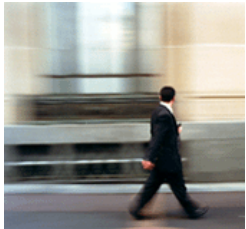




# KIWI INCOME PROPERTY TRUST



New Zealand Roadshow



Angus McNaughton  
Chief Executive

September 2003



# PRESENTATION OUTLINE

- About Kiwi Income Property Trust
- Market Outlook
- Diversity
- Liquidity
- Performance
- Added Value





# ABOUT KIWI INCOME PROPERTY TRUST

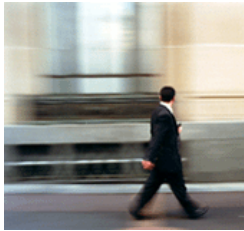


KIWI INCOME  
PROPERTY TRUST



# Who is Kiwi Income Property Trust?

***New Zealand's pre-eminent  
diversified property vehicle***



- New Zealand's largest listed property trust
- Total assets \$925 million
- First listed on the NZSX in December 1993
- Invest in prime retail, office and industrial assets
- Debt capped to 35% (March 2003 - 22.4%)
- Strong income focus - all income distributed to unit holders
- Intensive and focussed management team





# Investment and Management Philosophy

**Objective:** to maximise income and provide long-term sustainable returns to unit holders. Achieved through:



**Diversification**

**Long term partnerships**

**Strong capital management and balance sheet**

**Distribution of all available income**

**Active Management**

- Active asset management
- Strategic acquisitions and divestments
- Prudent development
- Active financial management





# Portfolio Summary

	<b>Retail</b>	<b>Office</b>
Total Value	\$426m	\$468m
Number of Key Assets	5	8
Number of Key Tenants	405	114
Net Lettable Area	111,000m <sup>2</sup>	140,000m <sup>2</sup>
Occupancy <sup>1</sup>	98.1%	97.2%

As at 31 March 2003, includes Northlands on Completion

<sup>1</sup> Excludes Northlands



## Key Assets



### Northlands

Location	Christchurch
Date acquired	March 1994 (50%), December 1998 (50%)
Valuation	\$85,550,000
Major tenants	Farmers, Hoyts 6, Pak 'n Save



### Centre Place

Location	Hamilton
Date acquired	December 1994
Valuation	\$77,900,000
Major tenants	Village Force Cinemas

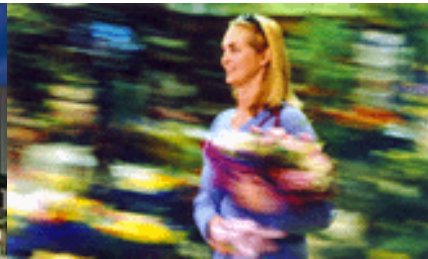


# Key Assets



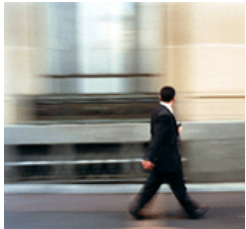
## North City

Location	Porirua
Date acquired	December 1993
Valuation	\$82,500,000
Major tenants	Kmart, Farmers, Movieland 5

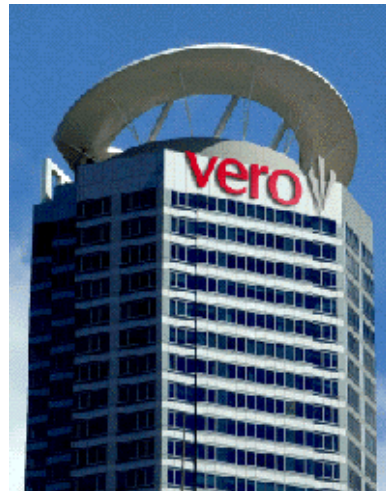


## The Plaza

Location	Palmerston North
Date acquired	August 1993
Valuation	\$63,950,000
Major tenants	Kmart



## Key Assets



### Vero Centre

Location	Auckland
Date acquired	April 2001
Valuation	\$204,500,000
Occupancy	100%
Major tenants	Vero, Russell McVeagh, Bell Gully, JBWere, ABN Amro



### National Bank Centre

Location	Auckland
Date acquired	November 1996 (50%)
Valuation	\$46,400,000 (50%)
Occupancy	90.2%
Major tenants	National Bank, Philip Fox



# Key Assets



## Vodafone House

Location	Auckland
Date acquired	March 1997
Valuation	\$38,000,000
Occupancy	100%
Major tenants	Vodafone, Auckland Regional Council



## HP House

Location	Auckland
Date acquired	September 2000
Valuation	\$25,300,000
Occupancy	100%
Major tenants	HP Invent, Bayleys Real Estate



## Key Assets



### AUT Faculty of Arts Building

Location	Auckland
Date acquired	December 1994
Valuation	\$26,750,000
Occupancy	100%
Major tenants	AUT, NZ International College



### PricewaterhouseCoopers Centre

Location	Christchurch
Date acquired	December 1997
Valuation	\$33,200,000
Occupancy	96.8%
Major tenants	PricewaterhouseCoopers, Lane Neave Ronaldson, Harman & Co. Beca, H G Livingstone





## Key Assets



### Majestic Centre

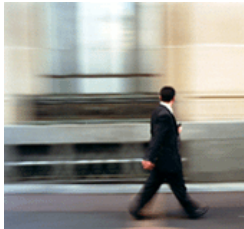
Location	Wellington
Date acquired	March 1994
Valuation	\$71,000,000
Occupancy	100%
Major tenants	Ernst & Young, Opus Consulting, Embassy of Japan, IBM, INL



### BP House

Location	Wellington
Date acquired	December 1994
Valuation	\$22,770,000
Occupancy	100%
Major tenants	BP





# Corporate Governance

**TRUST**  
Kiwi Income  
Property Trust

- Unit Trust
- Trust Deed
- NZX Listing Rules

**TRUSTEE**  
New Zealand  
Permanent  
Trustees

- Holds assets on behalf of unit holders
- Reviews investment and divestment proposals
- Ensures interests of unit holders protected

**MANAGER**  
Kiwi Income  
Properties  
Limited

- Parent - Colonial First State Property (Commonwealth Bank of Australia)
- Actions governed by Trust Deed and Board, Audit Committee, and CBA Corporate Governance





# MARKET OUTLOOK

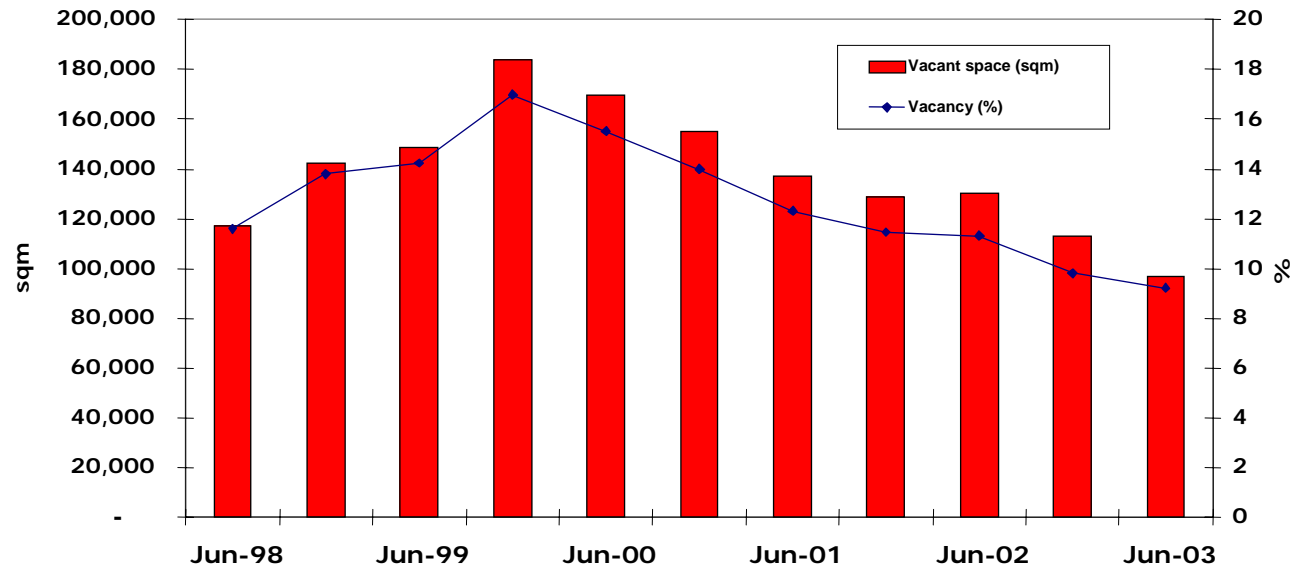




# Office Sector

**Auckland** - Short term decrease in vacancy for CBD core. Some rental growth forecast. Limited forecast supply. Market still driven by demand from education sector, with demand slowing.

## Auckland CBD Office Vacancy





## Office Sector



**Wellington** - Market has low vacancy and limited forecast supply. Demand relatively weak with some migration of firms to Auckland. Insurance premium increases.



**Christchurch** - Market has low vacancy and limited forecast supply. Some rent growth forecast.

**Outlook** - Office sector will be more challenging in 2004 than 2003. Tenants are more opportunistic. Kiwi Income portfolio is in strong shape with quality portfolio, high occupancy levels, and limited lease expiries in short term.





# Retail Sector

- Retail trade remains sound, solid business confidence, increasing population and strong tourism / rural sectors
- A competitive market. However, vacancy rates have reduced and rentals improved
- Kiwi Income centres well placed in market with rental growth locked in
- Low gross occupancy costs
- “The strong will get stronger”





# Industrial Sector

- Economic growth has resulted in strong performance of sector
- Rent and vacancy levels remain stable
- Shortage of stock is limiting investment options





# Key Focus

- Improving income and quality of income streams
- Refurbishing and expanding existing retail assets
- Added value opportunities - Tenancy mixes, Northlands, Sylvia Park
- **Retail Retail Retail**





# DIVERSITY

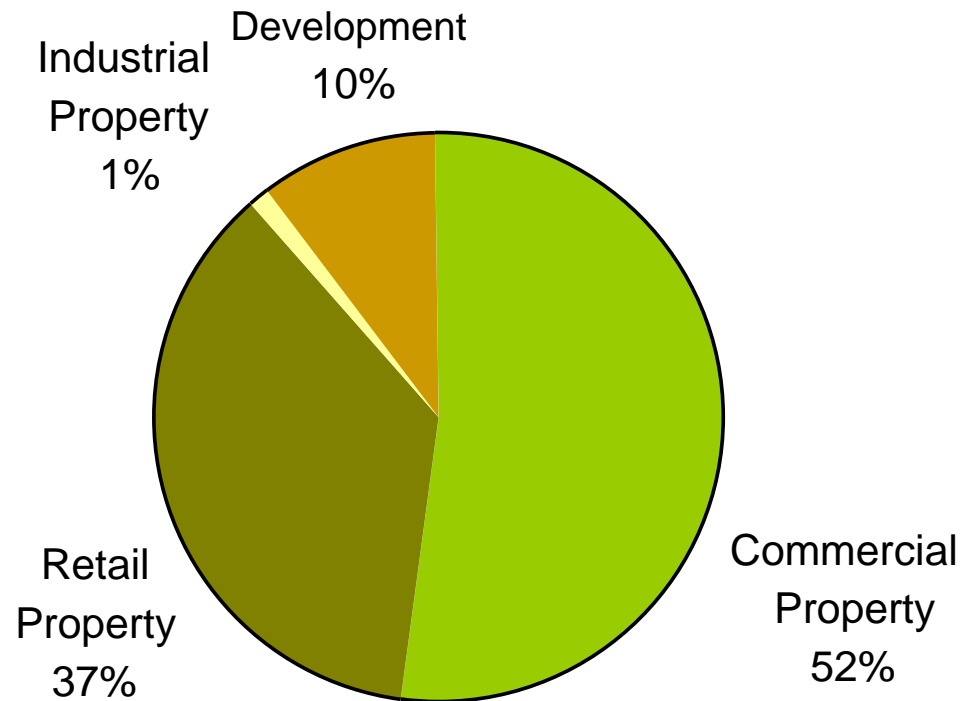




# Diversified by Sector



## Portfolio by Sector (% of Value)

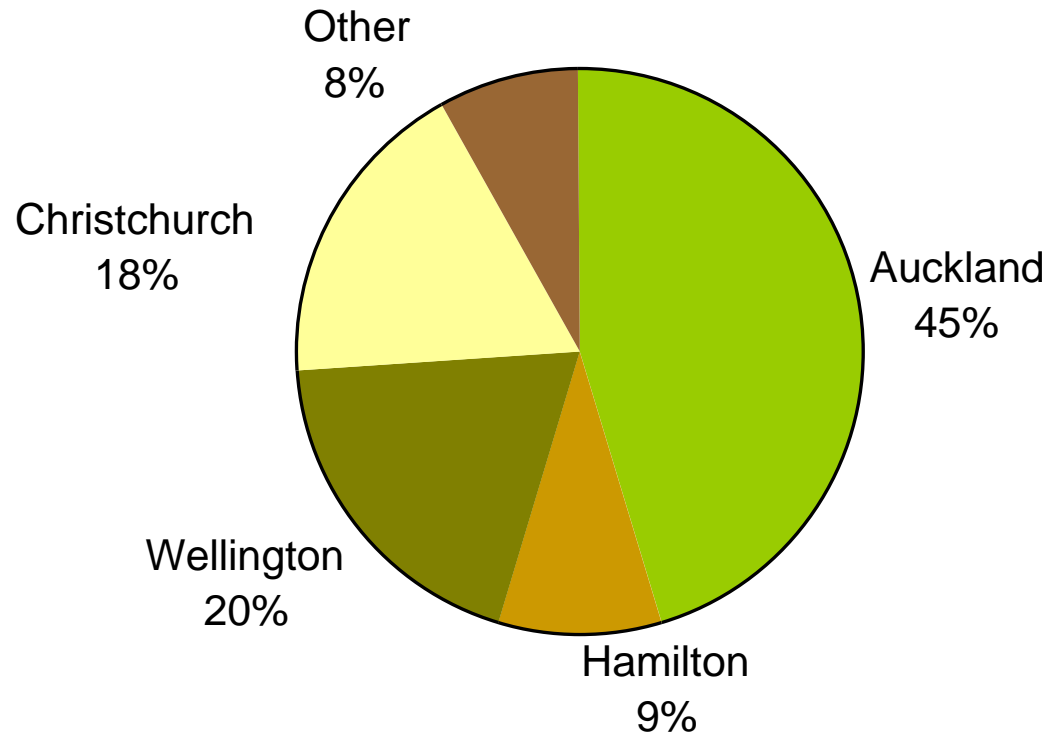




# Diversified By Region



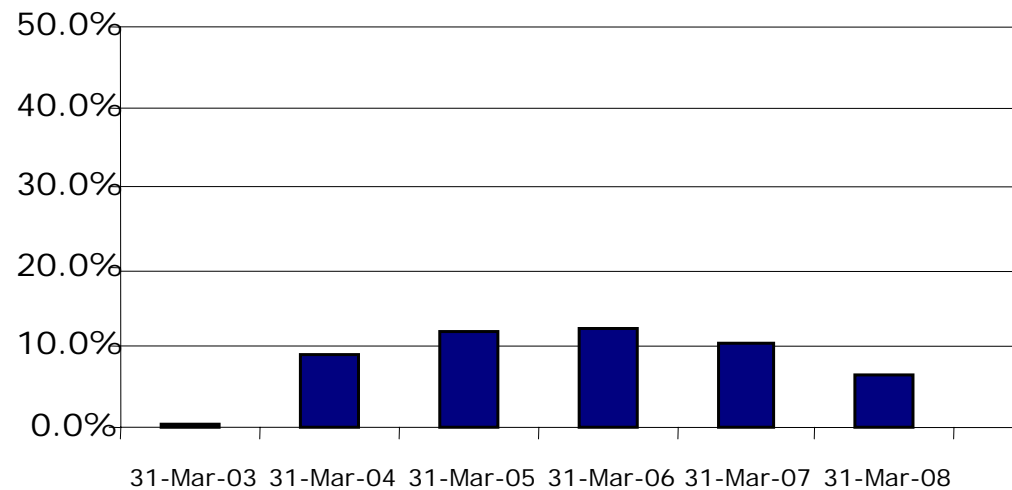
**Portfolio by Region (% of Value)**





# Diversified By Lease Expiry Profile

Lease Expiry Profile - Net Income





# Diversified By Tenant Quality





# Liquidity





# Why is Liquidity Important?

- Markets and personal circumstances can change
- Important to be able to realise any investment efficiently, quickly, and cost effectively
- Direct Property Investments and Single Asset Syndicates not liquid





# Market Capitalisation



NEW ZEALAND STOCK MARKET

Millions

1	TELECOM	\$ 9,942
2	CARTER HOLT HARVEY	\$ 3,118
3	CONTACT ENERGY	\$ 2,912
4	SKY CITY	\$ 1,995
5	AUCKLAND AIRPORT	\$ 1,863
6	THE WAREHOUSE	\$ 1,580
7	FLETCHER BUILDING	\$ 1,479
8	FISHER & PAYKEL HEALTHCARE	\$ 1,157
9	INDEPENDENT NEWS	\$ 996
10	WESTPAC TRUST	\$ 967
11	FISHER & PAYKEL APPLIANCES	\$ 887
12	GUINNESS PEAT GROUP	\$ 887
13	KIWI INCOME PROPERTY TRUST	\$ 653
14	PROMINA	\$ 502
15	ANZ BANK	\$ 425
16	INFRATIL	\$ 378
17	SKY TV	\$ 369
18	LION NATHAN	\$ 345
19	WASTE MANAGEMENT NZ	\$ 342
20	PORT OF TAURANGA	\$ 327

As at 30 June 2003



KIWI INCOME  
PROPERTY TRUST



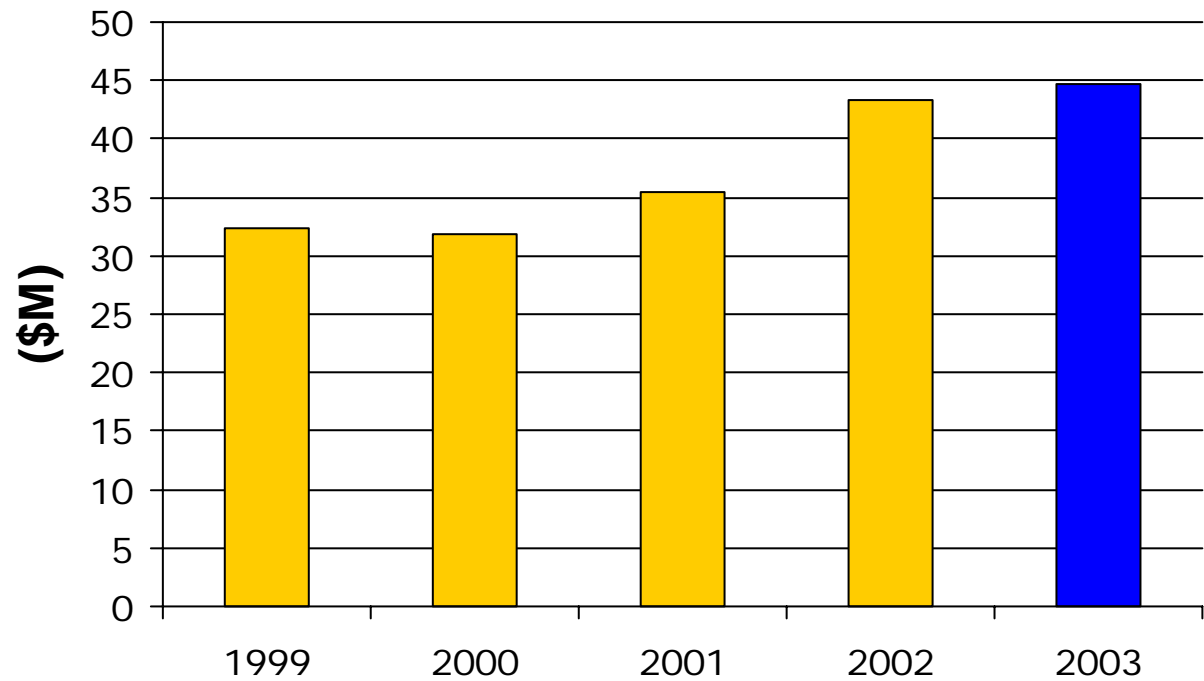
# Performance



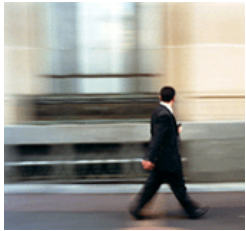


# Net Income After Tax

YEAR ENDING 31 MARCH

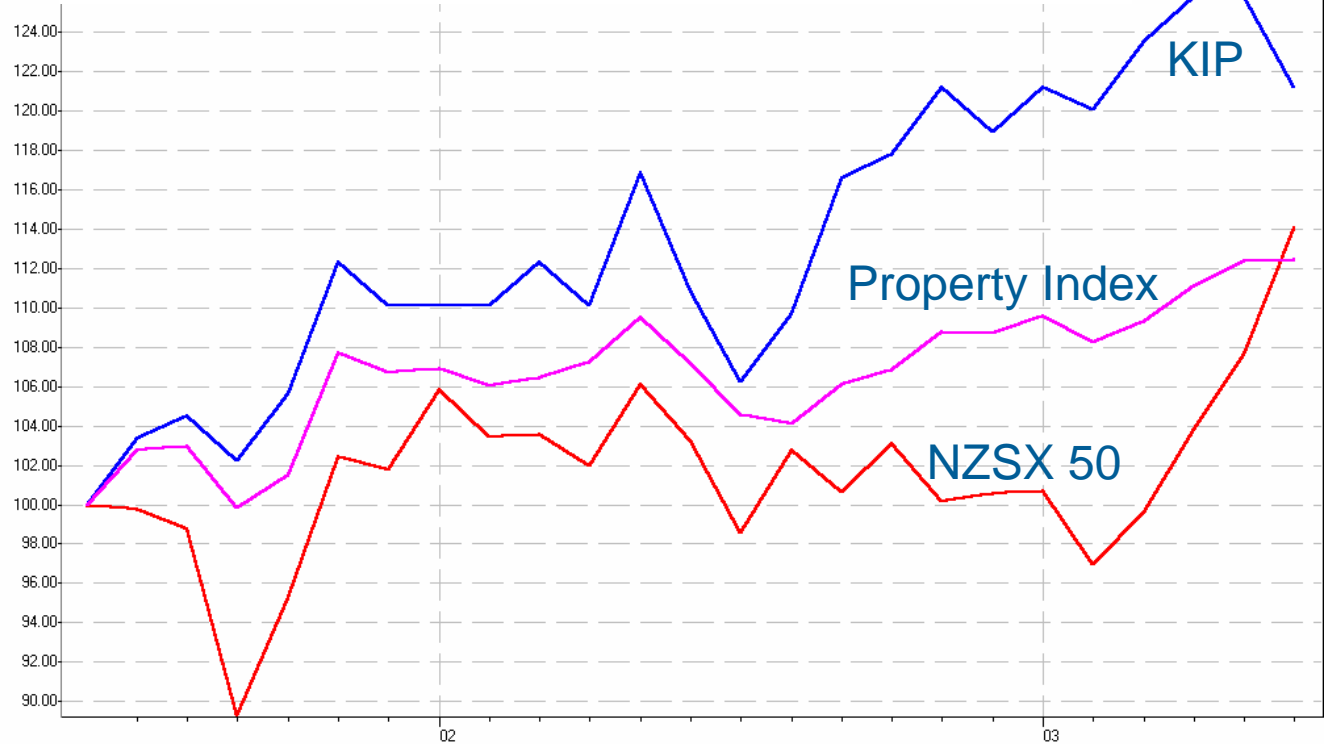


Total Gross Dividend 8.54 cents per unit gross declared



# Market Performance

## KIP vs Property Index vs NZSX 50



June 02 - May 03



# Total Returns



Returns to 30 June 03	Yearly	Two Years cumulative p.a. return
NZSX50 Index	10.5%	6.8%
Property Index	17.7%	17.5%
<b>KIP</b>	<b>25.1%</b>	<b>21.0%</b>



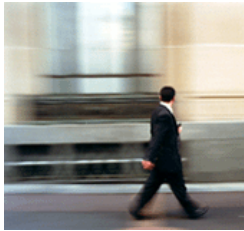
**Total return of 11.03% per annum since listing in 1993**



# Asset Management

## Office Portfolio

- 97.2% Occupancy (as at 31 March 03)
- 27 office leases and renewals were completed, 10,980m<sup>2</sup> representing 7.23 % of the portfolio by area, and 6.60 % by gross income.
- 34 rent reviews were completed, representing 32% of the portfolio by area and 25 % by gross income, 1% (\$104,000) ahead of current income



## Retail Portfolio

- 98.1% Occupancy (as at 31 March 03)
- 58 new retail leases or renewals were completed, 31% (\$808,000) up on current income
- 129 rent reviews were completed, 6% (\$652,000) up on current income





# Dividends

- Pay out 100% of after tax operating income
- Regular dividend paid for past 10 years
- Dividends paid semi-annually in June and December
- Projected distribution for next financial year - March 2004  
8.30 - 8.50 cents per unit gross





# Added Value





# Added Value

- Tenancy remixes
  - North City \$10 m
  - general remixes
- Fixed rent reviews
  - built in growth
- \$ Million Challenge
  
- **The Plaza Foodcourt remix**
- **Downtown Plaza acquisition**
- **Sylvia Park**
- **Northlands Shopping Centre**





# The Plaza Foodcourt

- \$1.5 million in capital expenditure
- \$225,000 per annum additional rent
- 15% initial yield
- Added value \$3.8 million



Before

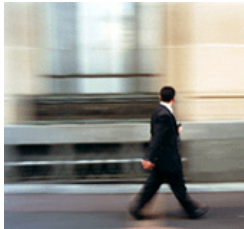


After



# Downtown Plaza

- \$14 million - 10.5% yield
- Strong management and retail mix synergies
- Low gross occupancy costs
- Opportunities to add value





# Sylvia Park - Mt Wellington, Auckland





# Sylvia Park

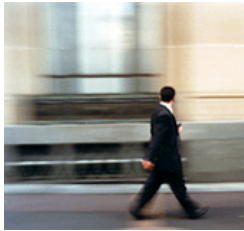
## Transport & Access





# Sylvia Park

- One single landmark project - 148,000 m2 GFA approved
  - retail
  - office
  - institutional
  - entertainment
  - community
  - public transport
- Rezoning largely complete
- Major tenant discussions underway
- Strategic partners being reviewed
- Structure and funding being resolved
- Significant Colonial involvement

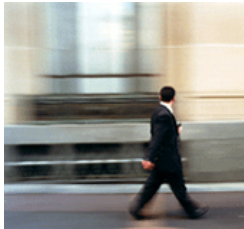




# Northlands Shopping Centre - Christchurch

## Investment Rationale:

- Creating a genuine New Zealand regional shopping centre
- Creating a high quality asset which will boast a unique mix of major tenants
- Achieving a new level of customer appeal
- Increasing Northlands Main Trade Area market share
- Lifting Northlands' performance by repositioning the centre to capture long term revenue growth
- Improve the quality and security of the Trust's income stream
- Increasing Kiwi's weighting in retail assets and gaining further exposure to the best performing sector of the New Zealand property market.



# Northlands - Pre Development



# Northlands - Under Construction



**NZ's largest enclosed mall  
40,700m<sup>2</sup> on completion  
\$90.9 million project cost  
5 Anchors  
Strong leasing demand**



# Northlands - Leasing

**All eyes on Northlands**  
**Northlands leased**  
**Redeveloped mall to boost local business**

The \$90 million Northlands Shopping Centre redevelopment will boost the local economy over the next couple of years as construction proceeds, says Angus McNaughton, Chief Executive of the company that owns the centre. The redevelopment will create 1400 local jobs and boost the local economy over the next couple of years as construction proceeds, says Angus McNaughton, Chief Executive of the company that owns the centre.

**Northlands stage one opens for business**  
 Shopping Centre redevelopment, when does opened yesterday. The centre has been transformed, with 54 new specialty stores and 400 undercover car parks. Stage two is under way and will be completed by Easter 2004.

**Northlands celebration**  
 Celebrations by retailers, management and customers are under way to mark the official opening of stage one of the \$90 million Northlands redevelopment. Stage One, which was officially opened yesterday, includes 54 new specialty stores and 400 undercover car parks.

**Northlands Mall fully leased**  
 Demand for rental space at Northlands Mall is strong, with stage one of the redevelopment leased three months before its recent completion. The mall upgrade is on track.

**Mall upgrade on track**  
 KIWI Income Property Trust has completed the first stage of a \$90.9 million redevelopment of Northlands Shopping Centre in Christchurch. Trust chief executive Angus McNaughton said the first stage, which included 54 speciality stores and 400 undercover car parks, would be officially opened today. The two-stage redevelopment will create 1400 jobs and boost the local economy over the next couple of years as construction proceeds, says Angus McNaughton, Chief Executive of the company that owns the centre.

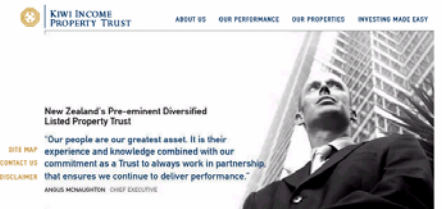
**Mall stage open**  
 The first stage of the \$90.9 million redevelopment of Northlands Shopping Centre, in Paparua, is set to be officially opened today. The first stage includes 54 speciality stores and 400 undercover car parks, owner Kiwi Income Property Trust said. The two-stage redevelopment will create 1400 jobs and boost the local economy over the next couple of years as construction proceeds, says Angus McNaughton, Chief Executive of the company that owns the centre.

Stage I May 03 - 54 tenants - 100% leased  
 Stage II - Nov 03 - 47 tenants - 100% leased  
 Stage III - Mar 04 - 32 tenants



# Summary

- Ten years of strong performance since listing in December 1993
- Another solid year predicted, although more challenging than previous year
- The Trust is creating its own opportunities - Downtown Plaza, Northlands, The Plaza, and Sylvia Park
- Trust well placed with quality of portfolio and focussed management team
- Focus on income, performance, and long term consistent returns





# KIWI INCOME PROPERTY TRUST

Diversity

Liquidity

Performance

Added Value

