

THE PLAZA SHOPPING CENTRE PALMERSTON NORTH

INVESTOR REDEVELOPMENT UPDATE



FEBRUARY 2008

The Plaza Shopping Centre - Location



- Dominant retail centre in Manawatu-Wanganui region
- Located on The Square in CBD Palmerston North
- Strongest performing asset in KIPT retail portfolio
- Low competition – no significant competing retail centres



Existing Centre

- Centre acquired by Kiwi income Property Trust in 1993
- Foodcourt upgraded 2002
- No significant capital expenditure or upgrade works have been undertaken since 2002

Existing Centre

Total Centre	19,700m ²
Kmart	6,600m ²
Countdown	4,700m ²
Specialty	60 stores
Carparks	600 spaces



Redevelopment includes:

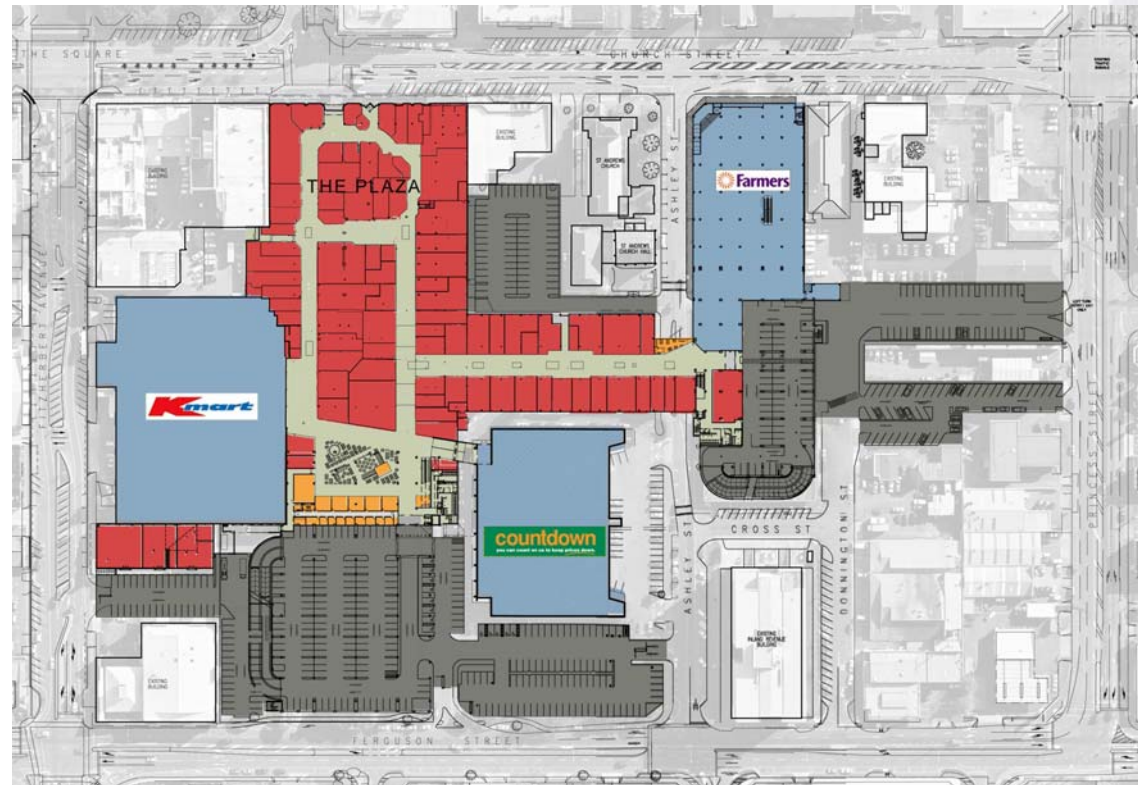
- Expansion of the Centre from 19,700m² to 31,200m²
- A new two-level Farmers Department Store
- Integration of Countdown Supermarket into Centre
- Addition of approximately 40 specialty stores
- Improved carpark ratio from 3.2 spaces to 3.9 spaces per 100m² of NLA
- New 450 seat foodcourt
- Refurbishment of existing Centre

Redeveloped Centre

Total Centre	31,200m ²
Kmart	6,600m ²
Countdown	4,700m ²
Farmers	6,800m ²
Specialty	100 stores
Carparks	1,200 spaces

Programme

Project Start	March 2008
Project Completion	Q2 2010

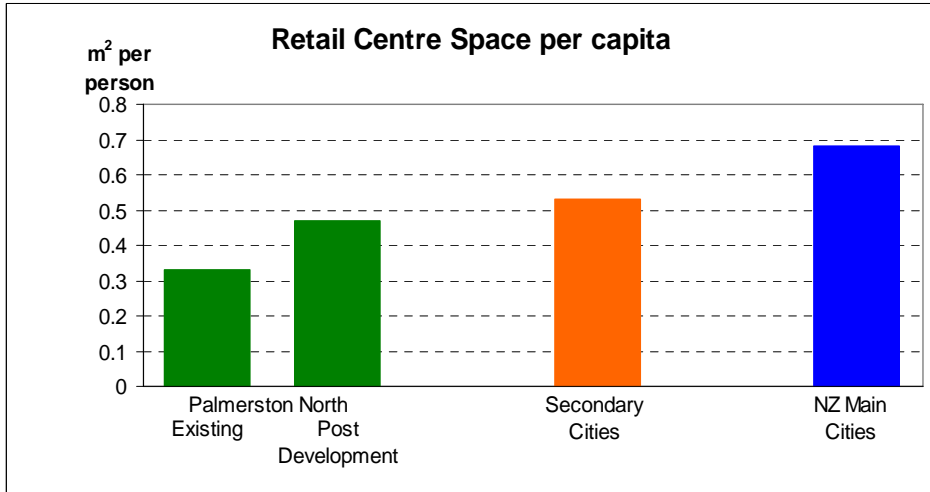


Key Milestones Achieved

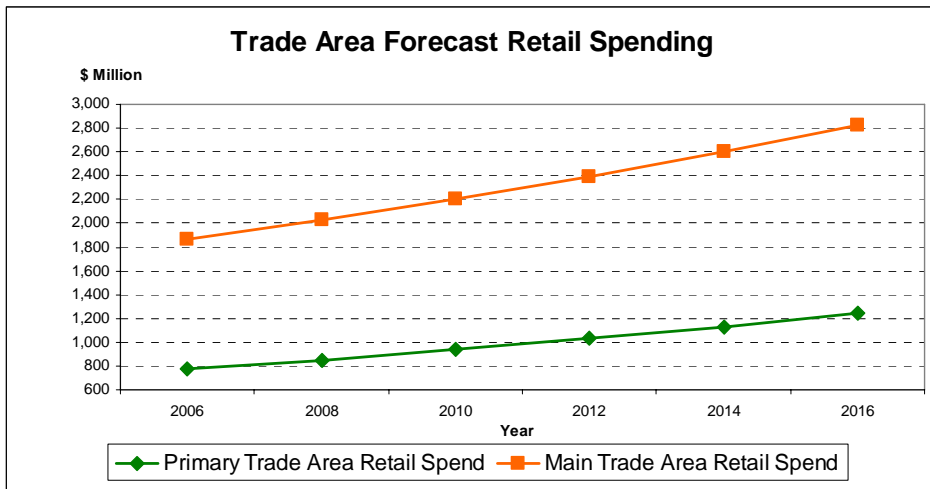
- Resource consent obtained
- Major tenant agreements completed:
 - Kmart
 - Farmers
 - Countdown
- Land acquired
- Preferred contractor selected
 - Lockwood Naylor
(joint venture between
Naylor Love and Manawatu-
based McMillan Lockwood)



Artist's Impression Only



Source: CBRE



Source: MapInfo Dimasi

- Main Trade Area population of 205,000, including Primary Trade Area population of 81,000.
- Primary Trade Area population forecast to increase to 84,000 by 2011.
- Palmerston North has a relatively low provision of retail centre space per capita (0.33m²) at present and will remain low at 0.47m² per capita post redevelopment of The Plaza.
- Growth in military sector with the concentration of defence personnel and related industries in Palmerston North.
- Palmerston North is a key distribution centre for the central North Island.
- Massey University, plus two other tertiary facilities, together with research and knowledge based industries, are a key focus of the local economy.
- Main Trade Area average retail spend growth of 4.2% p.a. forecast.
- Primary Trade Area sector average retail spend growth of 4.9% p.a. forecast.

Financial Summary

\$000's

Total Estimated Capitalised Project Cost	93,000
Initial Incremental NOI	7,000
Projected Yield 2011	7.5%
By 2013 - rising to more than 8.5%	
Projected IRR	9.8%
Projected Valuation on Completion (Colliers) Cap Rate 6.75%	209,000
Historic Valuation + Project Cost	198,000
Projected Added Value	11,000

- Project to be debt funded through new \$100 million 5-year committed bank debt facility

- Growing trade area population and retail spend growth
- Redevelopment will capture growth and added value opportunity
- Increasing Primary and Main Trade Area market share
- Palmerston North has a low retail centre space per capita ratio compared with other New Zealand cities
- Retail tenant demand for more quality space in The Plaza
- Centre in need of refurbishment to maintain and consolidate its position as the dominant retail centre in Manawatu-Wanganui region
- Increasing the Centre's dominant market position by adding 11,600m² of new area including a new Farmers Department Store

Countdown Acquisition

- Supermarket acquired in a separate transaction for \$14.5 million
- Countdown premises of 4,700m² recently refitted
- Land is an integral part of The Plaza site
- Acquisition consolidates carparking and land ownership



The Plaza – Redeveloped & Expanded



Artist Impression: New mall



Artist Impression: Carpark Building



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