
Improved WALT for both retail and office

- Improved retail portfolio WALT results from the average 5.1-year term across 86 new leasing deals
- ASB North Wharf, with a 17.1-year WALT, has driven the substantial improvement for the office portfolio
- Key expiries over the balance of FY14 include:

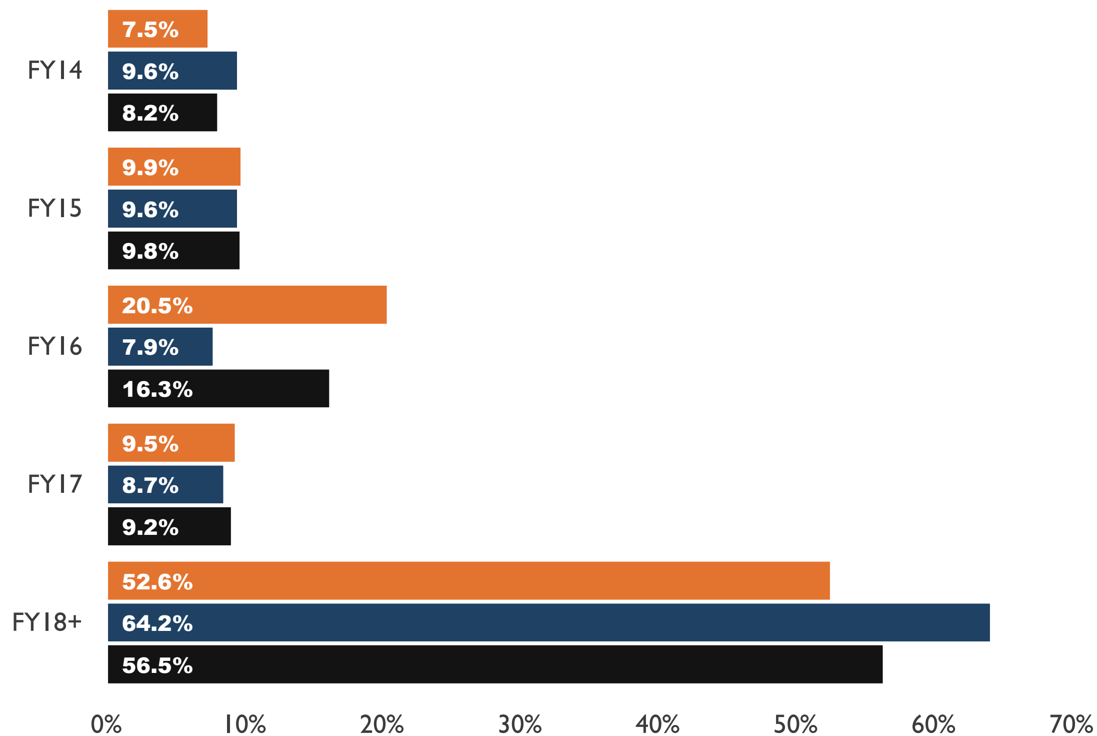
Property	Tenant	sqm
Unisys House	Ministry of Building, Innovation and Employment[1]	9,300
Northlands	Hoyts Cinemas	2,900
Centre Place	24 specialty shops	2,700
LynnMall	16 specialty shops	2,400
The Majestic Centre	Cigna	2,200

1. Under a redevelopment scenario, MBIE will extend their lease to September 2014

Weighted average lease term (by gross income)



Lease expiry profile (by gross income)



Key: Retail Office Total

SALES

Retail sales levels steady

KIWI INCOME PROPERTY TRUST

Centre	$m Sep-13	% variance from prior Mar-13	% variance from prior Sep-12	Specialty sales $/sqm	Specialty sales GOC %
Sylvia Park	**455.6**	+0.1	+0.9	9,407	
LynnMall	**218.2**	-0.9	-2.0	7,288	
Centre Place	**61.2**	-6.6	-13.2	5,814	
The Plaza	**191.1**	+0.3	-0.9	8,462	
North City	**103.2**	+1.2	0.0	7,554	
Northlands	**357.6**	+0.3	-3.3	9,996	
Total	**1,386.9**	**-0.2**	**-1.7**	**8,388**	**13.8%**

Category	$m Sep-13	% variance from prior Mar-13	% variance from prior Sep-12	Unaffected sales[1] $m	Unaffected sales[1] Ann % var
Supermarkets	**372.6**	-1.2	-2.9	209.8	-4.6
Department stores and DDS	**190.7**	+1.9	+2.9	133.8	+4.2
Cinemas	**19.8**	+2.2	+0.3	15.2	+6.3
Mini-majors	**151.7**	-4.2	-10.4	133.6	-7.5
Specialty	**557.2**	+0.4	-0.4	416.2	+2.9
Commercial services	**94.9**	+2.3	+1.9	59.5	+1.3
Total	**1,386.9**	**-0.2**	**-1.7**	**968.1**	**-0.2**

1. Unaffected sales provides a more normalised picture of sales trends. It excludes centres which have undergone redevelopment in either year of comparison, therefore excludes Centre Place and Northlands

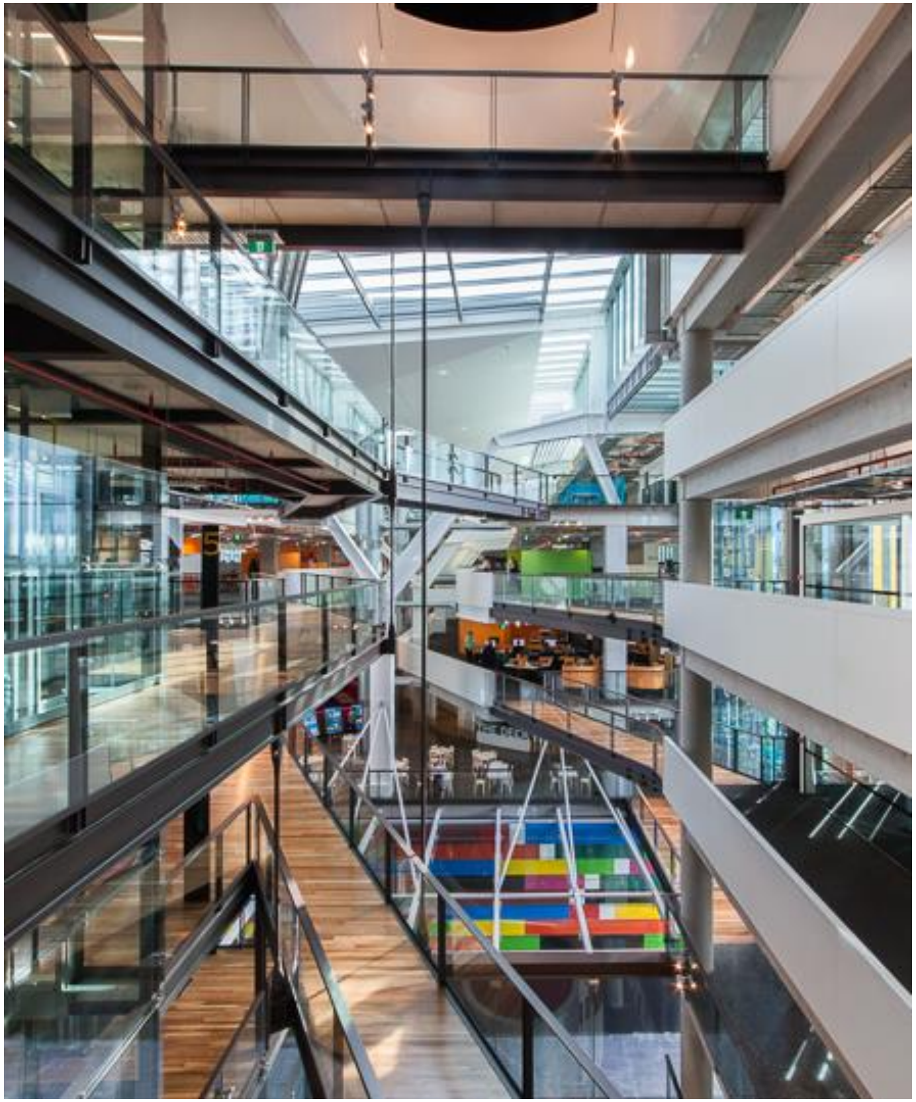
- Total sales are down 1.7% from Sep-12 but remain steady compared to Mar-13 levels. The annual decrease is mainly due to:
  - Centre Place: sales -13.2% due to redevelopment, including store closures
  - Northlands: sales -3.3% due to store closures for reconstruction together with normalisation of sales as retail competition progressively recovers following the earthquakes
  - Supermarkets: sales -2.9% due to increased competition from new stores affecting LynnMall and The Plaza
- 'Unaffected' sales are down just 0.2% on Sep-12 levels and again remain in line with Mar-13
- Excluding supermarkets, 'unaffected' sales across all other retail categories, which account for over 85% of portfolio rental, have increased 1.0% over the year

ASB NORTH WHARF

Iconic building added to the Trust’s core portfolio

Long-term, low risk rental stream

KIWI INCOME PROPERTY TRUST



ASB lease details

Net lettable area	20,103 sqm
Lease commencement	July 2013
Lease term	18 years
Rent reviews	Fixed 2.5% pa

Cost and value

Cost and value	Achieved	Forecast
Development budget[1]	$134.0m	$132.1m
Target initial yield	8.5%	~8.5%
Value on completion	$158.5m	$138.5m
Cap rate on completion	7.00%	7.75%

1. The proceeds of the 2009 Mandatory Convertible Notes (MCN) issue were utilised for the development (in combination with bank debt). Accounting rules required the MCN interest, net of interest earned on the MCN proceeds, to be capitalised as a project cost from the time the land for the development was unconditionally secured. This resulted in $10.7 million of additional holding costs being capitalised over the period of the development

CENTRE PLACE

Successfully opened 17 October 2013

CENTRE PLACE

Repositioning complete

- The aim of the redevelopment was to **reposition Centre Place as a competitive CBD specialty centre with a focus on fashion, dining and entertainment**

- This has been achieved through:
  - a latest generation 7,100 sqm, two-level flagship Farmers department store
  - a new state-of-the-art 5-screen cinema offer with the addition of METRO by Hoyts (complementing the existing art-house offer by Lido Cinemas)
  - a revamped foodcourt and new dining lane
  - a reinvigorated specialty mix with 42 new retailers introduced to the Centre since the start of redevelopment
  - the closure of Ward Street West and inclusion of a covered connection bringing the two parts of the Centre together under one roof
  - improved carpark and centre access

Key metrics

LEASING

Despite a challenging environment, the latest stage of development opened substantially leased

99% Leased by area

94% Forecast FY15 rent achieved

FINANCIALS

Projected yield on total investment 5.8%, rising to 7.0% over three years

Project metrics

Pre-development value	$86.5m
Capitalised development cost[1]	$35.6m
Total investment	$122.1m
Projected value on completion	$132.0m
Projected FY15 - FY18 NOI[2]	$7.1 - $8.6m
Projected yield[3]	5.8% - 7.0%

1. Excludes $11 million of costs relating to leasing fees and incentives
2. After amortisation of leasing fees and incentives
3. Projected NOI over total investment

56 THE TERRACE

Long-term Crown lease over all office space

FINANCIAL METRICS

Cost and value

Sep-13 value	$51.2m
Development cost[1]	$65.7m
Total investment	$116.9m
Estimated value on completion	$120.5m
Cap rate on completion	7.25%

Income and yield

Estimated NOI on completion	~$9.0m
Estimated yield on completion	~7.5%

CROWN LEASE

Net lettable area	24,200 sqm
Lease commencement	August 2016
Lease term	No less than 15 years
Rent reviews	Fixed 1.75% pa (3-yearly rests) Market every 6 years

PROGRAM

Estimated construction start	October 2014
Target completion date	July 2016

1. Excludes costs relating to leasing fees and incentives

Note – The lease and project are subject to final Crown approval

205 QUEEN

Disposal (post period end)

Transaction details

Purchaser	Auckland City Holdings Ltd (a company associated with Brisbane-based Bloomberg Incorporation Ltd)
Tranche 1	
Interest	50%
Settlement	Expected to be by January 2014
Purchase price	$47.5m
Tranche 2	
Interest	50%
Settlement	In March or September of each subsequent year Absolute obligation to take-out by March 2017
Purchase price	Prevailing market value at the take-out date

- The sale is in line with the strategy of recycling capital out of mature assets
- Kiwi Property Management Limited will retain property management functions until the 100% take-out date
- The disposal remains subject to Overseas Investment Office and ground lessor approvals

ECONOMIC OVERVIEW

Sustained but gradual recovery

Indicator | **Medium-term outlook**

Economic growth
- Economic momentum is lifting and expansion is broadening, driven by:
  - high export commodity incomes
  - the gaining pace of the Canterbury rebuild
  - housing market momentum, particularly in the Auckland and Canterbury regions
  - low interest rates
- Consensus GDP forecast average growth of 2.6%[1] over the next three years (better than the past three years at 1% per year)
- Driven by a continuation of same economic factors, together with rising net immigration
  - fiscal consolidation and the continued strength of the New Zealand dollar are expected to be headwinds

Housing market
- House prices are up 8.4% on the same time in the prior year[2] (and 9.2% above the previous market peak in late 2007)
  - sales and residential building activity have increased, particularly in Auckland and Christchurch
  - house demand/prices are forecast to remain strong with interest rates remaining low, however expected to be impacted moderately by the new bank lending restrictions

Employment
- Unemployment at Sep-13 was 6.2%[3]
- As the economy expands, the unemployment rate will continue to decline, falling below 6% by mid 2014[1]
- Improving labour conditions likely to underpin wages growth

Consumer and business confidence
- Positive sentiment emerging with both consumer and business confidence indicators rising

Sources:
1 New Zealand Institute of Economic Research, Consensus Forecast, Sep-13
2 QV statistics, Sep-13
3 Statistics New Zealand, Sep-13

Markets continue to show recovery

Sector	Portfolio weighting[1]	Short-term market outlook	Medium-term market outlook	Key points
Retail **KIP retail** Occupancy 99.8% WALT (years) 4.1 Under/over renting (Mar-13) -0.1%	**65%**	↗	↗	- New store openings in the competitive supermarket industry resulted in lower sales at existing supermarkets - Improving economic growth, labour markets, and business and consumer confidence should lead to sales growth of 2-4% over the medium term
Auckland office **KIP Auckland office** Occupancy 89.7% WALT (years) 8.5 Under/over renting (Mar-13) +5.0%	**25%**	↗	↗	- Limited forecast supply increase and positive net absorption are leading to reducing vacancy and improving rents across the Prime grades - 2014 vacancy is forecast to be at a low point for both Premium and A-grade space, at 3.2% and 4.8% respectively - Yields are forecast to firm further, to <7% for Premium and <7.6% for A-grade
Wellington office **KIP Wellington office** Occupancy 87.0% WALT (years) 3.4 Under/over renting (Mar-13) +1.6%	**7%**	↔	↔	- Buildings exhibiting seismic strength should achieve greatest occupancy, rental growth and investment demand - While rents are forecast to increase, the rate of growth will be suppressed by historic over-renting and a reduction in government-occupied space.

1. The balance of the portfolio (3%) comprises development land and adjoining properties

Sources: Statistics New Zealand, New Zealand Institute of Economic Research, ASB Economics, CFSGAM Property Research, CBRE Research
Refer to Appendices 11 and 12 for property market summaries by city

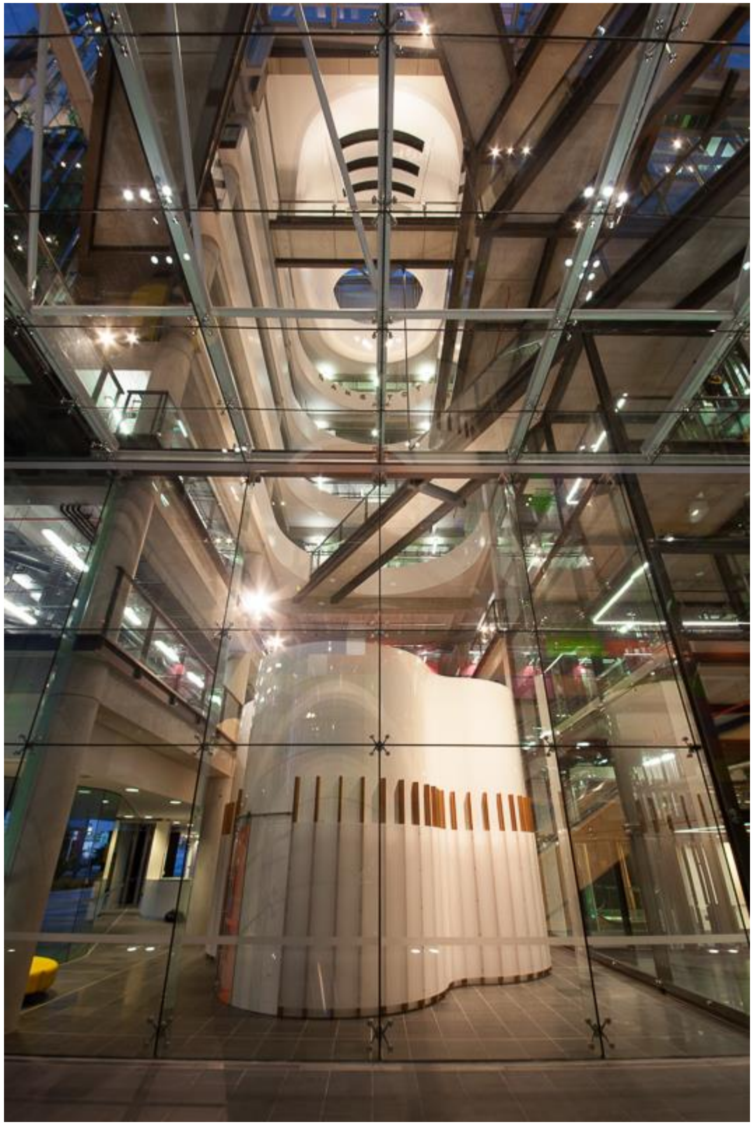
SUMMARY AND OUTLOOK

Projected full-year cash distribution 6.40cpu

- Economy showing continued signs of gradual recovery

- The Trust is in a solid position supported by:
  - a portfolio of high-quality assets; and
  - a strong balance sheet

- Projected distribution guidance of 6.40 cpu maintained[1]



1. Subject to a continuation of reasonable economic conditions

APPENDICES Index

APPENDIX 1

Net operating / rental income

Net operating income[1] For the six months ended	**30-Sep-13 $m**	**30-Sep-12 $m**	**Variance $m**	**%**
Sylvia Park	16.5	15.8	+0.7	+4.4
LynnMall	7.5	7.5	-	-
Centre Place	1.3	2.5	-1.2	-48.0
The Plaza	7.0	6.7	+0.3	+4.5
North City	3.8	4.1	-0.3	-7.3
Northlands	7.6	7.5	+0.1	+1.3
Retail portfolio	**43.7**	**44.1**	**-0.4**	**-0.9**
Vero Centre	9.1	9.6	-0.5	-5.2
ASB North Wharf	2.6	-	+2.6	+100.0
205 Queen	5.4	4.1	+1.3	+31.7
The Majestic Centre	4.7	3.9	+0.8	+20.5
Unisys House	2.7	3.4	-0.7	-20.6
44 The Terrace	0.9	1.0	-0.1	-10.0
Sold properties[2]	-	0.9	-0.9	-100.0
Office portfolio	**25.4**	**22.9**	**+2.5**	**+10.9**
Other properties	1.5	1.3	+0.2	+15.4
Total portfolio	**70.6**	**68.3**	**+2.3**	**+3.4**
Straight-lining of fixed rental increases	+0.8	-0.3	+1.1	+366.7
Net rental income	**71.4**	**68.0**	**+3.4**	**+5.0**
Net rental income like-for-like[3]	*59.3*	*57.1*	+2.2	+3.9

- Improved by:
  - the addition of ASB North Wharf to core portfolio
  - one-off payment at 205 Queen

- Reduced by:
  - redevelopment of Centre Place
  - increases in non-controllable expenses, ie: rates and insurance

1. Net operating income excludes rental income resulting from straight-lining of fixed rental increases
2. Represents Beca House (settled Jul-12)
3. Excludes assets sold or undergoing development in either year of comparison

APPENDIX 2

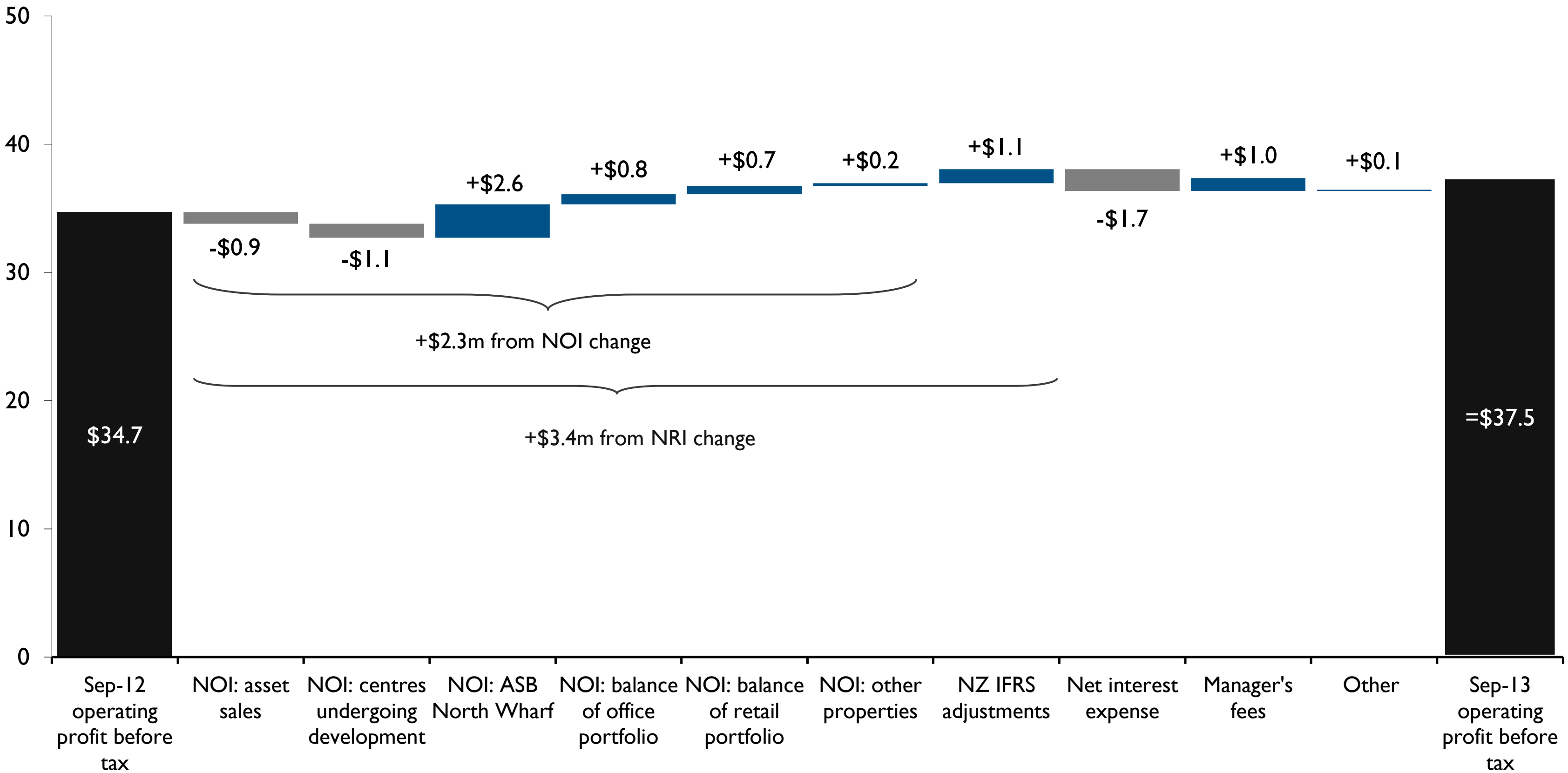
Net interest expense

For the six months ended	30-Sep-13 $m	30-Sep-12 $m	Variance $m	Variance %
Interest income	0.2	1.0	*-0.8*	*-80.0*
Interest on bank debt	-25.1	-26.2	*+1.1*	*+4.2*
Interest on MCNs	-5.4	-5.4	-	-
Net interest expense incurred	**-30.3**	**-30.6**	***+0.3***	***+1.0***
Interest capitalised to:				
ASB North Wharf	1.9	4.9	*-3.0*	*-61.2*
Other properties under development	1.6	0.6	*+1.0*	*+166.7*
Net interest expense	**-26.8**	**-25.1**	***-1.7***	***-6.8***

APPENDIX 3

Operating profit before tax

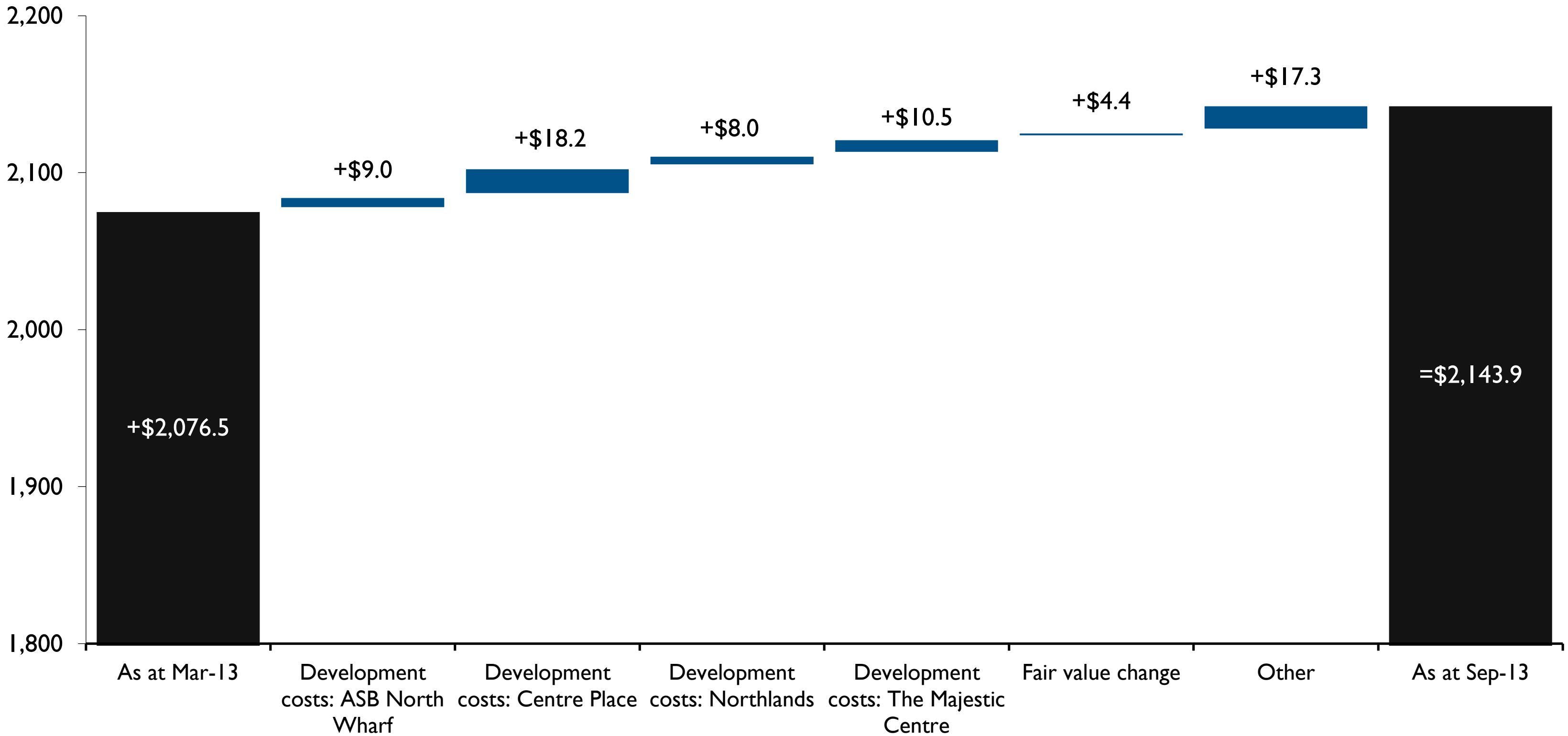
Movement: six months ended 30-Sep-12 to six months ended 30-Sep-13 ($m)



Investment properties

KIWI INCOME PROPERTY TRUST

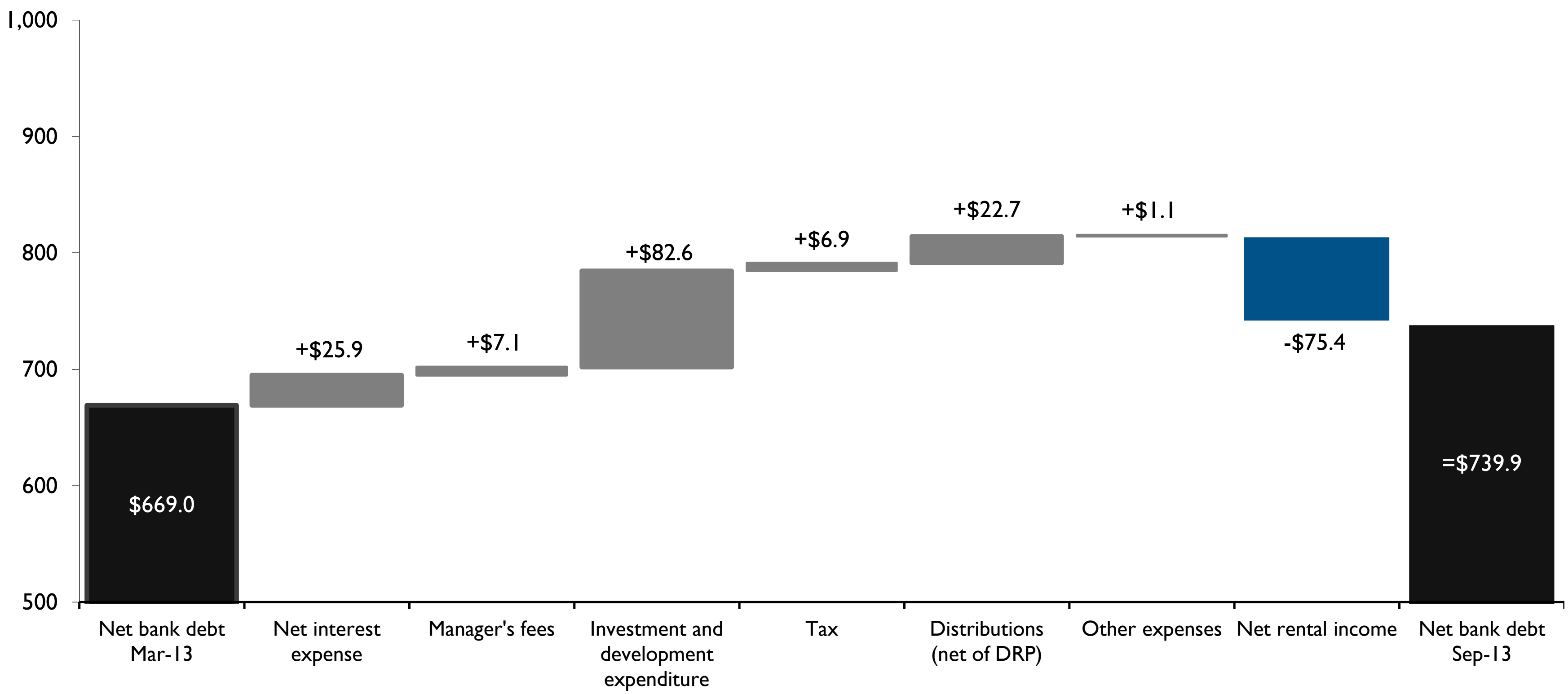
Movement for the six months ended 30-Sep-13 ($m)



APPENDIX 5

Net bank debt

Movement for the six months ended 30-Sep-13 ($m)

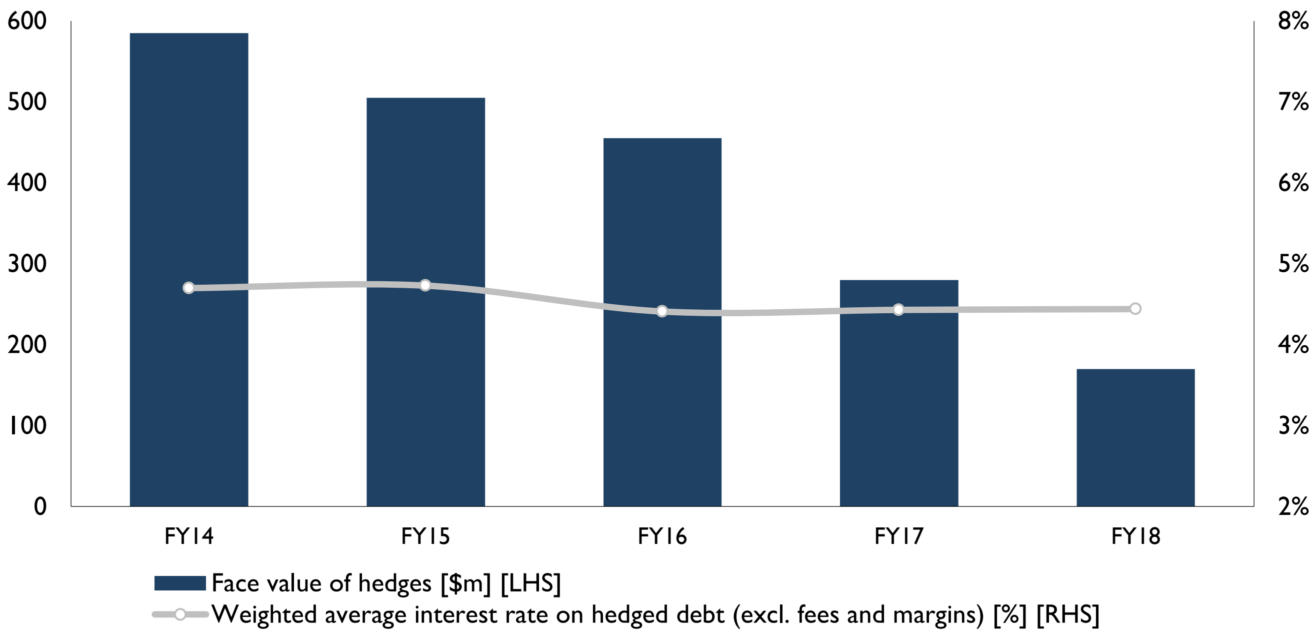


Interest rate hedging profile

KIWI INCOME PROPERTY TRUST

Hedging profile	30-Sep-13	31-Mar-13
Percentage of drawn debt hedged [fixed rate]	87%	80%
Weighted average interest rate on hedged debt [excl margin and fees]	5.40%	5.85%
Weighted average term to maturity of interest rate hedges	2.4 years	2.4 years

Hedge maturity profile



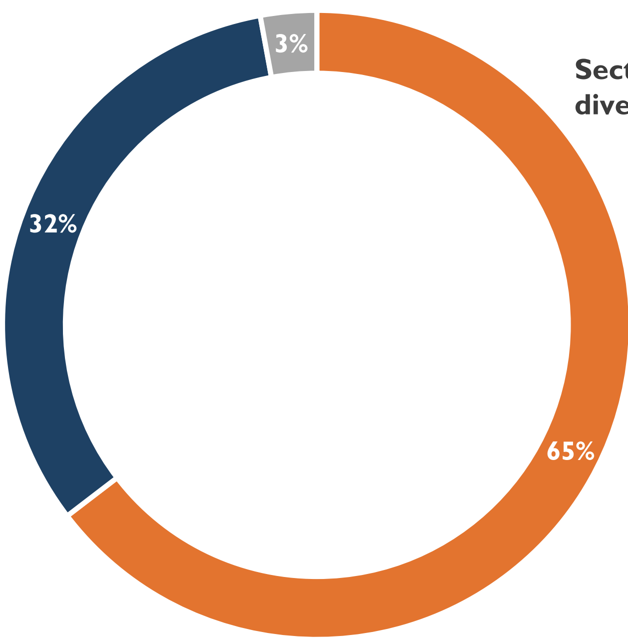
APPENDIX 7

NLA, occupancy and WALT

Property / portfolio As at	NLA sqm Sep-13	Occupancy % Sep-13	Occupancy % Mar-13	WALT years Sep-13	WALT years Mar-13
Sylvia Park, Auckland	71,262	**99.9**	100.0	**4.0**	3.9
LynnMall, Auckland	32,269	**100.0**	100.0	**3.8**	4.0
Centre Place, Hamilton	15,999	**98.7**	97.8	**6.8**	5.8
The Plaza, Palmerston North	32,280	**100.0**	100.0	**3.2**	3.7
North City, Porirua	25,495	**99.7**	99.1	**3.7**	3.9
Northlands, Christchurch	40,730	**100.0**	99.7	**3.9**	3.9
Retail portfolio	**218,035**	**99.8**	99.7	**4.1**	4.0
Vero Centre, Auckland	39,445	**92.4**	93.3	**5.9**	6.3
ASB North Wharf, Auckland	21,625	**99.2**	-	**17.1**	-
205 Queen, Auckland	25,665	**77.5**	89.8	**4.9**	3.8
The Majestic Centre, Wellington	24,507	**94.6**	99.8	**4.4**	4.8
Unisys House, Wellington	22,158	**78.3**	89.2	**1.9**	1.9
44 The Terrace, Wellington	10,109	**87.7**	87.7	**2.4**	2.9
Office portfolio	**143,509**	**88.6**	92.6	**7.0**	4.8
Total portfolio	**361,544**	**95.4**	97.2	**5.1**	4.3

Sector and geographic diversification (by value)

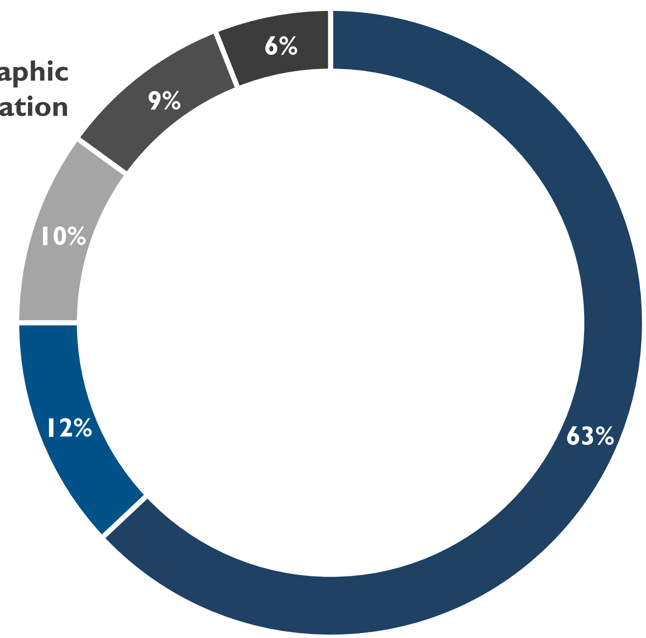
By value %	Auckland	Wellington	Christchurch	Palmerston North	Hamilton	Total by sector Sep-13	Total by sector Mar-13
Retail	35	5	10	9	6	**65**	65
Office	25	7	-	-	-	**32**	25
Other	3	-	-	-	-	**3**	10
Total by region Sep-13	**63**	**12**	**10**	**9**	**6**	**100**	
Total by region Mar-13	64	12	10	9	5		



Sector diversification

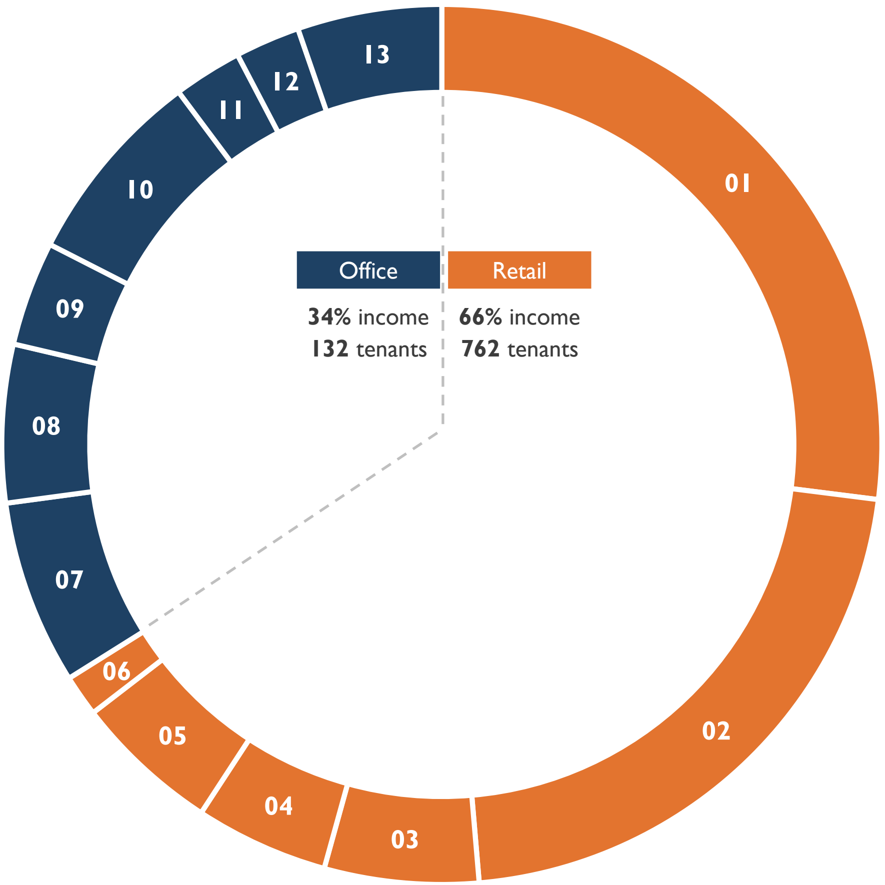
Key: Retail Office Other

Geographic diversification



Key: Auckland Wellington Christchurch Palm. Nth Hamilton

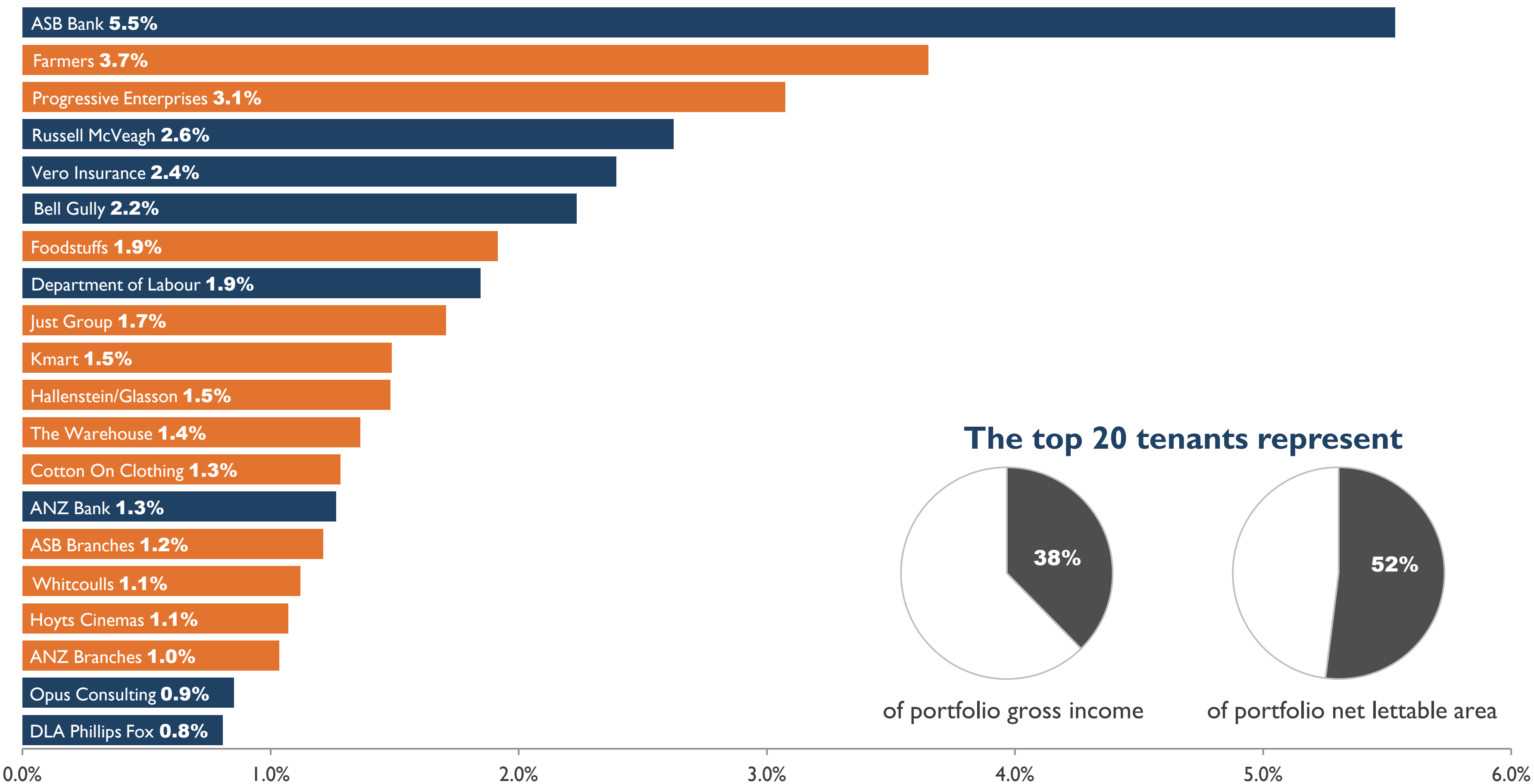
Tenant diversification (by gross income)



01.	New Zealand chains	27%
02.	Australian and international chains	22%
03.	Department and discount department stores	6%
04.	Supermarkets	5%
05.	Independent retailers	5%
06.	Cinemas	1%
	Retail	**66%**

07.	Legal	7%
08.	Government	6%
09.	Insurance	4%
10.	Banking	7%
11.	Consultancy	3%
12.	Financial services	2%
13.	Other	5%
	Office	**34%**

Top 20 tenants (by gross income)



Key: Retail Office

APPENDIX 11

Auckland office market

Statistic	Grade	Actual As at / YE Dec-12	Mvmt	Actual As at / YE Jun-13	Mvmt	Forecast As at / YE Dec-13	Comments
Stock (sqm)	Premium	109,669	▲	142,298	▼	141,575	- ANZ Centre returns to Premium stock post redevelopment - No additional supply forecast over next 3 years
	A-grade	462,951	▼	461,830	▶	461,830	- Minimal movement in stock levels over next 2-3 years - Two new builds forecast in 2015 and 2016 respectively
Absorption (sqm)	Premium	+4,592	▲	+36,891	▼	+34,486	- Positive absorption reflects ANZ Centre at full occupancy - Limited absorption in other buildings
	A-grade	+6,916	▼	-2,597	▼	-5,852	- Negative absorption reflects movement of remaining 20,000 sqm of space in the ANZ Centre from A-Grade to Premium
Vacancy	Premium	7.8% (8,568sqm)	▼	3.0% (4,306sqm)	▲	4.2% (5,988sqm)	- Strong take-up 2013 to date (at Deloitte and PwC Tower), with vacancy stabilising at 3.2% across 2014-2015 due to limited new supply (the 10-year average in this grade is 4.7%)
	A-grade	6.4% (29,455sqm)	▲	6.7% (30,931sqm)	▲	7.4% (34,186sqm)	- Deterioration due to ANZ move from 205 Queen to Premium space ANZ Centre (remains below 10-year average of 8.3%)
Rent ($/sqm) (net effective)	Premium	$389	▲	$399	▲	$409	- Improving with reducing vacancy and incentive levels (Prime incentives now 9.1 months per 9-year lease, down from 12 months) - Forecast to increase 16% from 2012 to 2016
	A-grade	$246	▲	$252	▲	$259	- Expected to increase by over 6% per annum through to 2016 with stronger GDP forecasts
Yield	Premium	7.48%			▼	7.18%	- Yields will firm to <7% from 2014
	A-grade	8.68%			▼	7.88%	- Expected to firm to <7.6% from 2014

Source: CBRE Research, Auckland Property Market Outlook, June 2013 and CBRE Research, Auckland Property Market Monitor, July 2013

Wellington office market

KIWI INCOME PROPERTY TRUST

Statistic	Grade	Actual As at / YE Dec-12	Mvmt	Actual As at / YE Jun-13	Mvmt	Forecast As at / YE Dec-13	Comments
Stock (sqm)	A-grade	257,518	▶	257,518	▲	262,518	- No significant movement in stock until 2016 when stock returns to the market following refurbishment
	B-grade	368,453	▲	373,913	▲	376,661	- Stock levels due to new stock and refurbishment
Absorption (sqm)	A-grade	+5,995	▼	+714	▲	+3,695	- Both A and B-grade buildings have positive absorption through to 2016 reflecting continued tenant demand for better quality buildings and buildings with acceptable seismic ratings
	B-grade	+2,448	▼	-2,355	▲	+4,152	
Vacancy	A-grade	4.0% (10,311sqm)	▼	3.7% (9,597sqm)	▲	4.4% (11,616sqm)	- Relatively stable at around 4% over next three years but increases in 2016 following new supply
	B-grade	6.3% (23,081sqm)	▲	8.0% (29,897sqm)	▼	7.2% (27,137sqm)	- Increase to Jun-13 reflects vacancy following AXA downsize, but improves to ~6% in 2014 with removal of stock for refurbishment
Rent ($/sqm) (net effective)	A-grade	$255	▶	$255	▲	$266[1]	- Current growth in gross rent being offset by increases in opex - Forecast to improve with steady vacancy with growth of 16% from 2012 to 2016
	B-grade	$172	▲	$176	▲	$177[1]	- Rents grew 2.3% over the first half of 2013 as a result of offered incentives being pared back - Average growth of 4.5% from 2013 to 2016 reflecting the more favourable vacancy scenario
Yield	A-grade	8.42%	▼	8.40%	▼	8.22%	- Yields to firm over 2013-2014 reflecting continued investor interest in obtaining good quality, well located stock, then stabilise at 8%
	B-grade	9.73%	▼	9.53%	▼	9.38%	- Improving yields on the back of rental and vacancy improvements, stabilising at 9.1% beyond 2014

Source: CBRE Research, Wellington Property Market Outlook, July 2013 and CBRE Research, Wellington Property Market Monitor, August 2013
Note 1: Forecasts were made prior to the July 2013 earthquake activity and potential impacts are not incorporated into the CBRE forecasts

DISCLAIMER

KIWI INCOME PROPERTY TRUST

Kiwi Income Properties Limited is the manager (the 'Manager') of Kiwi Income Property Trust (KIP). The Manager is a subsidiary of Commonwealth Bank of Australia (the Bank) ABN 48 123 123 124. Neither the Bank nor any member of the Bank's group of companies guarantees or in any way stands behind the performance of KIP or the repayment of capital by KIP. Investments in KIP are not deposits or other liabilities of the Bank or any member of the Bank's group of companies, and investment-type products are subject to investment risk including possible delays in repayment and loss of income and principal invested.

The information contained in this presentation (the 'Presentation') is intended to provide general advice only and does not take into account your individual objectives, financial situation or needs. 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.

All reasonable care has been taken in relation to the preparation and collation of the Presentation. None of KIP, the Manager, New Zealand Permanent Trustees Limited (the 'Trustee'), the Bank, any member of the Bank's group of companies, any of their respective officers, employees, agents or associates, or 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 KIP. 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, KIP, the Manager, the Trustee, the Bank, members of the Bank's group of companies, and their respective officers, employees, agents or 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 KIP's property portfolio, its ability to obtain funding on acceptable terms, the risks inherent in property ownership and leasing, and KIP's business generally. Given these uncertainties, you are cautioned that this Presentation should not be relied upon as a recommendation or forecast by any of KIP, the Manager, the Trustee, the Bank, any member of the Bank's group of companies, or any of their respective officers, employees, agents or associates. None of KIP, the Manager, the Trustee, the Bank, any member of the Bank's group of companies, or any of their respective 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.

November 2013