KIWI INCOME PROPERTY TRUST

ANNUAL RESULT

31 MARCH
2014

Contents

This annual result presentation should be read in conjunction with the NZX announcement and 2014 online annual report released 20 May 2014

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

RESULT OVERVIEW

KIP reaches milestone

- On 3 December 2013, the Trust celebrated 20 years since listing on the New Zealand Stock Exchange

Internalisation

Approved 12 December 2013	- Unit Holders voted overwhelming in favour of internalisation
Settlement 13 December 2013	- The settlement of the internalisation created New Zealand's largest internally managed property entity
Cost and funding	- \$72.5 million termination payment (\$52.2 million after tax) - Inland Revenue confirmed that the payment is deductible for tax - Funded by bank debt
Effects and benefits	- Established a new manager controlled by Unit Holders - Directors appointed by Unit Holders - Provides further alignment of interests between management and Unit Holders - Expected pre-tax net expenditure savings of ~\$8 million per annum (after funding cost)

STRATEGY REVIEW

Post internalisation review of objectives, goals and strategy

KIWI INCOME PROPERTY TRUST

OBJECTIVE

The Trust's objective remains unchanged

- We remain committed to providing investors with a **secure, reliable investment** in New Zealand property
- We will continue to target **superior risk-adjusted returns** over time through the ownership and active management of a **diversified high-quality portfolio**

GOALS

Our goal is to deliver consistent and reliable returns to our investors

Long-term total returns

>9% per annum

Pre-tax distributable earnings per unit growth

>2% per annum

STRATEGY

The strategy to deliver on our goals continues to have three core pillars

Maintain a strong financial position

By maintaining a strong financial position and conservative gearing with appropriate diversity of debt capital sources, a low cost of capital can be maintained thereby optimising equity returns

Intensively manage our property assets

To optimise income and investment performance

Add value through investment decisions

To optimise earnings through the strategic acquisition, divestment and development of property assets

RESULT OVERVIEW

KIWI INCOME PROPERTY TRUST

MARKETS

General economy growing positively and property markets in recovery

Economy
- Recovery broadening
- Business confidence positive
- Household spending recovering

Retail
- Improving confidence and economic indicators 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. Firming yields with strong investment demand

Wellington office
- Weaker demand outlook with contracting Government sector
- Tenant and investment demand greatest for buildings exhibiting seismic strength

FINANCIAL

A solid result notwithstanding one-off internalisation costs

$78.7m Operating profit before tax ↑
- Increased rental income from developments (ASB North Wharf, Centre Place, Northlands)
- Property management fees earned post internalisation

$101.3m Profit after tax ↓
- Improved by:
  - investment property and interest rate derivative valuation gains
  - insurance income
- Offset by:
  - one-off internalisation payment (net of tax)

35.2% Bank debt gearing ratio ↑
- Increased due to internalisation payment and capital expenditure
- Offset by proceeds from the sale of the first 50% tranche of 205 Queen

6.40cpu Cash distribution
- Cash distribution for full year, in line with guidance

OPERATING

Improving market conditions assisted value growth and key metrics

$2.13b Portfolio value ↑
- Development activity
- Reflects uplift from cap rate firming offset by reductions at Centre Place and Unisys House

764 New leases and rent reviews concluded
- Over 196,000 of NLA
- Average 3.0% rent growth achieved over prior passing rentals (excluding development leasing)

4.7 years WALT ↑
- Office WALT increases from 4.8 to 6.4 years
- Retail WALT down marginally to 3.8 years

97.1% Occupancy ↓
- Office occupancy improved to 93.0% assisted by accelerated leasing at 205 Queen
- Retail occupancy healthy at 99.4%

RESULT OVERVIEW

KIWI INCOME PROPERTY TRUST

COMPLETED DEVELOPMENTS

Three projects successfully completed during the period

ASB North Wharf
- Opened on-time and on-budget, delivering a year-one initial yield of 8.5% on $134.0 million development cost
- Now fully leased and valued at $162.2 million

Centre Place
- Final stage opened Oct-13
- Completed offer well received by shoppers
- Initial yield of 5.4%, increasing to ~7% by 2018

Northlands
- Re-opened 11 shops after reconstruction
- Restored $1million in net income

ACTIVE DEVELOPMENTS

Solid progress has been made on the Trust's development activity

The Majestic Centre
- Foundations and transfer beam works due for completion Aug-14
- Overall project completion scheduled for early 2015

56 The Terrace
(Unisys House)
- New 18-year Crown lease negotiated
- $67 million building upgrade to commence late 2014 with completion programmed for Jul-16

DIVESTMENT

Capital recycling to maintain balance sheet flexibility

205 Queen
- First 50% sold for $47.5 million, settled Jan-14
- Remaining 50% sold post balance date for $56.3 million, settling Jun-14

RENTAL INCOME

Assisted by developments, leasing and internalisation

KIWI INCOME PROPERTY TRUST

Net operating income[1] For the year ended	31-Mar-14 $m	31-Mar-13 $m	Variance $m	%
Sylvia Park	34.7	32.5	+2.2	+6.8
LynnMall	15.6	15.1	+0.5	+3.3
Centre Place	4.0	3.7	+0.3	+8.1
The Plaza	14.4	13.6	+0.8	+5.9
North City	7.7	7.7	-	-
Northlands	16.5	14.9	+1.6	+10.7
Retail portfolio	**92.9**	**87.5**	**+5.4**	**+6.2**
Vero Centre	18.7	18.8	-0.1	-0.5
ASB North Wharf	7.9	-	+7.9	+100.0
205 Queen	8.3	8.1	+0.2	+2.5
The Majestic Centre	8.0	7.8	+0.2	+2.6
Unisys House	5.4	6.4	-1.0	-15.6
44 The Terrace	2.1	2.0	+0.1	+5.0
Sold properties[2]	-	1.1	-1.1	-100.0
Office portfolio	**50.4**	**44.2**	**+6.2**	**+14.0**
Other properties	2.7	2.5	+0.2	+8.0
Total portfolio	**146.0**	**134.2**	**+11.8**	**+8.8**
Straight-lining of fixed rental increases	2.7	1.3	+1.4	+107.7
Net rental income (NRI)	**148.7**	**135.5**	**+13.2**	**+9.7**
Net rental income like-for-like[3]	*110.2*	*107.8*	+2.4	+2.2

- NOI increase assisted by:
  - continued strong performance at Sylvia Park
  - completion of Centre Place
  - completion of Northlands
  - completion of ASB North Wharf
  - leasing activity at 205 Queen
- NOI increase also assisted by the Trust receiving the benefit of property management fees post internalisation ($2.6 million)

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.

FINANCIAL PERFORMANCE

Solid performance notwithstanding one-off internalisation costs

KIWI INCOME PROPERTY TRUST

Financial performance For the year ended	31-Mar-14 $m	31-Mar-13 $m	Variance $m	Variance %
Gross rental income	208.2	197.1	+11.1	+5.6
Property operating expenditure	-59.5	-61.6	+2.1	+3.4
Net rental income	**148.7**	**135.5**	**+13.2**	**+9.7**
Net interest expense[1] Appendix 3	-55.7	-49.7	-6.0	-12.1
Manager's base fees	-8.1	-10.4	+2.3	+22.1
Manager's performance fee	-	-3.0	+3.0	+100.0
Management and administration expenses	-6.2	-3.0	-3.2	-106.7
Operating profit before other income/(expenses) and tax[2] Appendix 4	**78.7**	**69.4**	**+9.3**	**+13.4**
Fair value change to interest rate derivatives	29.1	11.7	+17.4	+148.7
Fair value change to investment properties	8.5	21.0	-12.5	-59.5
Loss on disposal of investment properties	-3.3	-0.3	-3.0	-100.0
Insurance and litigation settlement income	52.9	16.6	+36.3	+218.7
Termination of management arrangements	-74.5	-	-74.5	-100.0
Other non-operating items	-0.8	-0.8	-	-
Profit before tax	**90.6**	**117.6**	**-27.0**	**-23.0**
Current tax benefit/(expense)	0.2	-10.2	+10.4	+102.0
Deferred tax benefit	10.5	2.4	+8.1	+337.5
Profit after tax	**101.3**	**109.8**	**-8.5**	**-7.7**

1. Shown net of interest income and interest capitalised.
2. Operating profit before other income/(expenses) and tax is an alternative performance measure used by the Trust to assist investors in assessing the Trust's underlying operating performance and to determine income available for distribution.

- Operating profit increased by:
  - improved NRI
  - savings in management fees post internalisation
- Profit before tax reduced by:
  - one-off cost of internalisation

  offset by:
  - an increase in insurance income receivable in respect of the Northlands insurance claim
  - Fair value gains on interest rate derivatives and investment properties
- Current tax expense reduced due to the deductibility of the internalisation payment

DISTRIBUTIONS In line with guidance

Distributable income For the year ended	31-Mar-14 $m	31-Mar-13 $m	Variance $m	 %
Operating profit before other income/(expenses) and tax[1]	78.7	69.4	*+9.3*	*+13.4*
Depreciation recovery offset[2]	-	3.4	*-3.4*	*-100.0*
Fixed rental income adjustments	-2.6	-1.4	*-1.2*	*-85.7*
Distributable income before tax	**76.1**	**71.4**	**+4.7**	**+6.6**
Current tax expense	0.2	-10.2	*+10.4*	*+102.0*
Distributable income after tax[1]	**76.3**	**61.2**	***+15.1***	**+24.7**

Distributions	31-Mar-14 $m	31-Mar-13 $m	31-Mar-14 cpu[3]	31-Mar-13 cpu[3]
Distributable income after tax	76.3	61.2	7.55	6.17
Transfer from distribution reserve	-	4.3	-	0.43
Transfer to retained earnings	-11.6	-	-1.15	-
Cash distribution	**64.7**	**65.5**	**6.40**	**6.60**
Imputation credits [4]	-	10.2	-	1.02
Gross distributions paid	**64.7**	**75.7**	**6.40**	**7.62**
Distribution reserve (post payment)	11.3	11.3		
Payout ratio	85%	107%		

- Distributable income improved by tax deductibility of internalisation payment
- Excess distributable income transferred to retained earnings

1. Operating profit before other income/(expenses) 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. Calculated using the number of units entitled to the relevant distributions.
4. Due to the tax deductibility of the internalisation payment, the directors have determined that there are no imputation credits available to be attached to the final distribution as the Trust is a Portfolio Investment Entity, the payment will be an excluded distribution for tax purposes, with no tax payable by New Zealand resident investors.

FINANCIAL POSITION

Committed to a strong financial position

Financial position As at		31-Mar-14 $m	31-Mar-13 $m	Movement $m	 %
Assets					
Investment properties	Appendix 5	2,130.2	2,076.5	*+53.7*	*+2.6*
Cash	Appendix 6	9.2	12.0	*-2.8*	*-23.3*
Insurance income receivable		64.3	16.6	*+47.7*	*+287.3*
Other assets		32.1	21.4	*+10.7*	*+50.0*
Total assets		**2,235.8**	**2,126.5**	***+109.3***	***+5.1***
Liabilities					
Bank debt	Appendix 6	786.5	681.0	*+105.5*	*+15.5*
Mandatory convertible notes		119.7	118.9	*+0.8*	*+0.7*
Deferred tax liability		93.5	101.1	*-7.6*	*-7.5*
Other liabilities		47.6	93.4	*-45.8*	*-49.0*
Total liabilities		**1,047.3**	**994.4**	**+52.9**	**+5.3**
Unit Holders' funds		**1,188.5**	**1,132.1**	**+56.4**	**+5.0**
Trust Deed gearing (requirement <45%)[1]		*35.2%*	*32.0%*	*+3.2 bps*	
Net tangible asset backing per unit (NTA)		*$1.17*	*$1.14*	*+$0.03*	

1. Calculated as secured bank debt over total assets.

The Trust has a long and successful track record of maintaining a strong balance sheet. In our anniversary year, the balance sheet remains in good shape.

Key NTA movements	$/unit
Insurance and litigation income	+0.05
Fair value gains	+0.03
Internalisation costs	-0.07
Tax credits	+0.01
Retained earnings	+0.01
Net movement	**+0.03**

BANK DEBT PROFILE

Facility levels increased and active management continues

KIWI INCOME PROPERTY TRUST

Bank facilities As at 31 March 2014		Facilities expiring $m	 %
FY15		-	-
FY16	ANZ **$72.5**	72.5	8.3
FY17	ANZ **$105.0**; Westpac **$77.5**	182.5	20.9
FY18	BNZ **$92.5**; CBA **$100.0**	192.5	22.0
FY19	Westpac **$100.0**; BNZ **$127.5**; CBA **$100.0**	327.5	37.4
FY20	CBA **$100.0**	100.0	11.4
Total facilities		**875.0**	**100.0**

	31-Mar-14	31-Mar-13
Weighted term to maturity (years)	3.4	3.8
Weighted average cost of facilities (incl. margin and fees)	6.01%	7.05%
% of drawn debt hedged Appendix 7	74%	80%

- Debt facilities increased $25 million to $875 million in December 2013 to assist in financing internalisation payment
- $465 million of facilities renewed and extended during the year
  - $100 million extended on six-year terms

Our weighted average cost of debt has reduced to ~6% reflecting the expiry of more expensive interest rate swaps as well as the lower interest rate environment.

PORTFOLIO METRICS

Sound portfolio metrics maintained

KIWI INCOME PROPERTY TRUST

Core portfolio metrics[1]		31-Mar-14 Retail	31-Mar-14 Office	31-Mar-14 Total	31-Mar-13 Total
Number of assets		6	6	**12**	11
Value ($000)		1,390.2	674.6	**2,064.8**	1,874.9
Proportion of total portfolio by value	Appendix 9	65%	32%	**97%**	90%
Weighted average capitalisation rate		7.17%	7.23%	**7.19%**	7.52%
(Under)/over-renting		+0.9%	+1.8%	**+1.2%**	+1.0%
Net lettable area (sqm)	Appendix 8	229,754	143,523	**373,277**	338,986
Number of tenants	Appendix 10	778	141	**919**	865
Proportion of core portfolio by gross income		67%	33%	**100%**	100%
Occupancy (by area)	Appendix 8	99.4%	93.0%	**97.1%**	97.2%
Weighted average lease term (by income)	Appendix 8	3.8 years	6.4 years	**4.7 years**	4.3 years

1. The current year excludes adjoining properties and development land with a value of $65.4 million, 3% of total portfolio value. The prior year excludes ASB North Wharf which was under construction, as well as adjoining properties and development land with a value of $201.6 million, 10% of total portfolio value.

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

PORTFOLIO VALUE

Positive revaluation result

KIWI INCOME PROPERTY TRUST

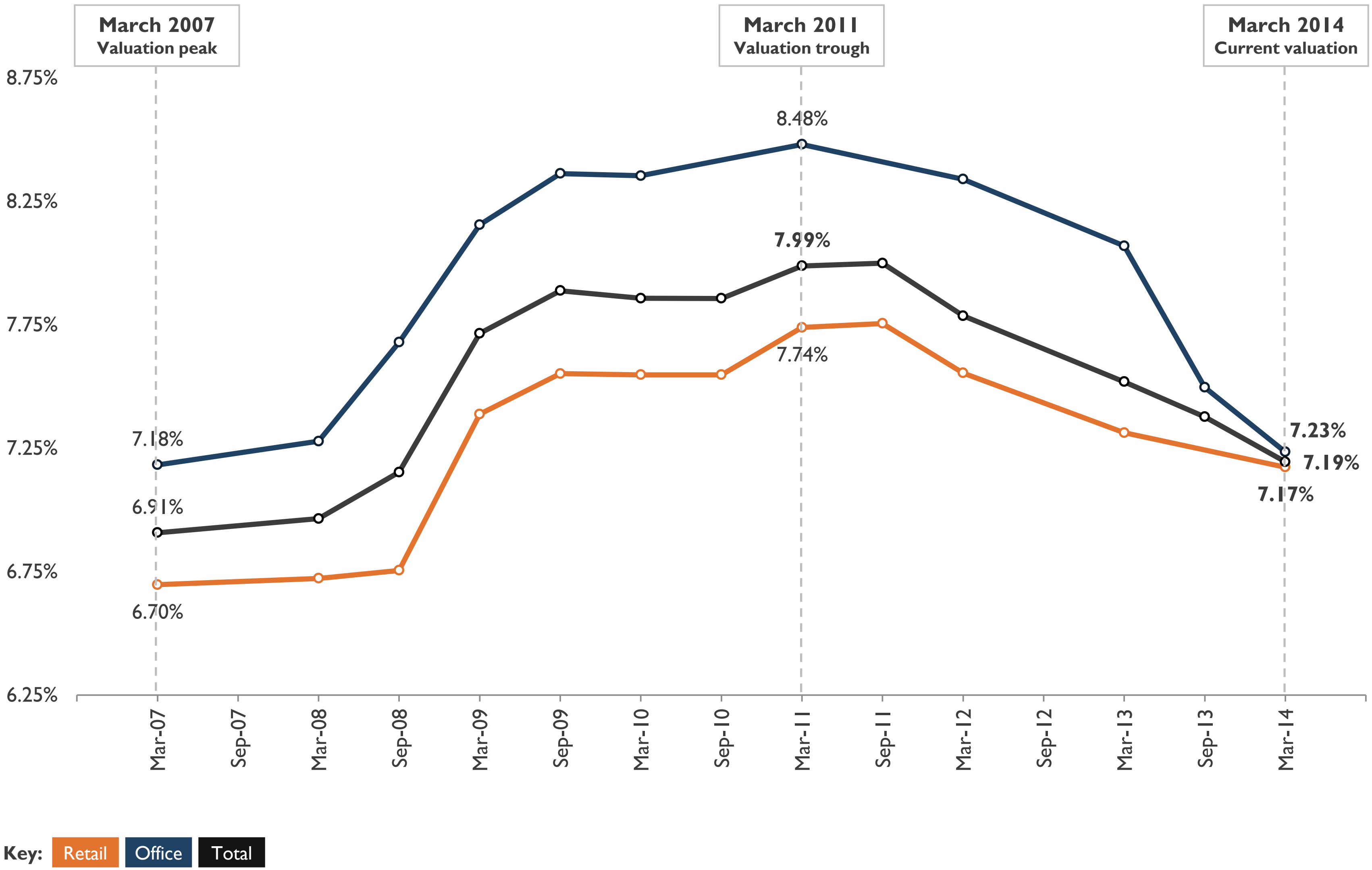
Portfolio / property As at	Capitalisation rates % Mar-14	Capitalisation rates % Mar-13	Capitalisation rates % Var. bps	Adopted value $m Mar-14	Adopted value $m Mar-13	Fair value increase/(decrease) $m	Fair value increase/(decrease) %
Sylvia Park	6.50	6.63	-13	564.0	540.0	+21.5	+4.0
LynnMall	7.13	7.38	-25	206.0	204.0	+0.2	+0.1
Northlands	7.75	7.75	-	205.3	205.5	-12.7	-5.8
The Plaza	7.25	7.50	-25	196.0	196.0	-	-
Centre Place	8.25	8.25	-	122.5	104.9	-14.5	-10.6
North City	8.25	8.25	-	96.4	99.5	-4.0	-4.0
Retail portfolio	**7.17**	**7.31**	**-14**	**1,390.2**	**1,349.9**	**-9.5**	**-0.7**
Vero Centre	6.88	7.50	-62	299.0	273.0	+25.2	+9.2
ASB North Wharf[1]	6.88	*7.38*	*-50*	162.2	-	+8.7	+5.7
The Majestic Centre	8.00	8.00	-	76.6	61.3	-4.6	-5.7
205 Queen (50% interest)[2]	8.50	9.13	-63	56.3	96.6	+3.7	+7.1
Unisys House[3]	7.25	8.75	-150	53.4	67.0	-17.4	-24.6
44 The Terrace	8.50	8.50	-	27.1	27.1	-0.1	-0.5
Office portfolio	**7.23[4]**	**8.07[4]**	**-83[4]**	**674.6**	**525.0**	**+15.5**	**+2.4**
Investment portfolio	**7.19[5]**	**7.52[5]**	**-32[5]**	**2,064.8**	**1,874.9**	**+6.0**	**+0.3**
ASB North Wharf (under construction)				-	140.1	-	-
Adjoining properties				45.9	42.5	+2.5	+4.0
Development land				19.5	19.0	-	-
Total portfolio				**2,130.2**	**2,076.5**	**+8.5**	**+0.4**

An improving Auckland office market has underpinned the positive valuation result across the portfolio.

1. ASB North Wharf transferred to the core portfolio following practical completion on 31 May 2013. The Mar-13 capitalisation rate is shown for comparative purposes only but is not included in the weighted average calculation for that year.
2. The remaining 50% interest was sold post balance date for $56.3 million, settling Jun-14.
3. Capitalisation rate at Mar-14 is the 'on completion' assessed rate.
4. The like-for-like capitalisation rate is 7.36% (Mar-13: 7.83%). This excludes ASB North Wharf (under construction in prior year) and Unisys House (change of valuation methodology pending redevelopment).
5. The like-for-like capitalisation rate is 7.22% (Mar-13: 7.43%).

PORTFOLIO CAP RATES

Firming trend continues



LEASING AND RENT REVIEWS An active year for portfolio leasing

KIWI INCOME PROPERTY TRUST

Static portfolio activity By portfolio	No. of tenancies	NLA sqm	NLA % of portfolio	Uplift over prior passing rent $000	Uplift %	CAGR %	WALT years
Rent reviews	550	115,500	50	2,494	+3.5	+3.2	-
New leasing	132	19,831	9	118	+0.9	-	4.8
Retail portfolio	**682**	**135,331**	**59**	**2,612**	**+3.1**		
Rent reviews	29	13,574	10	144	+2.6	+1.2	-
New leasing	29	19,756	14	86	+1.2	-	5.0
Office portfolio	**58**	**33,330**	**24**	**230**	**+1.8**		
Total (Static activity)	**740**	**168,661**	**83**	**2,842**	**+3.0**		

Development leasing	No. of tenancies	~ NLA sqm	Type
Centre Place and Northlands	21	2,651	Retail - specialty
ASB North Wharf	2	443	Retail - hospitality
56 The Terrace (Unisys House)	1	24,232	Office - Crown (Ministry of Social Development)
Total (Development activity)	**24**	**27,326**	

Total (All activity)	**764**	**195,987**

CPI and fixed rent reviews underpin retail growth

- Fixed and CPI-related rent reviews (~89% of all reviews) delivered **+3.5%** growth

Rental uplift concentrated in larger regional centres

The Plaza	+17.4%
Northlands	+16.0%
Sylvia Park	+5.2%
LynnMall	-4.3%
Centre Place	-9.4%
North City	-11.4%
Total	**+0.9%**

Positive result from office activity indicative of improving fundamentals in Auckland

Auckland office	+3.3%
Wellington office	+0.4%
Total	**+1.8%**

(Under)/over renting position

Retail	+0.9%
Office	+1.8%
Total	**+1.2%**

EXPIRIES AND WALT

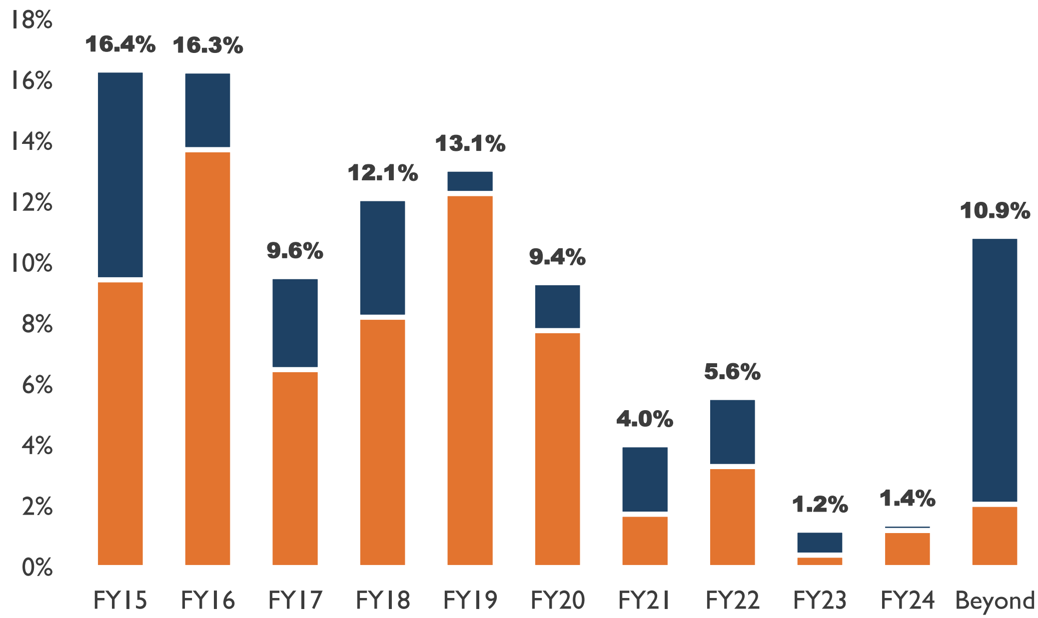
WALT extended

- The weighted average lease term has improved primarily due to:
  - completion of Centre Place leasing
  - completion of ASB North Wharf
  - leasing at 205 Queen
- The expiry profile is well balanced. The FY15 office portfolio expiry spike relates primarily to Unisys House with tenants vacating ahead of refurbishment and new 18-year Crown lease
- Key expiries in the FY15 year are:

Property	Tenant	sqm
Northlands	The Warehouse	7,052
The Majestic Centre	IBM	1,990
Unisys House	Ministry of Business, Innovation and Employment	11,748
Unisys House	Contact Energy	4,202
Unisys House	Unisys	2,403
44 The Terrace	Tertiary Education Comm.	2,744

Weighted average lease term (by gross income)

Lease expiry profile (by gross income)



Key: Retail Office Total

SALES

Consumer confidence lifts sales

KIWI INCOME PROPERTY TRUST

Centre	Total sales		Specialty stores	
	$m	%	Sales $/sqm	GOC %
Sylvia Park	459.6	+1.0	9,595	
LynnMall	217.6	-1.2	7,441	
Centre Place	80.2	+22.5	6,536	
The Plaza	193.4	+1.5	8,601	
North City	105.3	+3.2	7,410	
Northlands	363.3	+1.9	10,068	
Total portfolio	**1,419.4**	**+2.1**	**8,612**	**13.9**

Category	Total sales		Unaffected sales[1]	
	$m	%	$m	%
Supermarkets	375.6	-0.4	211.7	-1.3
Dept. and discount dept. stores	203.6	+8.7	136.5	+4.5
Cinemas	19.8	+2.8	15.1	+4.2
Mini-majors	149.6	-5.6	130.4	-6.3
Specialty	571.8	+3.1	420.7	+2.7
Commercial services	99.0	+6.1	61.5	+3.5
Total	**1,419.4**	**+2.1**	**975.9**	**+0.8**

1. Unaffected sales provides a more normalised picture of sales trends and excludes centres which have undergone redevelopment in either year of comparison. In this instance both Centre Place and Northlands are excluded.

- Increasing consumer confidence lifts discretionary spending
- Portfolio sales +2.1%
  - Sales increased for 5 out of 6 centres
  - LynnMall affected by decline in supermarket sales
- Well performing categories on an unaffected basis include:
  - Specialty retail +2.7%
    - Jewellery +8.4%
    - Personal services +6.5%
    - Men's apparel +4.0%
    - Footwear +3.2%
  - Department stores +4.5%
- Unaffected supermarket sales (-1.3%) impacted by new store openings
  - PAK'nSAVE +2.6%
  - Countdown -2.9%

DEVELOPMENT ACTIVITY

Two major projects completed

KIWI INCOME PROPERTY TRUST

ASB NORTH WHARF

- ASB's 18-year lease commenced 1 July 2013
- All food and beverage tenancies now leased
- Won recent NZIA 'New Zealand Architecture Medal'

Cost and value	Achieved	Forecast
Development budget[1]	$134.0m	$132.1m
Initial yield	8.5%	~8.5%
Value on completion	$162.2m	$138.5m
Cap rate on completion	6.88%	7.75%

ASB lease details	
Net lettable area	20,006 sqm
Rent reviews	Annual fixed 2.5% pa

1. Excludes $10.7 million of additional MCN holding costs which were capitalised over the period of the development.

CENTRE PLACE

- Opened October 2013 with Farmers, METRO by Hoyts and ~30 new specialty stores
- Refreshed offer well received by shoppers

Cost and value	
Pre-development value	$86.5m
Development cost[1]	$35.6m
Total investment	$122.1m
Value on completion	$122.5m

Income and yield	
Projected FY15 - FY18 NOI[2]	$6.6m - $8.2m
Projected yield[3]	5.4% - 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.

THE MAJESTIC CENTRE

Strengthening assists tenant retention

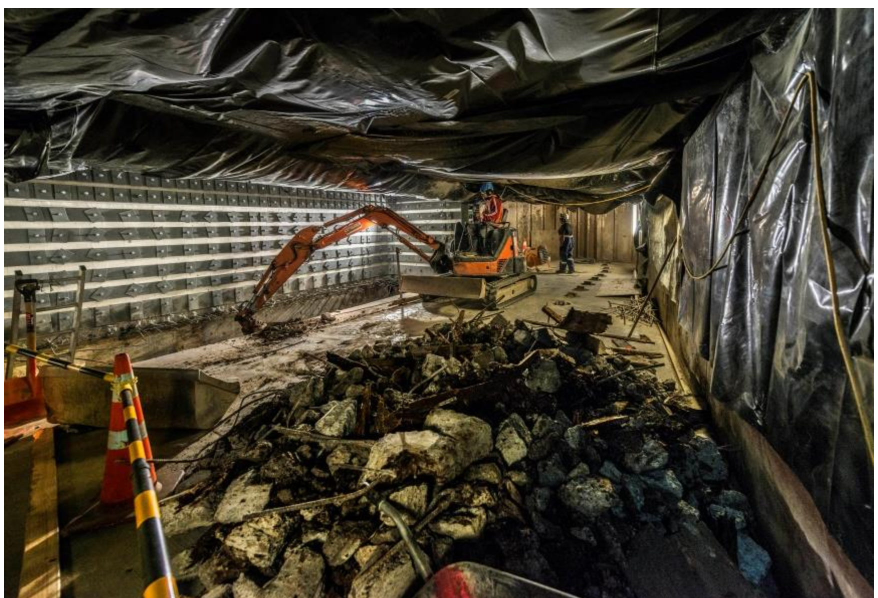
PROJECT STATUS

Foundations	Due for structural completion August 2014
Transfer beam	Concrete works complete by late August 2014 Final structure complete Q4 2014
On-floor works	Technical and logistical challenges being overcome. Completion by early 2015
Core confinement	

LEASING

Since project commencement, a number of large occupiers have taken new leases within the building, including:

Tenant	NLA [sqm]	Term [years]	FY
Opus	3,331	12	13
NZ Trade and Enterprise	2,976	7	13
Ernst & Young	2,050	7.7	14
Cigna	2,156	9	14



Basement excavation in preparation for new foundation pad

Major foundation concrete pour: 79 trucks, 366 cubic metres

56 THE TERRACE

Long-term Crown lease over all office space

FINANCIAL METRICS

Cost and value

Pre-development value (Sep-13)	$51.2m
Development cost[1]	$65.7m
Total investment	$119.1m
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	18 years from August 2016
Rent reviews	Fixed 1.75% pa (3-yearly rests) Market every 6 years

PROGRAM

Progress	Developed design nearing completion Contractor appointed (LT McGuinness)
Estimated construction start	November 2014
Target completion date	July 2016

1. Excludes costs relating to leasing fees and incentives.

205 QUEEN

Disposal in line with strategy

KIWI INCOME PROPERTY TRUST

Transaction details	
Purchaser	Auckland City Holdings Ltd (a company associated with Brisbane-based Bloomberg Incorporation Ltd)
Tranche 1	
Interest	50%
Purchase price[1]	$47.5 million (reflecting Mar-13 independent valuation)
Settled	31 January 2014
Tranche 2	
Interest	50%
Purchase price[1]	$56.3 million (reflecting Mar-14 independent valuation)
Settlement due	3 June 2014

- The sale is in line with the strategy of recycling capital to maintain balance sheet flexibility

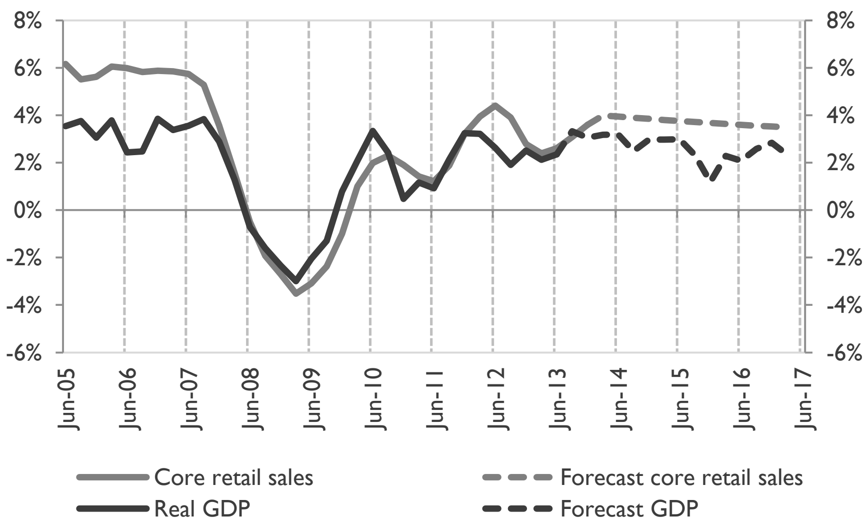
1. Before disposal costs.

MARKET OVERVIEW

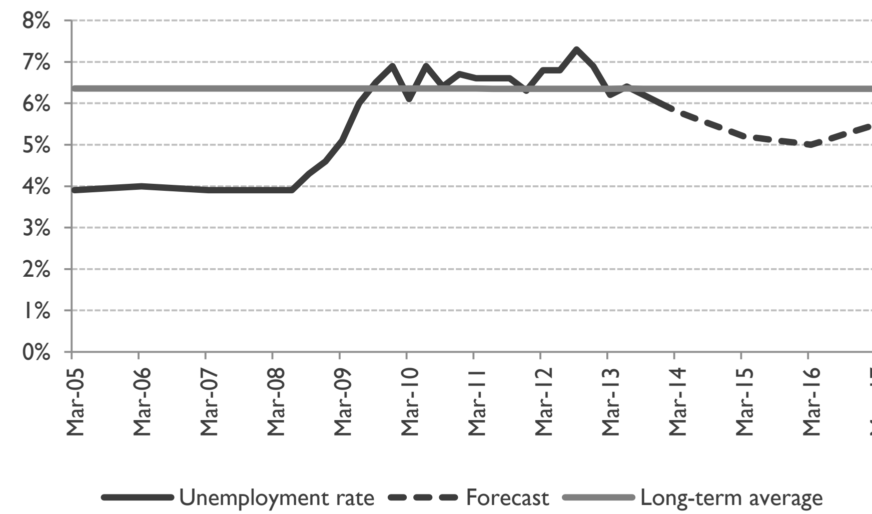
Retail sales

Portfolio weighting by value	Outlook	Key points	
65.2%	↗	**Sales growth outlook positive**	- Increasing consumer and business confidence - Positive GDP growth forecasts over medium term (3.6% for 2015) - Reducing unemployment - Wages growth - Positive migration

Retail sales and economic growth
(% change YoY)



Unemployment rate (%)



Sources: Statistics New Zealand - Statistics as at Mar-14, released May-14, New Zealand Institute of Economic Research, Quarterly Predictions, Mar-14, New Zealand Institute of Economic Research, Consensus Forecasts, Mar-14.

MARKET OVERVIEW

Auckland CBD office

Portfolio weighting by value	Outlook	Key points: (Premium and A-grade accommodation)	
24.3%	↑	**Supply**	Prime office (Premium and A-grades) forecast to remain static over 2014 before fringe CBD A-grade development comes on stream from 2015
		Absorption	Solid occupier demand environment forecast to result in positive absorption across Prime office grades until at least 2017
		Vacancy	Premium-grade vacancy 3.3%, forecast to decline to 0.4% by 2017 A-grade vacancy 4.6%, forecast to decline to 3.2% by 2017
		Rents	Net effective rents are forecast to increase 7-8% over 2014 with growth moderating to 3-4% per annum through to 2017
		Yield	Investment yields are forecast to firm by 20-30 basis points over the next two years then stabilise

Comparison
KIP buildings vs CBRE statistics

	Auckland CBD (Premium to C-grade)	Premium	Vero Centre	A-grade	205 Queen	ASB North Wharf
Vacancy	11.0%	3.3%	7.3%	4.6%	7.0%	0.0%
Yield / Cap rate	8.6%	7.1%	6.9%	7.9%	8.5%	6.9%

CBRE statistics are as at December 2013.
KIP statistics are as at March 2014.

Refer to Appendix 11 for key statistics and notes on the Premium and A-grade Auckland office markets

MARKET OVERVIEW

Wellington CBD office

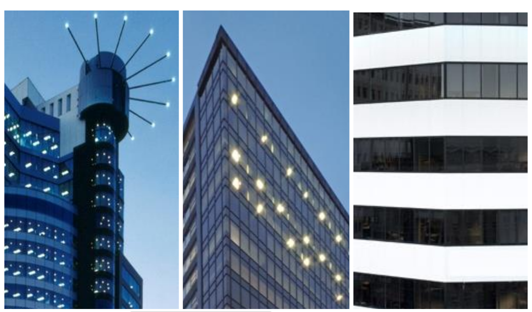
KIWI INCOME PROPERTY TRUST

Portfolio weighting by value	Outlook	Key points: (A-grade and B-grade accommodation)	
7.4%	⟺	**Supply**	Limited new building activity forecast and the supply environment is unpredictable, being dictated by removal of buildings from the market for seismic strengthening
		Absorption	Absorption is forecast to be negative over the short term with employment growth in Wellington offset by government sector space rationalisation. Absorption will focus on those buildings exhibiting seismic strength
		Vacancy	In general, a complex supply/demand environment makes forecasting vacancy difficult and, again, better quality, strengthened buildings will benefit
		Rents	Rents are forecast to increase but the rate of growth will be suppressed by historic over-renting, increasing opex and a reduction in government-occupied space
		Yield	Investment yields are forecast to firm by 20 to 30 basis points over the next two years then stabilise

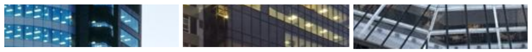
Comparison
KIP buildings vs CBRE statistics

	Wellington CBD (Premium to C-grade)	**A-grade**	The Majestic Centre	**B-grade**	Unisys House	44 The Terrace
Vacancy	10.5%	1.5%	13.1%	8.0%	4.1%	12.3%
Yield / Cap rate	9.9%	8.2%	8.0%	9.5%	7.3%*	8.5%

CBRE statistics are as at December 2013.
KIP statistics are as at March 2014.
* Unisys House capitalisation rate represents the 'on completion' assessed rate.



Refer to Appendix 12 for key statistics and notes on the A-grade and B-grade Wellington office markets



2015 PRIORITIES

Continue to build for the future

GENERAL

Bed down internalisation
- Continue to bed down the Trust post internalisation, including establishment of standalone systems

Develop corporatisation proposal
- Develop a corporatisation proposal for Unit Holder approval to move from a trust to a company structure

MAINTAIN A STRONG BALANCE SHEET

Actively manage treasury position
- Focus on interest rate management
- Renew and extend existing bank facilities
- Further evaluate debt diversification options

Conversion of Mandatory Convertible Notes
- Ensure the orderly conversion of the Trust's MCNs in December 2014

INTENSIVE ASSET MANAGEMENT

Maintain active portfolio leasing programmes
- Actively manage expiring leases to minimise vacancy, with a particular focus on the remaining leasing at Vero Centre and the whole of building lease to the Crown at 44 The Terrace

Continue to refine and evolve the retail mix
- Continue to improve the shopper experience through marketing, leasing and ambience enhancements
- Target retailers with successful multi-channel capability and explore in-centre opportunities to support distribution

The Majestic Centre
- Complete seismic strengthening works

ADD-VALUE THROUGH INVESTMENT DECISIONS

56 The Terrace (Unisys House)
- Commence refurbishment works

LynnMall
- Finalise plans for the development of an entertainment and leisure precinct

Acquisition/divestment opportunities
- Actively investigate opportunities to undertake value-added acquisitions or divestments, consistent with the Trust's strategy

Projected cash distribution of 6.50cpu

OUTLOOK

- Economy is growing and business confidence is positive
- Property sector fundamentals are positive, under-pinned by rental growth prospects

DISTRIBUTION GUIDANCE

- Projected FY15 distribution guidance of 6.50 cents per unit
  - Based on the outlook for the Trust and subject to a continuation of reasonable economic conditions
  - The Trust's distribution reserve, together with the financial benefits arising from internalisation, will enable us to accommodate the rental void at 56 The Terrace as the building is refurbished

Vero Centre, Auckland

APPENDICES Index

KIWI INCOME PROPERTY TRUST

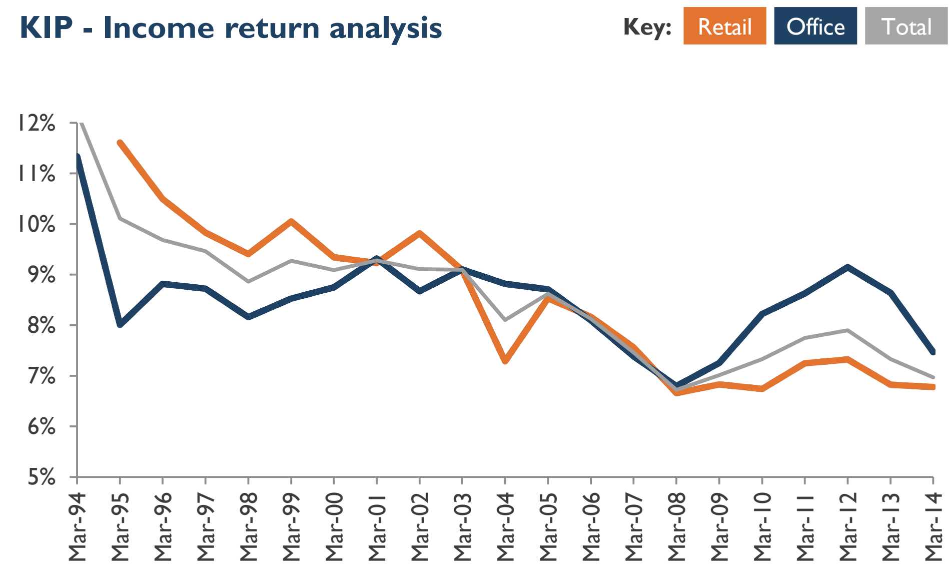
APPENDIX 1

Strategy review
Benefits of diversification

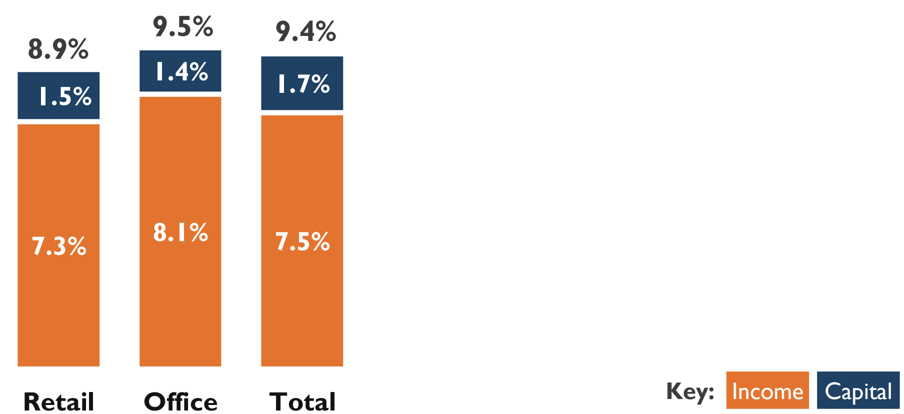
Diversification delivers superior risk-adjusted returns over time by reducing the volatility of income returns

- Enables consistency of income through the cycle
- Provides flexibility to allocate capital to individual sector opportunities that have the superior business case at a point in time
- Provides the ability to 'dial up' or 'dial down' different sector streams at appropriate times in the cycle

KIP - Income return analysis



KIP - 10-year returns



APPENDIX 2

Strategy review
Benefits of diversification - correlation

- Total returns between core sectors show strong positive correlation >80%
- Capital growth is similarly positively correlated
- Income returns show low correlation (39% core retail to office)

Total returns correlation – 10-year (%)

	Retail	Office	Office (Akld)	Office (Wgtn)
Retail	100			
Office	86	100		
Office (Akld)	85	93	100	
Office (Wgtn)	62	81	55	100

Capital growth correlation – 10-year (%)

	Retail	Office	Office (Akld)	Office (Wgtn)
Retail	100			
Office	83	100		
Office (Akld)	83	93	100	
Office (Wgtn)	58	82	55	100

Income return correlation – 10-year (%)

	Retail	Office	Office (Akld)	Office (Wgtn)
Retail	100			
Office	39	100		
Office (Akld)	65	92	100	
Office (Wgtn)	-12	80	51	100

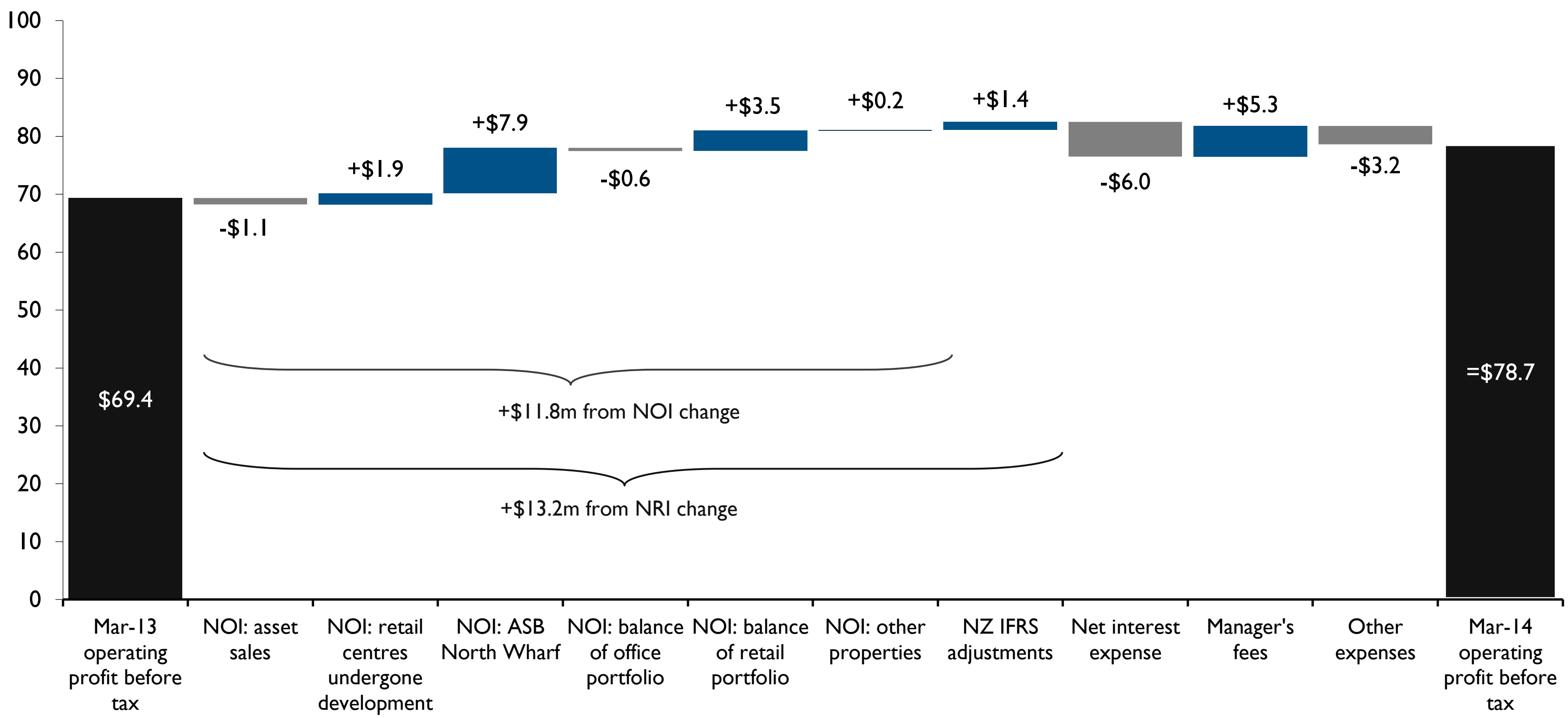
APPENDIX 3

Net interest expense

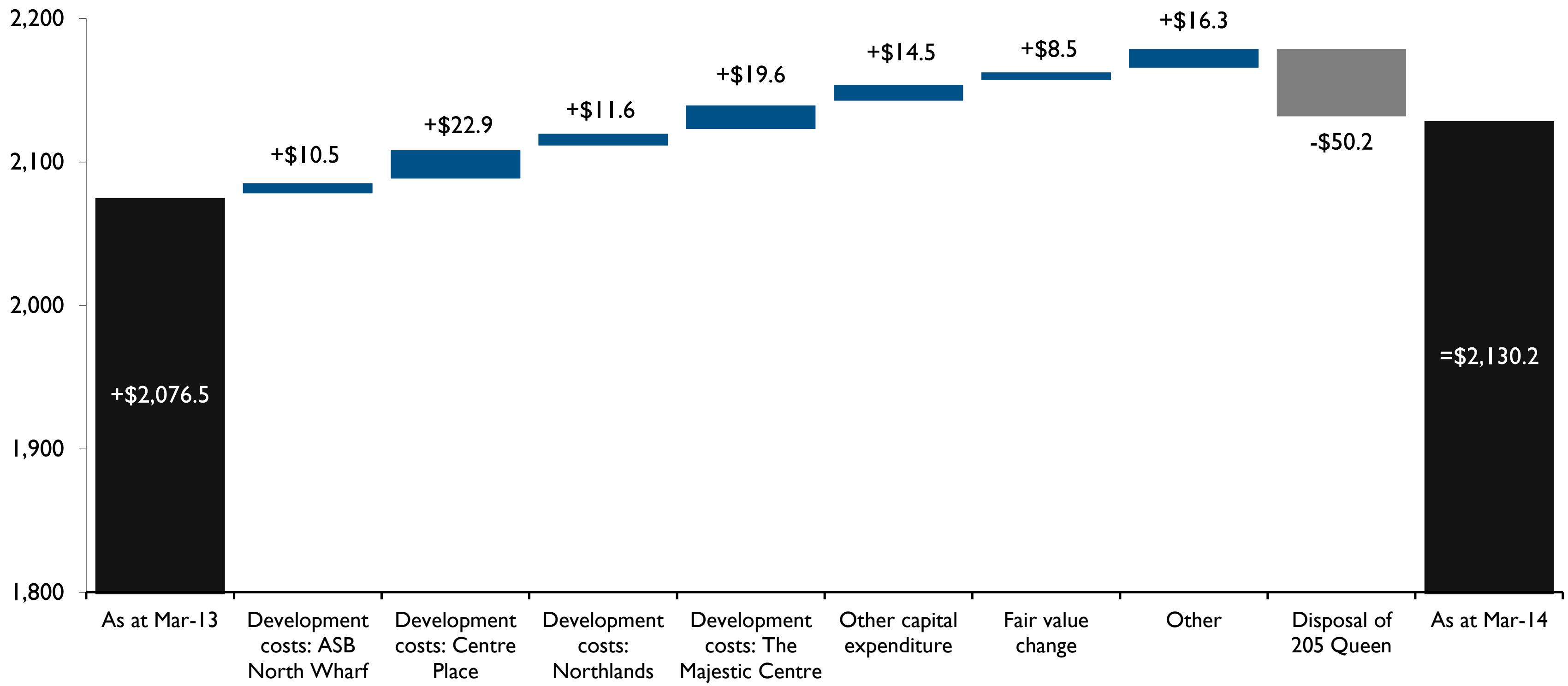
For the year ended	31-Mar-14 $m	31-Mar-13 $m	Variance $m	Variance %
Interest income	0.4	1.6	*-1.2*	*-75.0*
Interest on bank debt	-50.4	-52.3	*+1.9*	*+3.6*
Interest on MCNs	-10.7	-10.7	-	-
Net interest expense incurred	**-60.7**	**-61.4**	***+0.7***	***+1.3***
Interest capitalised to:				
ASB North Wharf	1.9	10.2	*-8.3*	*-81.4*
The Majestic Centre	1.3	0.1	*+1.2*	*+100.0*
Centre Place	0.8	0.6	*+0.2*	*+33.3*
Other	1.0	0.8	*+0.2*	*+25.0*
Net interest expense	**-55.7**	**-49.7**	***-6.0***	***-12.1***

Operating profit before tax (FY13 to FY14, $m)

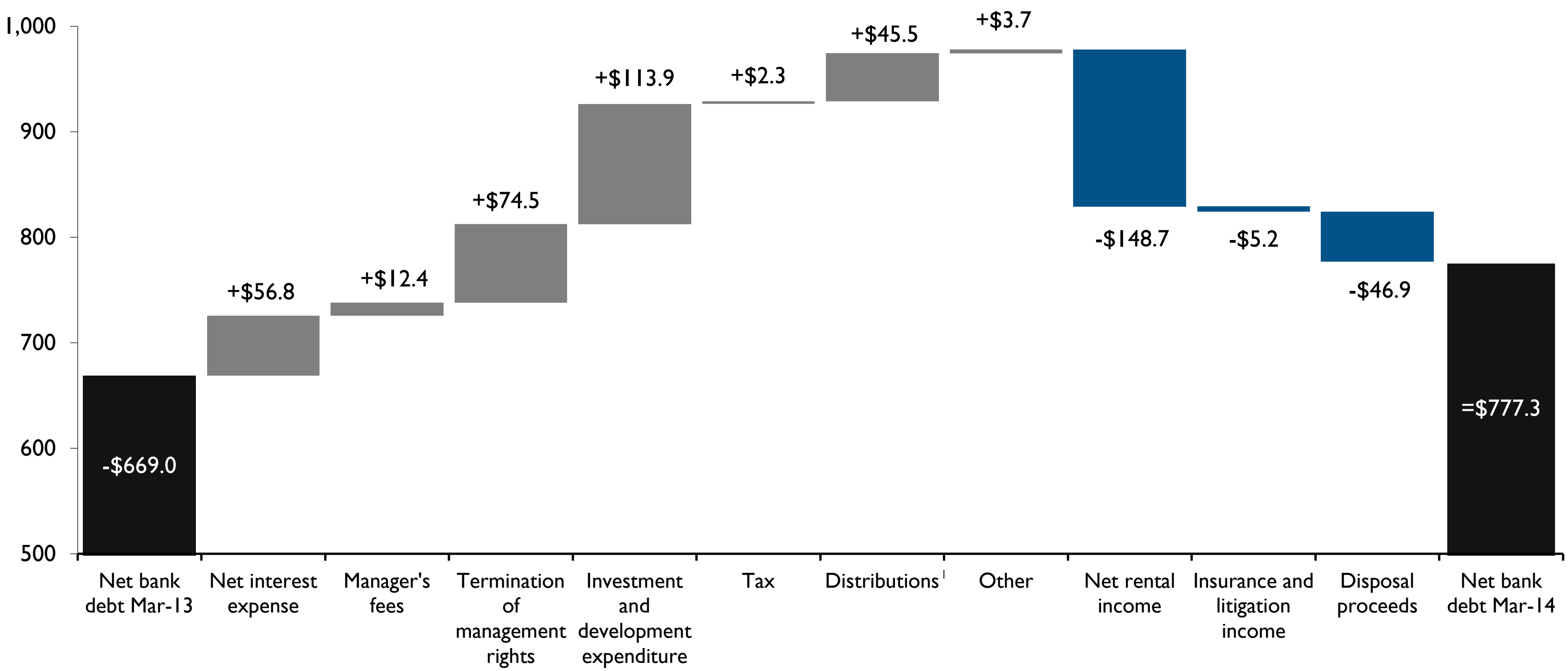
KIWI INCOME PROPERTY TRUST



Investment properties (FY13 to FY14, $m)



Net bank debt (FY13 to FY14, $m)



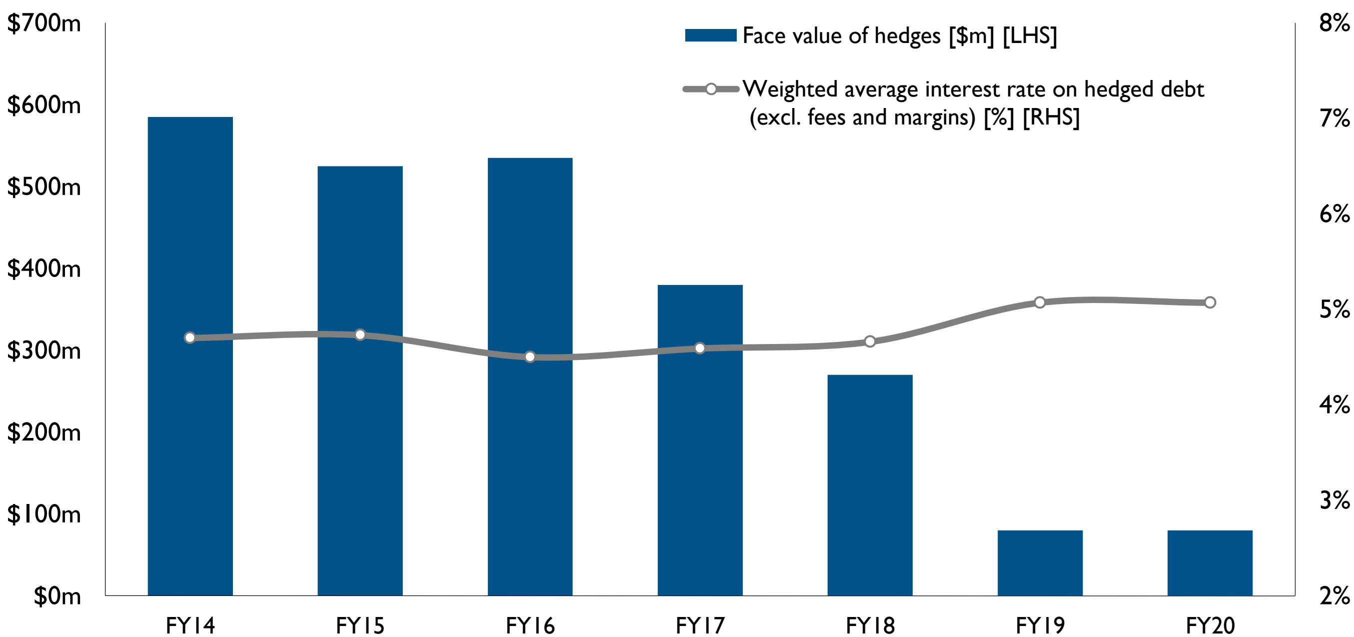
1. Net of DRP and reinvestment of performance fee.

APPENDIX 7

Interest rate hedging profile

Hedging profile	31-Mar-14	31-Mar-13
Percentage of drawn debt hedged [fixed rate]	74%	80%
Weighted average interest rate of active swaps [excl margin and fees]	4.70%	5.85%
Weighted average term to maturity of interest rate hedges	2.9 years	2.4 years

Hedge maturity profile



APPENDIX 8

Portfolio statistics

Property / portfolio As at	Ownership %		NLA sqm		Occupancy %		WALT years	
	Mar-14	Mar-13	Mar-14	Mar-13	Mar-14	Mar-13	Mar-14	Mar-13
Sylvia Park, Auckland	**100**	100	71,185	71,267	**99.6**	100.0	**3.6**	3.9
LynnMall, Auckland	**100**	100	32,220	32,129	**100.0**	100.0	**3.6**	4.0
Centre Place, Hamilton	**100**	100	26,869	15,854	**95.7**	97.8	**6.0**	5.8
The Plaza, Palmerston North	**100**	100	32,281	32,440	**100.0**	100.0	**3.5**	3.7
North City, Porirua	**100**	100	25,702	25,542	**100.0**	99.1	**3.5**	3.9
Northlands, Christchurch	**100**	100	41,497	39,893	**100.0**	99.7	**3.6**	3.9
Retail portfolio	**100**	100	**229,754**	217,125	**99.4**	99.7	**3.8**	4.0
Vero Centre, Auckland	**100**	100	39,445	39,443	**92.7**	93.3	**5.4**	6.3
ASB North Wharf,[1] Auckland	**100**	100	21,625	-	**100.0**	-	**16.6**	-
205 Queen,[2, 3] Auckland	**50**	100	25,679	25,663	**93.0**	89.8	**4.6**	3.8
The Majestic Centre, Wellington	**100**	100	24,507	24,488	**86.9**	99.8	**4.2**	4.8
Unisys House, Wellington	**100**	100	22,158	22,158	**95.9**	89.2	**0.5**	1.9
44 The Terrace, Wellington	**100**	100	10,109	10,109	**87.7**	87.7	**1.9**	2.9
Office portfolio	**100**	100	**143,523**	121,861	**93.0**	92.6	**6.4**	4.8
Total portfolio			**373,277**	338,986	**97.1**	97.2	**4.7**	4.3

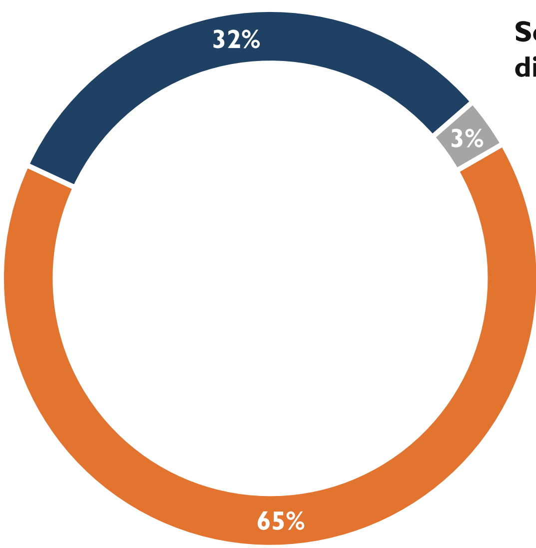
1. ASB North Wharf was under construction at Mar-13.
2. Reported occupancy and WALT statistics are weighted to the property's ownership percentage.
3. Post balance date, the remaining 50% has been sold for $56.3 million, settling Jun-14.

Sector and geographic diversification (by value)

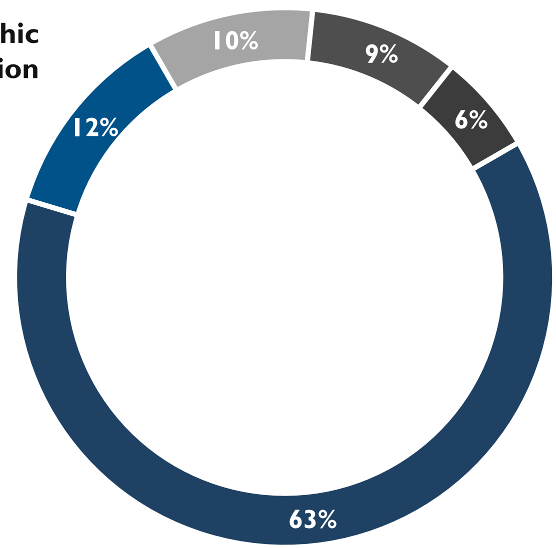
KIWI INCOME PROPERTY TRUST

By value [%]	Auckland	Wellington	Christchurch	Palmerston North	Hamilton	Total by sector	
						Mar-14	Mar-13
Retail	36.1	4.5	9.6	9.2	5.8	**65.2**	65
Office	24.3	7.4	-	-	-	**31.7**	25
Other	2.5	0.1	0.3	-	0.2	**3.1**	10
Total by region Mar-14	**62.9**	**12.0**	**9.9**	**9.2**	**6.0**	**100.0**	
Total by region Mar-13	64	12	10	9	5		

Sector diversification



Geographic diversification



Key: Retail | Office | Other

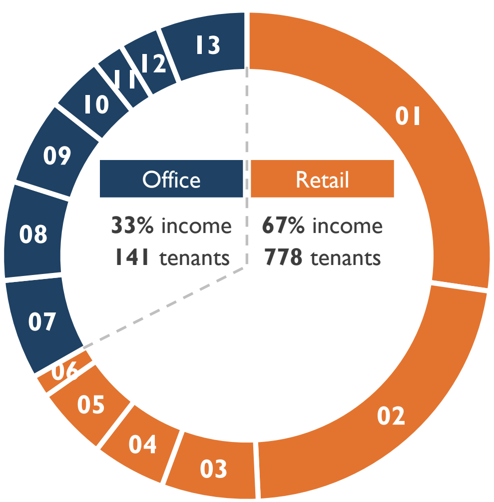
Key: Auckland | Wellington | Christchurch | Palm. Nth | Hamilton

APPENDIX 10

Tenant diversification and top 20 tenants

Tenant diversification (% portfolio gross income)

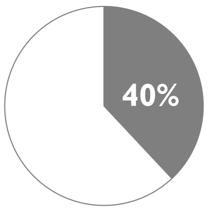
01.	New Zealand chains	27
02.	Australian and international chains	22
03.	Department and discount department stores	6
04.	Supermarkets	5
05.	Independent retailers	5
06.	Cinemas	2
	Retail	**67**
07.	Banking	7
08.	Legal	6
09.	Government	6
10.	Insurance	4
11.	Consultancy	2
12.	Financial services	3
13.	Other	5
	Office	**33**



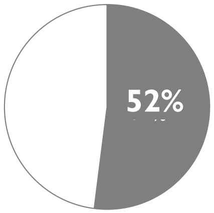
Top 20 tenants (% portfolio gross income)

1.	ASB Bank	6.7
2.	Farmers	3.7
3.	Progressive Enterprises	3.1
4.	Russell McVeagh	2.6
5.	ANZ Bank	2.4
6.	Vero Insurance	2.4
7.	Bell Gully	2.2
8.	Ministry of Business, Innovation and Employment	2.0
9.	Foodstuffs	1.9
10.	Just Group	1.7
11.	Hallenstein/Glassons	1.5
12.	Kmart	1.5
13.	Cotton On	1.4
14.	The Warehouse	1.3
15.	Hoyts Cinemas	1.2
16.	Whitcoulls	1.1
17.	Valleygirl	0.9
18.	DLA Phillips Fox	0.8
19.	Pascoes	0.8
20.	Hannahs	0.7

Collectively, the top 20 tenants represent:



of portfolio gross income



of portfolio lettable area

APPENDIX 11

Auckland office market

KIWI INCOME PROPERTY TRUST

Statistic	Grade	Actual As at / YE Dec-12	Mvmt	Forecast As at / YE Dec-13	Mvmt	Forecast As at / YE Dec-14	Comments
Stock (sqm)	Premium	109,669	▲	141,575	▶	141,575	- ANZ Centre returned to stock in 2013 post redevelopment but no additional supply forecast over the next four years
	A-grade	462,951	▶	461,830	▶	461,830	- Minimal movement in stock levels over 2014 but increase in stock from 2015 with Manson Victoria Street and Fonterra
Absorption (sqm)	Premium	+4,592	▲	+35,829	▲	+1,667	- Positive absorption in 2013 predominantly reflects ANZ Centre with limited absorption recorded in other buildings
	A-grade	+6,916	▲	+6,912	▲	+12,175	- Good rate of take-up presently being experienced with positive absorption anticipated throughout the forecast horizon
Vacancy	Premium	7.8% (8,568 sqm)	▼	3.3% (4,645 sqm)	▼	2.1% (2,978 sqm)	- With no new supply, and continuing positive absorption, vacancy is forecast to improve year-on-year through to 2017 (est. 0.4%)
	A-grade	6.4% (29,455 sqm)	▼	4.6% (21,422 sqm)	▼	2.0% (9,248 sqm)	- Vacancy improves through 2014 but increases slightly in 2015 as supply temporarily outstrips absorption. At 2017 vacancy is 3.2%
Rent ($/sqm) (net effective)	Premium	$389	▲	$424	▲	$453	- Net effective rents are forecast to improve year-on-year to over $500/sqm by 2017 although the rate of growth slows
	A-grade	$246	▲	$312	▲	$337	- Rent growth remains positive through to 2017 with a four-year CAGR of 4.6%
Yield	Premium	7.48%	▼	7.08%	▼	6.93%	- Yields will firm to <7% in 2015 but stabilise hereafter
	A-grade	8.68%	▼	7.88%	▼	7.63%	- Yields will trend in line with Premium, firming through to 2015 then stabilising at approximately 7.6%

Source: CBRE Research, Auckland Property Market Outlook, December 2013.

APPENDIX 12

Wellington office market

Statistic	Grade	Actual As at / YE Dec-12	Mvmt	Forecast As at / YE Dec-13	Mvmt	Forecast As at / YE Dec-14	Comments
Stock (sqm)	A-grade	257,518	▼	232,930	▲	257,518	- The 2013/2014 change in stock represents the temporary removal of BNZ's earthquake-damaged building for repair. In 2016 stock increases 38,000 sqm, including the refurbished 56 The Terrace
	B-grade	368,453	▲	370,710	▶	370,935	- The B-grade supply environment is complex with numerous upgrades underway and a number of planned projects dependent on tenant commitment
Absorption (sqm)	A-grade	+5,995	▼	-17,766	▲	+24,063	- Both A and B-grade buildings have fluctuating but generally 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
	B-grade	+2,448	▼	-4,453	▲	+3,150	
Vacancy	A-grade	4.0% (10,311 sqm)	▼	1.5% (3,489 sqm)	▲	1.6% (4,015 sqm)	- Vacancy fluctuates over the next couple of years but stabilises around 3% thereafter
	B-grade	6.3% (23,081 sqm)	▲	8.0% (29,791 sqm)	▼	7.2% (26,865 sqm)	- A volatile vacancy environment but forecast to move between 7% and 10% over the medium term
Rent ($/sqm) (net effective)	A-grade	$256	▶	$258	▲	$266	- Moderate net effective rental growth of 3.2% per annum is expected from 2013 to 2017
	B-grade	$172	▲	$175	▲	$181	- Growth in opex over the forecast horizon outstrips rental growth with a moderate net effective CAGR of 1.7% from 2013 to 2017
Yield	A-grade	8.42%	▼	8.22%	▼	8.02%	- Yields forecast to firm by 20 basis points over 2014 then stabilise at around 8.0%
	B-grade	9.73%	▼	9.45%	▼	9.25%	- Yields forecast to firm by 30 basis points over 2014/2015 then stabilise at around 9.2%

Source: CBRE Research, Wellington Property Market Outlook, December 2013.

DISCLAIMER

Kiwi Property Management Limited is the manager (the 'Manager') of Kiwi Income Property Trust (KIP).

The information contained in this presentation (the 'Presentation') 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. None of KIP, the Manager, New Zealand Permanent Trustees Limited (the 'Trustee'), 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, 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, or any of their respective officers, employees, agents or associates. None of KIP, the Manager, the Trustee, 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.

May 2014