We bring places to life

Kiwi Property

HALF-YEAR FINANCIAL STATEMENTS
2020

Kiwi Property
Half-year financial statements
For the six months ended 30 September 2019

Contents

Key Dates

For all our upcoming investor dates visit our investor centre at kp.co.nz/investor-centre

This half-year report is dated 15 November 2019 and is signed on behalf of the board by:

MARK FORD
Chair

MARY JANE DALY
Chair of the Audit and Risk Committee

Half-year highlights

Kiwi Property delivered a solid result in the six months to 30 September 2019, progressing our new strategy and achieving a sound financial performance.

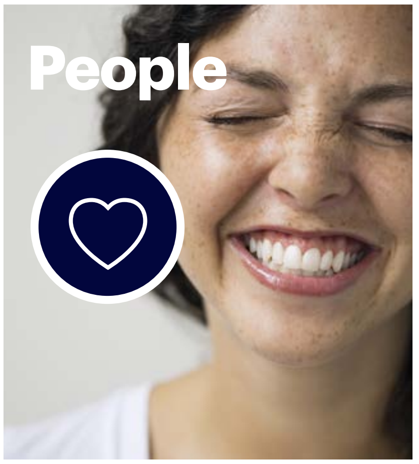
Rent from new leases and rent reviews grew solidly over the period, as did like-for-like net rental income[1]. Funds from operations (FFO) dropped slightly from last year, due to the sale of North City in the comparative period, while net profit after tax declined, impacted by a fair value loss on interest rate swaps.

We took important steps towards embedding our mixed-use vision in the first half of the year, as well as strengthening our organisational capabilities and advancing major development projects, such as the Sylvia Park galleria and south carpark.

$89.6m
NET RENTAL INCOME

$51.9m
FUNDS FROM OPERATIONS

$36.8m
NET PROFIT AFTER TAX



Organisational Realignment

We've aligned the organisation to our strategy, increasing our strength in mixed-use leasing and asset management, positioning the business for growth.

Agile

We're rolling out agile ways of working, beginning with two core business programmes, enabling a faster, more customer-centric approach.

Waste Reduction

Water filling stations at our shopping centres have saved around **180,000** plastic bottles from potentially making their way into our oceans or landfills.

Energy Efficiency

Our office buildings have achieved a NABERSNZ rating of **4 stars** or better, highlighting their excellent energy efficiency.

Property Portfolio Value

$3.3b

Portfolio Occupancy

99.4%

Total Rental Growth

4.6%

Weighted Average Lease Expiry

5.1 Years

1 Excludes ANZ Raranga, disposal of North City and tenancies impacted by Sylvia Park Development.

Consolidated statement of comprehensive income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	Note	**6 months 30 Sep 19 $000**	6 months 30 Sep 18 $000
Income			
Property revenue		**117,310**	116,920
Property management income		**857**	1,025
Interest and other income		**117**	104
Gain on disposal of investment properties		**-**	628
Total income		**118,284**	118,677
Expenses			
Direct property expenses		**(27,672)**	(27,022)
Interest and finance charges		**(19,389)**	(18,405)
Employment and administration expenses		**(11,023)**	(11,097)
Net fair value loss on interest rate derivatives	3.2.2	**(12,891)**	(2,929)
Total expenses		**(70,975)**	(59,453)
Profit before income tax		**47,309**	59,224
Income tax expense	2.1	**(10,537)**	(10,940)
Profit and total comprehensive income after income tax attributable to shareholders		**36,772**	48,284
Basic and diluted earnings per share (cents)	2.2	**2.55**	3.39

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	Share capital $000	Share-based payments reserve $000	Retained earnings $000	Total equity $000
Balance at 31 March 2018	1,432,936	401	560,777	1,994,114
Profit after income tax	-	-	48,284	48,284
Dividends paid	-	-	(48,651)	(48,651)
Dividends reinvested	12,139	-	-	12,139
Long-term incentive plan	(144)	(55)	34	(165)
Balance at 30 September 2018	1,444,931	346	560,444	2,005,721
Balance at 31 March 2019	**1,449,646**	**602**	**600,632**	**2,050,880**
Profit after income tax	**-**	**-**	**36,772**	**36,772**
Dividends paid	**-**	**-**	**(49,790)**	**(49,790)**
Dividends reinvested	**17,534**	**-**	**-**	**17,534**
Long-term incentive plan	**-**	**90**	**53**	**143**
Balance at 30 September 2019	**1,467,180**	**692**	**587,667**	**2,055,539**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

AS AT 30 SEPTEMBER 2019

	Note	30 Sep 19 $000	31 Mar 19 $000
Current assets			
Cash and cash equivalents		**11,106**	9,923
Trade and other receivables		**7,002**	13,201
		18,108	23,124
Non-current assets			
Investment properties	3.1	**3,330,000**	3,207,389
Property, plant and equipment		**4,066**	4,253
Interest rate derivatives	3.2.2	**3,936**	1,665
		3,338,002	3,213,307
Total assets		**3,356,110**	3,236,431
Current liabilities			
Trade and other payables		**63,444**	60,345
Interest bearing liabilities	3.2.1	**-**	166,000
Income tax payable		**1,172**	8,675
Interest rate derivatives	3.2.2	**1,637**	344
Lease liabilities	1.4	**1,024**	-
		67,277	235,364
Non-current liabilities			
Interest bearing liabilities	3.2.1	**1,100,679**	835,688
Interest rate derivatives	3.2.2	**39,827**	25,958
Deferred tax liabilities		**87,688**	88,541
Lease liabilities	1.4	**5,100**	-
		1,233,294	950,187
Total liabilities		**1,300,571**	1,185,551
Equity			
Share capital		**1,467,180**	1,449,646
Share-based payments reserve		**692**	602
Retained earnings		**587,667**	600,632
Total equity		**2,055,539**	2,050,880
Total equity and liabilities		**3,356,110**	3,236,431

For and on behalf of the board, who authorised these financial statements for issue on 15 November 2019.

MARK FORD
CHAIR

MARY JANE DALY
CHAIR OF THE AUDIT AND RISK COMMITTEE

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	Note	6 months 30 Sep 19 $000	6 months 30 Sep 18 $000
Cash flows from operating activities			
Property revenue		**122,051**	117,270
Property management income		**850**	1,009
Interest and other income		**117**	148
Direct property expenses		**(22,989)**	(24,149)
Interest and finance charges		**(18,808)**	(18,148)
Employment and administration expenses		**(12,809)**	(11,642)
Income tax expense		**(18,899)**	(18,665)
Goods and Services Tax paid		**(58)**	(1,278)
Net cash flows from operating activities		**49,455**	44,545
Cash flows from investing activities			
Proceeds from disposal of investment properties		**-**	100,260
Acquisition of investment properties		**(25,523)**	(830)
Expenditure on investment properties		**(83,817)**	(86,817)
Interest and finance charges capitalised to investment properties		**(5,034)**	(4,244)
Acquisition of property, plant and equipment		**(195)**	(1,505)
Net cash flows from/(used in) investing activities		**(114,569)**	6,864
Cash flows from financing activities			
Own shares acquired for long-term incentive plan		**-**	(329)
Proceeds from/(repayment of) bank loans		**98,500**	(13,000)
Settlement of interest rate derivatives	3.2.2	**-**	(1,097)
Dividends paid		**(32,203)**	(36,477)
Net cash flows from/(used in) financing activities		**66,297**	(50,903)
Net increase/(decrease) in cash and cash equivalents		**1,183**	506
Cash and cash equivalents at the beginning of the period		**9,923**	10,697
Cash and cash equivalents at the end of the period		**11,106**	11,203

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

1. General information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

1.1 Reporting entity

The interim financial statements are for Kiwi Property Group Limited (Kiwi Property or the Company) and its controlled entities (the Group). The Company is incorporated and domiciled in New Zealand, is registered under the Companies Act 1993 and is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed with NZX Limited with its ordinary shares quoted on the NZX Main Board and fixed-rate bonds quoted on the NZX Debt Market.

The principal activity of the Group is to invest in New Zealand real estate.

1.2 Basis of preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with NZ IAS 34 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting. These interim financial statements should be read in conjunction with the financial statements and related notes in the 2019 annual report.

The interim financial statements for the six months ended 30 September 2019 are unaudited. Comparative balances for 30 September 2018 are unaudited, whilst the comparative balances for the year ended 31 March 2019 are audited.

The financial statements are prepared on the basis of historical cost, except where otherwise identified. The functional and reporting currency used in the preparation of the financial statements is New Zealand dollars.

1.3 Significant changes during the period

The financial position and performance of the Group was affected by the following events and transactions during the reporting period:

Investment property acquisitions

On 30 September 2019, the Group acquired property at 51 Carbine Road, 53 Carbine Road and 7-10 Arthur Brown Place, Mount Wellington, Auckland for $25.5 million.

1.4 New standards, amendments and interpretations

The Group has adopted NZ IFRS 16 Leases as required, which is effective for annual reporting periods beginning on or after 1 January 2019. This standard replaces NZ IAS 17. NZ IFRS 16 requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use' asset for virtually all lease contracts. Lessor accounting remains largely unchanged from NZ IAS 17.

While the majority of the Group's portfolio is freehold, the Group does have several occupational ground leases of properties/parts of properties in its investment property portfolio to which NZ IFRS 16 applies.

The Group has elected to apply the modified retrospective approach in adopting NZ IFRS 16 with the effect of adoption being recognised at the transition date with no adjustment to the prior period presented. The lease liabilities recognised on 1 April 2019 of $6.539 million were measured as the present value of the remaining cash flows discounted at the transition date "incremental borrowing rate", being the property yield for the properties with the benefit of the occupational ground leases. The cash flows relating to the ground leases are included in the fair value of the investment properties and therefore a gross up for the lease liability is recognised in the investment property balance at the amount equal to the lease liability. As at 30 September 2019, the lease liabilities have reduced to $6.124m.

1.5 Key judgements and estimates

Critical judgements, estimates and assumptions are outlined throughout these interim financial statements and in the 2019 annual report.

1.6 Accounting policies

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the 2019 annual report, other than the adoption of NZ IFRS 16.

2. Profit and loss information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

2.1 Tax expense

A reconciliation of profit before income tax to income tax expense follows:

	6 months 30 Sep 19 $000	6 months 30 Sep 18 $000
Profit before income tax	**47,309**	59,224
Prima facie income tax expense at 28%	**(13,247)**	(16,583)
Adjusted for:		
Net fair value loss on interest rate derivatives	**(3,609)**	(513)
Gain on disposal of investment properties	**-**	176
Depreciation	**3,824**	3,281
Depreciation recovered on disposal of investment properties	**-**	(4,539)
Deferred leasing costs	**4**	307
Deductible capitalised expenditure	**1,455**	1,228
Other	**184**	982
Current tax expense	**(11,389)**	(15,661)
Depreciation recoverable	**(2,567)**	5,233
Net fair value loss on interest rate derivatives	**3,609**	513
Deferred leasing costs and other temporary differences	**(190)**	(1,025)
Deferred tax benefit	**852**	4,721
Income tax expense reported in profit	**(10,537)**	(10,940)
Imputation credits available for use in subsequent periods	**12,979**	15,689

Key estimates and assumptions: income tax

Depreciation recovered on the former PricewaterhouseCoopers Centre (PwC Centre), Christchurch

The impairment of the PwC Centre in the year ended 31 March 2012 (resulting from the 2010 and 2011 Canterbury earthquakes) and the associated insurance recovery triggered a potential tax liability for depreciation recovered.

Following the earthquakes, the Government introduced legislation that provides, in certain circumstances, rollover relief for taxpayers affected by the earthquakes where insurance income will be used to acquire or develop replacement property in the Canterbury region. The legislation requires that the replacement property be available for use by 31 March 2024. As at 30 September 2019, the Group continues to qualify for this relief and a deferred tax liability of $4.2 million continues to be provided.

2.2 Earnings per share

	6 months 30 Sep 19	6 months 30 Sep 18
Total comprehensive income after income tax attributable to shareholders ($000)	**36,772**	48,284
Weighted average number of shares (000)	**1,439,278**	1,425,451
Basic and diluted earnings per share (cents)	**2.55**	3.39

3. Financial position information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

3.1 Investment properties

Investment properties held by the Group are as follows:

	Valuation 31 Mar 19 $000	**Capital movements $000**	**Book value 30 Sep 19 $000**
Mixed-use			
Sylvia Park	955,000	75,536	**1,030,536**
Sylvia Park Lifestyle	77,000	(14)	**76,986**
LynnMall	284,000	1,853	**285,853**
The Base[1]	217,500	1,335	**218,835**
	1,533,500	78,710	**1,612,210**
Retail			
Westgate Lifestyle	90,000	28	**90,028**
Centre Place North	53,500	(194)	**53,306**
The Plaza	207,000	2,497	**209,497**
Northlands	247,000	4,322	**251,322**
	597,500	6,653	**604,153**
Office			
Vero Centre	450,000	1,462	**451,462**
ASB North Wharf	230,000	539	**230,539**
The Aurora Centre	159,500	(26)	**159,474**
44 The Terrace	53,500	(177)	**53,323**
	893,000	1,798	**894,798**
Other			
Other properties	125,239	25,759	**150,998**
Development land	58,150	3,567	**61,717**
	183,389	29,326	**212,715**
	3,207,389	**116,487**	**3,323,876**
Gross up of lease liabilities[2]	-	**6,124**	**6,124**
Investment properties	3,207,389	**122,611**	**3,330,000**

1. Represents the Group's 50% ownership interest.

2. Refer to Note 1.4.

The movement in the Group's investment properties during the period is as follows:

	6 months 30 Sep 19 $000	12 months 31 Mar 19 $000
Balance at the beginning of the period	**3,207,389**	3,051,964
Capital movements:		
Acquisitions	**25,523**	34,348
Disposal of North City	**-**	(99,623)
Capitalised costs (including fees and incentives)	**88,711**	169,550
Capitalised interest and finance charges	**5,034**	8,459
Amortisation of lease incentives, fees and fixed rental income	**(2,781)**	(4,959)
	116,487	107,775
Net fair value gain on investment properties	**-**	47,650
Gross up of lease liabilities	**6,124**	-
Balance at the end of the period	**3,330,000**	3,207,389

Key estimates and assumptions: investment properties

Valuation process

All investment properties are presented at their 31 March 2019 independent valuations, adjusted for capital expenditure over the period, which is considered representative of fair value at balance date.

3.2 Funding

3.2.1 Interest bearing liabilities

The Group's secured interest bearing liabilities are as follows:

	30 Sep 19 $000	31 Mar 19 $000
Bank loans – total facilities	**825,000**	825,000
Bank loans – undrawn facilities	**(199,500)**	(298,000)
Bank loans - drawn facilities	**625,500**	527,000
Fixed-rate bonds	**475,000**	475,000
Unamortised capitalised costs on fixed rate bonds	**179**	(312)
Interest bearing liabilities	**1,100,679**	1,001,688
Weighted average interest rate for drawn debt (inclusive of bonds, active interest rate derivatives, margins and line fees)	**4.52%**	4.80%
Weighted average term to maturity for the combined facilities	**3.3 years**	3.2 years

Bank loans

The bank loans are provided by ANZ Bank New Zealand, Bank of New Zealand, China Construction Bank, Commonwealth Bank of Australia, The Hongkong and Shanghai Banking Corporation (HSBC) and Westpac New Zealand.

On 15 May 2019, $166 million of existing bank debt facilities were extended. The facilities which were due to expire in the 2020 financial year, will now expire in the 2025 financial year.

Security

The bank loans and fixed-rate bonds are secured by way of a Global Security Deed (the Deed). Pursuant to the Deed, a security interest has been granted over all of the assets of the Group. No mortgage has been granted over the Group's properties, however, the Deed allows a mortgage to be granted if an event of default occurs.

3.2.2 Interest rate derivatives

The Group is exposed to changes in interest rates and uses interest rate derivatives to mitigate these risks (commonly referred to as interest rate swaps).

The following tables provide details of the fair values, notional values, term and interest rates of the Group's interest rate derivatives.

	30 Sep 19 $000	31 Mar 19 $000
Interest rate derivative assets – non-current	**3,936**	1,665
Interest rate derivative liabilities – current	**(1,637)**	(344)
Interest rate derivative liabilities – non-current	**(39,827)**	(25,958)
Net fair values of interest rate derivatives	**(37,528)**	(24,637)

	30 Sep 19 $000	31 Mar 19 $000
Notional value of interest rate derivatives – fixed-rate payer - active	**365,000**	365,000
Notional value of interest rate derivatives – fixed-rate receiver[1] - active	**40,000**	40,000
Notional value of interest rate derivatives – fixed-rate payer - forward starting	**195,000**	170,000
Notional values	**600,000**	575,000
Fixed-rate payer swaps:		
Weighted average term to maturity – active	**2.7 years**	3.2 years
Weighted average term to maturity – forward starting	**5.5 years**	5.7 years
Weighted average term to maturity	**3.7 years**	4.0 years
Fixed-rate payer swaps:		
Weighted average interest rate – active[2]	**3.63%**	3.63%
Weighted average interest rate – forward starting[2]	**2.79%**	2.90%
Weighted average interest rate[1]	**3.34%**	3.40%

1. The Group has $40 million of fixed-rate receiver swaps for the duration of the $100 million KPG040 fixed-rate bonds, the effect of the fixed-rate receiver swaps is to convert a portion of the bond to floating interest rates.
2. Excluding fees and margins.

Key estimate: fair value of interest rate derivatives

The fair values of interest rate derivatives are determined from valuations prepared by independent treasury advisers using valuation techniques classified as Level 2 in the fair value hierarchy (31 March 2019: Level 2). These are based on the present value of estimated future cash flows based on the terms and maturities of each contract and the current market interest rates at balance date. Fair values also reflect the current creditworthiness of the derivative counterparties. These values are verified against valuations prepared by the respective counterparties. The valuations were based on market rates at 30 September 2019 of between 1.15% for the 90-day BKBM and 1.21% for the 10-year swap rate (31 March 2019: 1.85% and 2.16%, respectively).

4. Other information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

4.1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Chief Executive Officer.

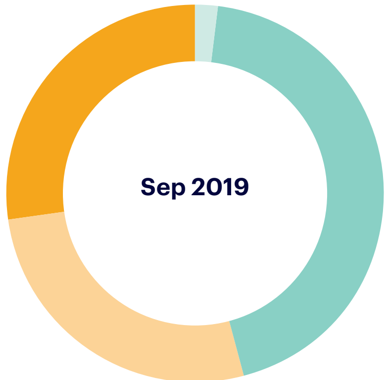
Operating segments have been determined based on the reports reviewed by the Chief Executive Officer to assess performance, allocate resources and make strategic decisions. In March 2019, the Group made a change to its asset classifications in line with strategy and the prior period reportable segments have been reclassified for consistency purposes.

The Group's primary assets are investment properties. Segment information regarding investment properties is provided in Note 3.1.

The Group operates in New Zealand only.

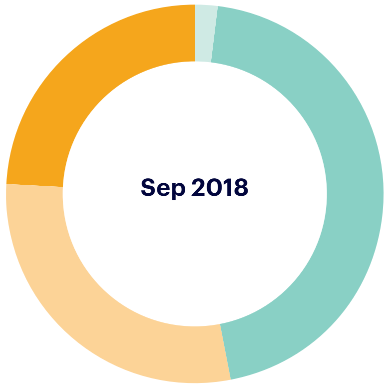
The following is an analysis of the Group's profit by reportable segments:

SIX MONTHS ENDED 30 SEPTEMBER	Mixed-use $000	Retail $000	Office $000	Other $000	Total $000
2019					
Property revenue	**50,574**	**32,223**	**31,609**	**2,904**	**117,310**
Less: straight-lining of fixed rental increases	**553**	**(88)**	**(1,006)**	**(11)**	**(552)**
Less: direct property expenses	**(11,706)**	**(8,405)**	**(6,782)**	**(779)**	**(27,672)**
Segment profit	**39,421**	**23,730**	**23,821**	**2,114**	**89,086**
2018					
Property revenue	50,746	35,132	28,436	2,606	116,920
Less: straight-lining of fixed rental increases	(309)	35	(1,060)	(70)	(1,404)
Less: direct property expenses	(11,167)	(9,339)	(5,829)	(687)	(27,022)
Segment profit	39,270	25,828	21,547	1,849	88,494



segment profit

mixed use	**44%**
retail	**27%**
office	**27%**
other	**2%**



segment profit

mixed use	**45%**
retail	**29%**
office	**24%**
other	**2%**

A reconciliation of the segment profit to the profit before income tax reported in the consolidated statement of comprehensive income is provided as follows:

	6 months 30 Sep 19 $000	6 months 30 Sep 18 $000
Segment profit	**89,086**	88,494
Property management income	**857**	1,025
Rental income resulting from straight-lining of fixed rental increases	**552**	1,404
Interest and other income	**117**	104
Interest and finance charges	**(19,389)**	(18,405)
Employment and administration expenses	**(11,023)**	(11,097)
Net fair value loss on interest rate derivatives	**(12,891)**	(2,929)
Gain on disposal of investment properties	**-**	628
Profit before income tax	**47,309**	59,224

4.2 Commitments

The following costs have been committed to but not recognised in the financial statements as they will be incurred in future reporting periods:

	30 Sep 19 $000	31 Mar 19 $000
Development costs at Sylvia Park	**90,151**	124,858
Development costs at LynnMall	**6,484**	-
Development costs at The Base	**723**	-
Development costs at The Plaza	**-**	807
Development costs at Northlands	**500**	1,648
Drury infrastructure	**1,913**	1,913
Commitments	**99,771**	129,226

4.3 Subsequent events

On 30 October 2019, the Company announced plans to raise approximately $200 million of new equity through a fully underwritten placement of shares raising $180 million, together with a retail offer targeting $20 million (with the ability to accept oversubscriptions of up to $10 million at the Company's discretion). The issue price for all new shares was $1.58 per share and all new shares rank equally with existing shares on issue. The placement was completed on 30 October 2019 and successfully reached the $180 million target. The placement settled on 4 November 2019 and 113.9 million new shares were issued and allotted on that date.

The retail offer opened on 1 November 2019 and closes at 5.00pm (NZ time) on 15 November 2019 (the date that these accounts are issued). At the time of signing these accounts, the final amount raised under the retail offer is not yet known. An announcement will be made to NZX (refer NZX.com) once the amount and number of shares to be issued and allotted is known. The new shares for the retail offer are expected to be issued and allotted on 21 November 2019.

On 15 November 2019 the board declared an interim cash dividend for the six months ended 30 September 2019 of 3.525 cents per share (cps), together with imputation credits of 0.79 cps. The dividend record date is 3 December 2019 and payment will occur on 18 December 2019.

Independent review report

TO THE SHAREHOLDERS OF KIWI PROPERTY GROUP LIMITED

Report on the interim financial statements

We have reviewed the accompanying interim financial statements of Kiwi Property Group Limited (the Company) and its controlled entities (the Group) on pages 4 to 17, which comprise the consolidated statement of financial position as at 30 September 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditor of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of audits of special purpose financial information in accordance with tenancy agreements, voting procedures over the annual shareholders' meeting, the benchmarking of executive remuneration and assistance with the long-term incentive plan. The provision of these other services has not impaired our independence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2019, and its financial performance and cash flows for the period then ended, in accordance with IAS 34 and NZ IAS 34.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
15 November 2019

Auckland

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China Construction Bank (New Zealand)

Commonwealth Bank of Australia

The Hongkong and Shanghai Banking Corporation

Westpac New Zealand

Kiwi Property

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