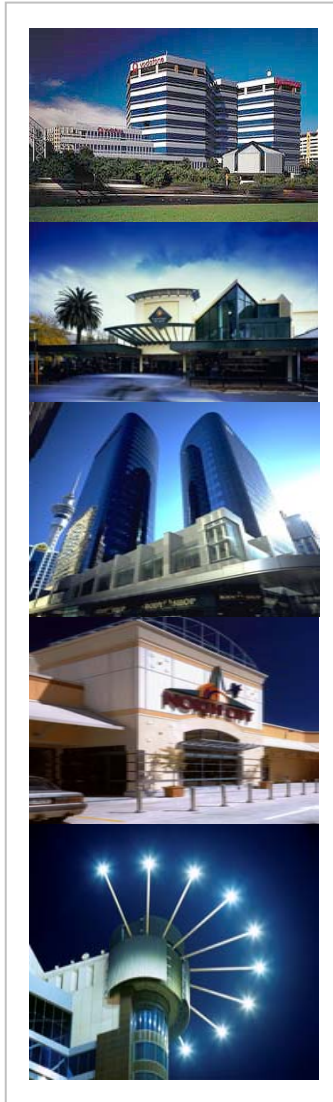


# Kiwi Income Property Trust

## Annual General Meeting

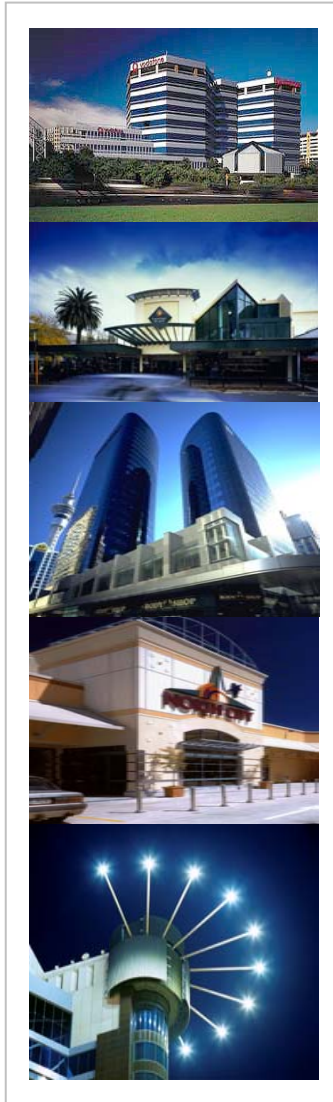
29 September 2004

# Agenda



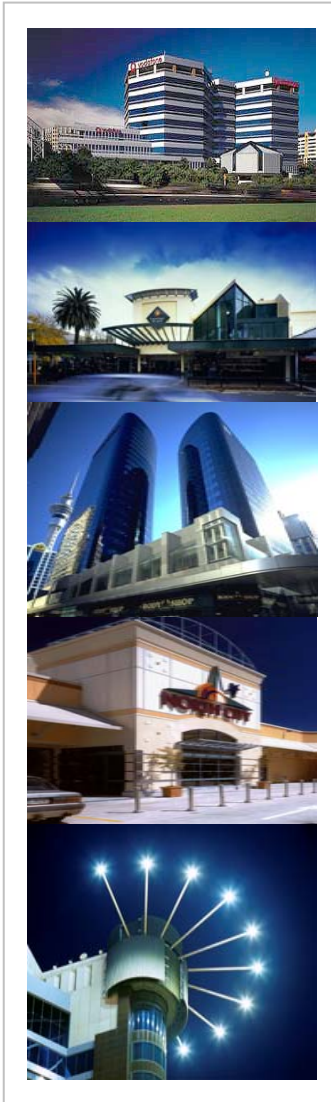
- Management Team
- Financial Highlights
- 10 Years
- Added Value
- Capital Management
- Portfolio Dynamics
- Market Views
- Sylvia Park
- Outlook

# Management Team

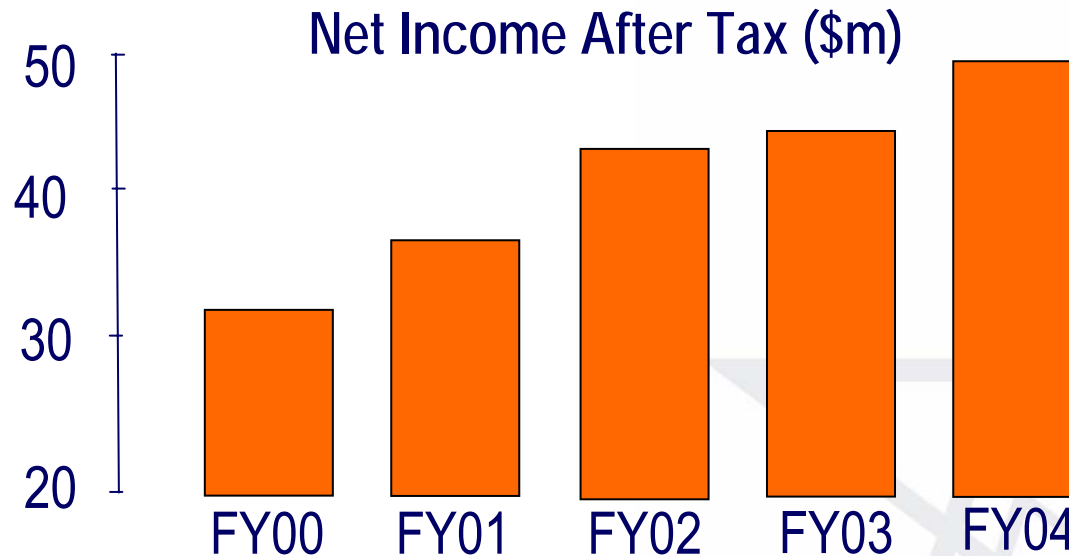


- Gavin Parker – Chief Financial Officer
- Mark Luker – General Manager Development
- Karl Retief – Manager Retail Portfolio
- Jon Lesquereux – Manager Commercial Portfolio
- Evan Vertue – Sylvia Park Project Director
- Roy Stansfield – Manager Retail Leasing
- Andrew Stringer – Manager Projects and Acquisitions
- Carlie Eve – Investment and Communications Manager
- Jason Happy – National Facilities Manager

# Financial Highlights



- Net income after tax up 9.7% to \$49.1m
- Gross dividend of 8.57cpu
- Revaluation gain of \$50.6m
- NTA increased by 7% to \$1.15 per unit



# Financial Overview

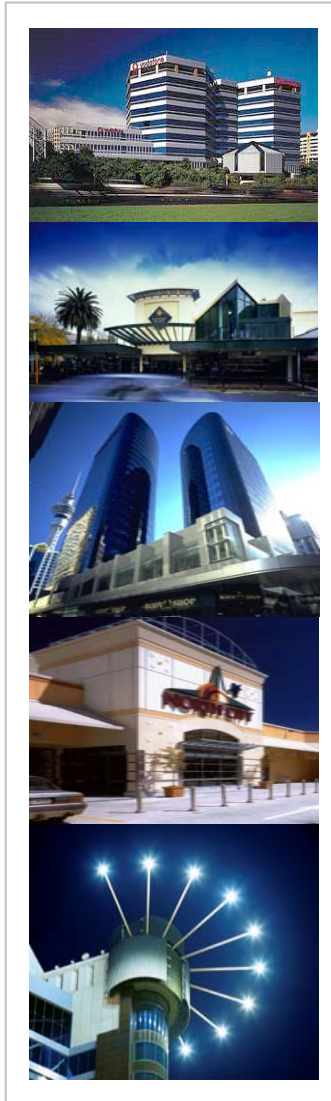


	FY04	FY03	
Rental Income	\$72.2m	\$70.7m	✓
Net Income After Tax	\$49.1m	\$44.7m	✓
Gross Dividend	8.57 cpu	8.54 cpu	✓
Revaluation Gain	\$50.6m	\$6.1m	✓
Net Asset Backing ( <i>pu</i> )	\$1.15	\$1.07	✓
<hr/>			
Total Assets	\$1.1b	\$0.9b	
Debt to Asset Ratio	23.2%	22.5%	
Securities on Issue	651.0m	612.9m	
<hr/>			
Portfolio Occupancy	98.2%	98.0%	
Weighted Average Lease Term	5.3	5.7	

# Revaluations

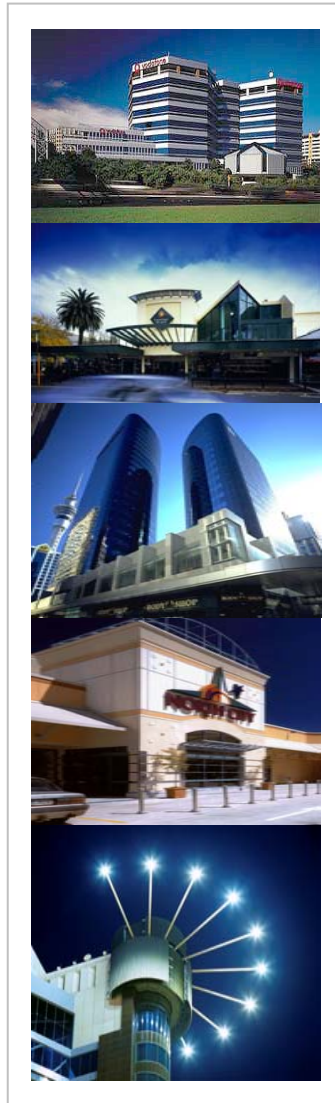
\$50.6m Revaluation Gain

Key Contributors...



Asset	Location	Valuation \$m	Valuation Gain \$m
Northlands	Christchurch	203.3	16.8
Centre Place	Hamilton	89.8	11.6
Vero Centre	Auckland	215.0	10.1

# Total Returns



Returns to:  
31 March 2004

NZSX Property Gross

KIP

Yearly

14.7%

11.9%

Two Year  
Cumulative  
p.a. return

13.4%

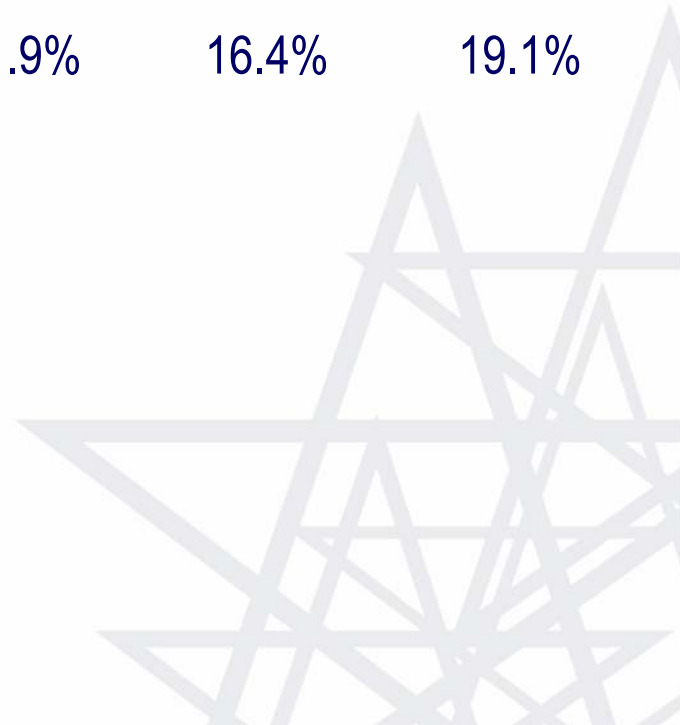
16.4%

Three Year  
Cumulative  
p.a. return

13.2%

19.1%

*Source: Iress*



# 10 Years



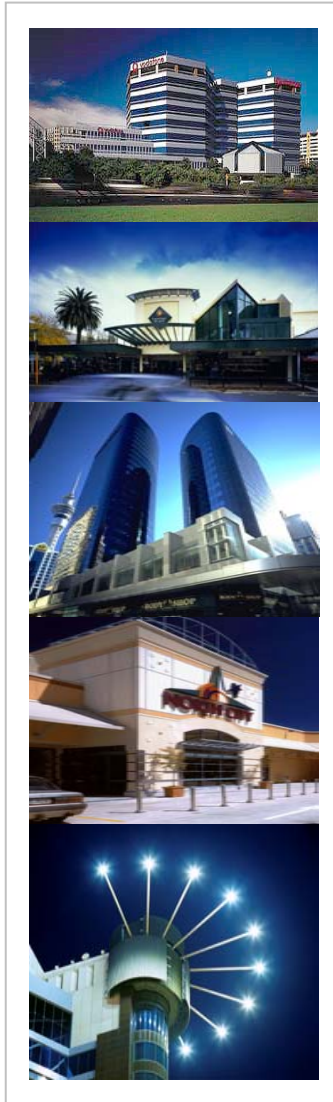
## Proven performance over 10 years....

- Average pre-tax return 10.6% p.a.
- Initial portfolio of 5 properties with a value of \$92m
- NZ's pre-eminent diversified property vehicle
- Now ranked 14<sup>th</sup> on the NZSX50

## .....and soundly positioned for the next ten

- Quality portfolio
- Strong management team

# Added Value



## Retail

- Northlands redevelopment complete
- North City remix
- Acquisition of Downtown Plaza
- New leases and rent reviews

## Office

- Acquisition of Unisys House and NGC House
- Sale of HP House
- New leases and rent reviews

# Northlands - Before



# Northlands - After



# Northlands



	Investment Statement	Actual
	24 June 2002	31 March 2004
Total Development Cost	\$90.9m	\$90.9m
Incremental Income	\$7.9m	\$8.3m
Yield on Development Cost	8.7%	9.1%
Valuation	\$189.0m	\$203.3m
Development Margin	\$3.6m	\$16.8m
Specialty Stores	125	135
Net Lettable Area	40,700m <sup>2</sup>	40,994m <sup>2</sup>

# North City

- \$9.9m remix
- 500 seat food court opened March 2004
- Completed September 2004
- 57 new leases
- Feasibility 10%, current forecasts 15%



# Retail Lease Activity



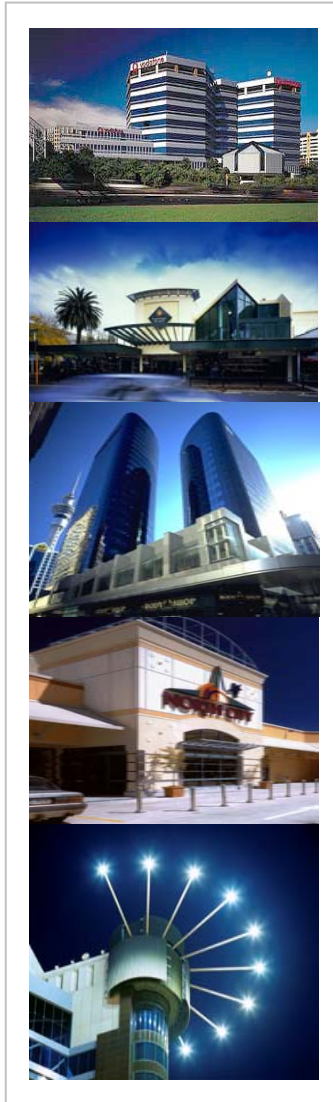
## New Leases

- 28 retail leases or renewals were completed
- 23% ahead of previous income
- 116 Development Leases = \$9.5m income p.a.

## Rent Reviews

- 133 rent reviews completed
- 4.9% ahead of previous income

# Office Lease Activity



## New Leases

- 31 office leases or renewals were completed
- 27% ahead of previous income
- 11,358m<sup>2</sup> leased (7% total area)

## Rent Reviews

- 42 rent reviews completed
- 4% ahead of previous income
- 50,848m<sup>2</sup> reviewed (33% total area)

# Acquisitions



## Downtown Plaza - Hamilton

- Purchase price \$14.0m
- Net lettable area 2,953m<sup>2</sup>
- Acquired July 2003
- Funded by placement May 2003



## Unisys House - Wellington

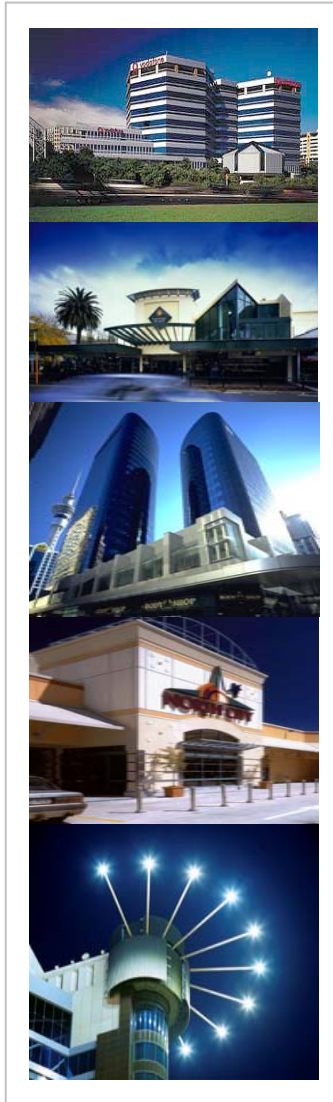
- Purchase price \$44.1m
- Net lettable area 22,104m<sup>2</sup>
- Acquired April 2004
- Funded by placement April 2004



## NGC House - Wellington

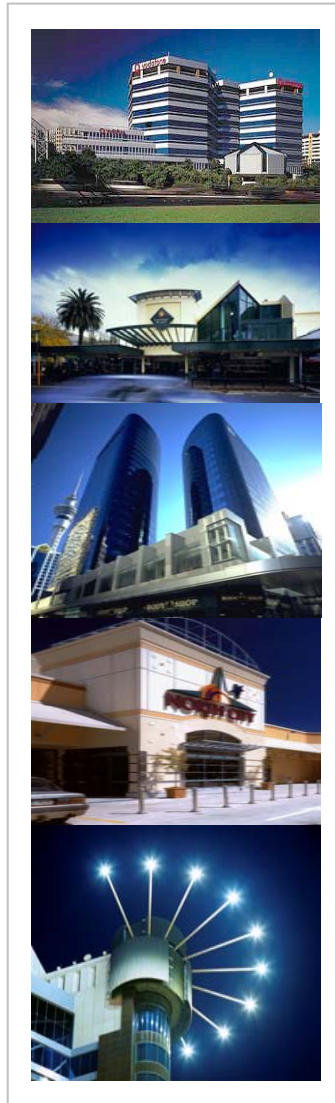
- Purchase price \$19.3m
- Net lettable area 10,106m<sup>2</sup>
- Acquired September 2004
- Funded by debt

# Divestments

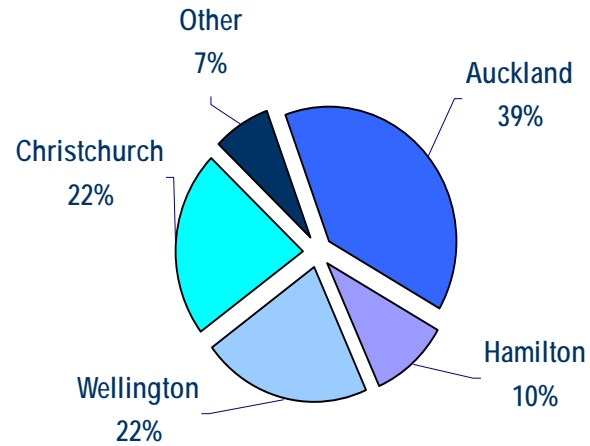


- HP House sold June 2004
- Sale proceeds \$25.8m (book value \$25.4m)
- Opportunity to recycle capital

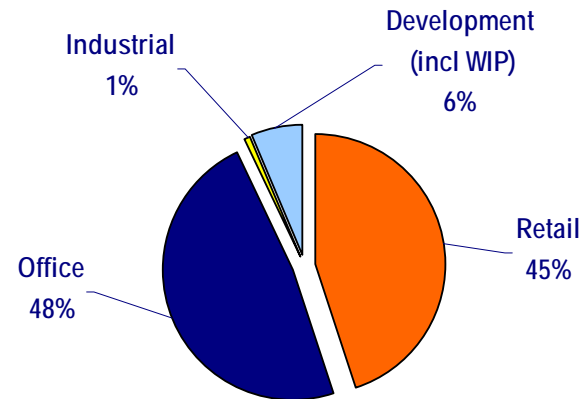
# Portfolio Diversification



## Region

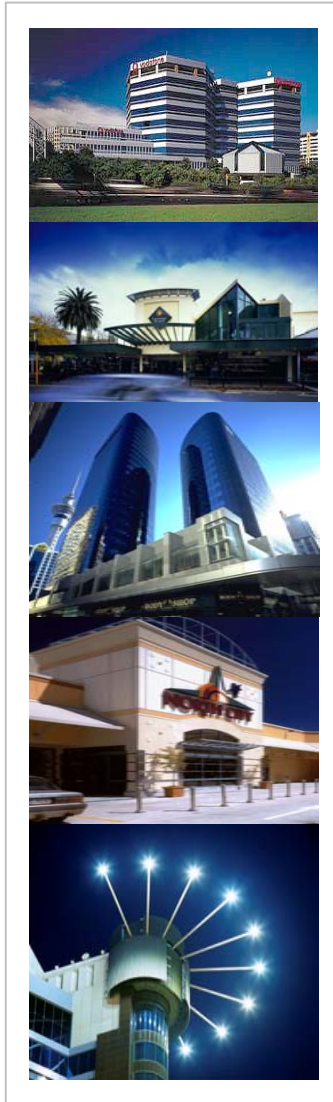


## Sector



*% value*

# Market Views - Office



## Auckland

- Continued “flight to quality”
- Modest rent growth

## Wellington

- Low vacancy
- Solid rental growth

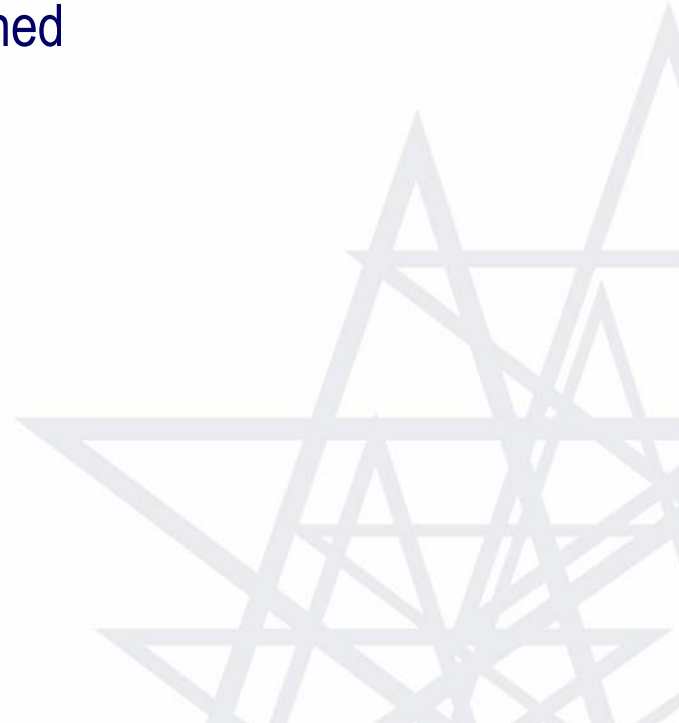
## Christchurch

- Minimal vacancy and supply
- Rent growth

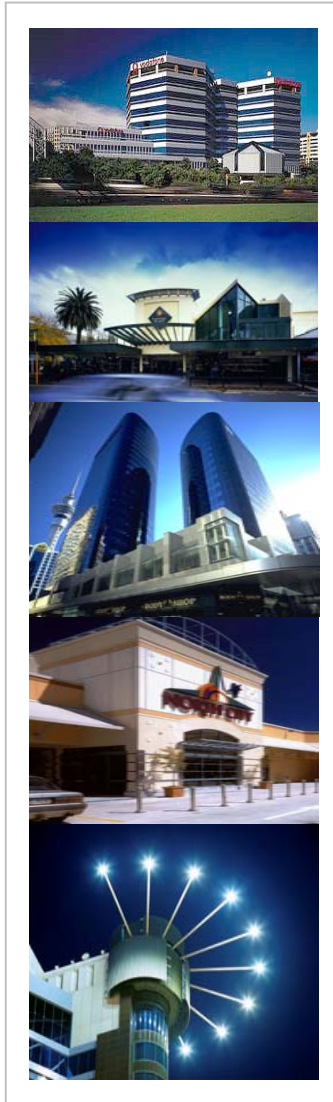
# Market Views - Retail



- Domestic growth likely to slow as interest rates rise
- Significant barriers to entry
- Improved rentals and occupancy levels
- Low gross occupancy costs
- KIP centres well positioned



# Market Views - Industrial



- Aggressive investor demand
- Shortage of key sites for development
- Low vacancy levels in core industrial areas
- Tenant enquiry levels high

# Sylvia Park



## The Vision...

- New generation town centre
- Mixed use opportunity
- Strategic location



AERIAL PHOTO

# Sylvia Park

## Progress...

- Rezoning complete
- Resource consent lodged July 2004
- Major tenants largely complete
- Various funding options under consideration
- At 50% share, capital raising unlikely
- Propose to commence construction 2005

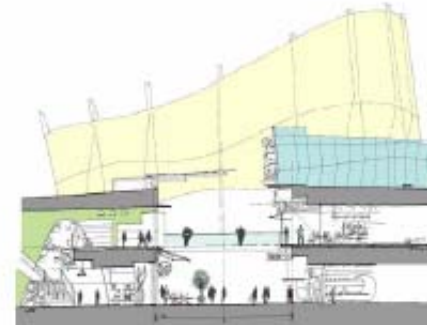


ILLUSTRATED PLAN

# Sylvia Park



VIEW TOWARDS CONE AND CINEMA



SECTION THROUGH RETAIL / LANE TOWARDS CONE



SECTION THROUGH LANE



# Summary

- Positioned for growth
- Retail projects key focus
  - ▶ Northlands
  - ▶ Sylvia Park
- Balancing income and opportunity
- Proven performance over 10 years and soundly positioned for the next ten...



*Thank you for your continued support*

# Kiwi Income Property Trust

## Annual General Meeting

29 September 2004