

**NZX & MEDIA RELEASE**

31 March 2010

**KIWI INCOME PROPERTY TRUST ANNOUNCES  
FULL YEAR PROPERTY PORTFOLIO VALUATION**

Kiwi Income Property Trust today reported a reduction of approximately \$8.7 million (0.5%) in the value of its portfolio of prime office and retail assets for the six months to 31 March 2010, bringing the total portfolio value reduction for the financial year ending 31 March 2010 to approximately \$74.6 million. The reduction decreases the value of the Trust's total portfolio by 3.9% to \$1.85 billion for the financial year to 31 March 2010.

The valuations were determined by independent valuers, are subject to final audit and will be confirmed in the Trust's financial result for the year to 31 March 2010.

Sean Wareing, Chairman of the Manager of the Trust said, "The modest 0.5% adjustment in the value of the property portfolio from these latest valuations indicates that property values are stabilising consistent with recent improvements in global economic conditions."

"The Trust continues to benefit from the strength of its premium assets, its sector diversification in both retail and office properties and its diverse and high-quality tenant base. Underlying operating earnings remain sound," Mr Wareing said.

Chris Gudgeon, Chief Executive of the Manager, commented that the downward value movement of the portfolio over the last 12 months was largely contained within the office portfolio. "Whilst capitalisation rates have stabilised, the values reflect concerns around the future level of office rents. Conversely, over the last six months the value of the retail portfolio has increased by \$16.7 million with the most significant contributor being Sylvia Park Shopping Centre in Auckland which was valued at \$452 million, providing a revaluation gain of \$15 million, with the capitalisation rate remaining at 6.88%," he said. "It is also pleasing to see the recently redeveloped Plaza Shopping Centre in Palmerston North contributing to value growth, with the on-completion valuation increasing 4.5% over the previous valuation."

"Looking forward, our higher exposure to the retail sector should continue to assist in countering the softer outlook for the office sector."

The portfolio weighted average cap rate increased from 7.70% at 31 March 2009 to 7.86% at 31 March 2010.

ENDS

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**Valuation Summary as at 31-Mar-10**

Property	Cap Rate [%]	Value [\$000s]
<b>Retail Portfolio</b>		
Sylvia Park Shopping Centre, Auckland	6.88%	\$452,000
Northlands Shopping Centre, Christchurch	7.50%	\$236,000
The Plaza Shopping Centre, Palmerston North	7.50%	\$194,179
North City Shopping Centre, Porirua	8.75%	\$103,000
Centre Place Shopping Centre, Hamilton	9.13%	\$92,900
Downtown Plaza Shopping Centre, Hamilton	10.00%	\$21,900
<b>Retail Portfolio</b>	<b>7.55%</b>	<b>\$1,099,979</b>
<b>Office Portfolio</b>		
Vero Centre, Auckland	7.75%	\$265,400
The Majestic Centre, Wellington	8.50%	\$103,400
National Bank Centre, Auckland	8.75%	\$97,500
Unisys House, Wellington	8.75%	\$79,800
21 Pitt Street, Auckland	8.88%	\$52,000
PricewaterhouseCoopers Centre, Christchurch	8.88%	\$51,800
44 The Terrace, Wellington	8.75%	\$30,250
50 The Terrace, Wellington	9.75%	\$6,200
<b>Office Portfolio</b>	<b>8.35%</b>	<b>\$686,350</b>
<b>INVESTMENT PORTFOLIO</b>	<b>7.86%</b>	<b>\$1,786,329</b>
<b>Other Properties</b>		
Development Property		\$14,200
Adjoining Property		\$47,742
<b>OTHER PROPERTIES</b>		<b>\$61,942</b>
<b>TOTAL PORTFOLIO</b>		<b>\$1,848,272</b>

## **About Kiwi Income Property Trust**

Kiwi Income Property Trust's objective is to optimise returns for its Unit Holders through the careful acquisition, development and professional management of its property portfolio. The Trust is listed on the New Zealand Stock Exchange and is ranked within the top 15 on the NZX 50 Index, and is a member of the NZX 10 Index.

The total value of the Trust's property portfolio is \$1.85 billion. Assets include:

### **Key Retail Assets**

Sylvia Park Shopping Centre	Auckland
Centre Place Shopping Centre	Hamilton
The Plaza Shopping Centre	Palmerston North
North City Shopping Centre	Porirua
Northlands Shopping Centre	Christchurch

### **Key Office Assets**

Vero Centre	Auckland
National Bank Centre	Auckland
21 Pitt Street	Auckland
The Majestic Centre	Wellington
Unisys House	Wellington
44 The Terrace	Wellington
50 The Terrace	Wellington
PricewaterhouseCoopers Centre	Christchurch

Kiwi Income Property Trust's website address is [www.kipt.co.nz](http://www.kipt.co.nz).