

MEDIA & NZX RELEASE

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THE PLAZA - THIRD STAGE OPENS TODAY

The third stage of Kiwi Income Property Trust's redevelopment of The Plaza Shopping Centre in Palmerston North was officially opened today by the Deputy Prime Minister and Minister of Finance, Hon Bill English.

The Shopping Centre was opened at an official ribbon cutting ceremony, which followed a dawn blessing from local iwi, Rangitaane. Also in attendance were the Mayor, Jono Naylor, City Councillors of Palmerston North City Council, Chris Gudgeon, Chief Executive of the Manager of the Trust, senior executives of Farmers Trading Company, and retailers of the Centre.

In his address the Minister acknowledged the significant contribution the \$93 million development has made to the local economy of Palmerston North.

"The range of new retailers provided in The Plaza redevelopment will create employment and provide a boost to the local economy. In these challenging economic times, the success of this project is evidence of strong business confidence in Palmerston North and the Manawatu region." the Minister said.

Stage 3 of the redevelopment features a 7,200 square metre flagship Farmers department store, 32 specialty shops, and a three-level carparking building providing an additional 500 convenient parking spaces for shoppers.

"The redevelopment of The Plaza has offered Farmers the opportunity to lease a new large flagship store. The fitout of the store is absolutely stunning, and it is sure to become recognised as one of the leading fashion and home stores in all of New Zealand. The new store has ranges and brand choices which are hugely expanded to offer the very best of beauty, fashion and homewares from around the world." said Managing Director of Farmers Trading Company, Rod McDermott.

Today's stage opening follows the completion of Stages 1 and 2 during 2009, which saw the addition of a new 9 outlet, 450-seat foodcourt, a 700 space three-storey car parking building, and 18 new specialty shops.

In June 2010 the retail offer will be further enhanced with the addition of JB Hi-Fi, a market leader in the Entertainment and Lifestyle category, along with six new specialty retailers opening in the Centre's existing space. To date, the redevelopment has increased the Centre's net lettable area (NLA) from 19,700 square metres to approximately 31,000 square metres. The opening of JB Hi-Fi will take the Centre's NLA to approximately 32,000 square metres on final completion.

The redevelopment increases the number of specialty retailers, from 60 shops at the commencement of the project to over 100 on final completion. Of the 40 specialty shops added through the redevelopment, 35 are retailers new to Palmerston North. The number of car spaces has doubled from about 600 to over 1,200. The redevelopment has integrated the adjacent Countdown supermarket into The Plaza, and the addition of a new Farmers department store complements the Centre's other major retailer, Kmart.

Stage 3 of the redevelopment has opened on programme, and fully leased. 99% of the Centre's budgeted base rent on completion is now secured by unconditional Agreements to Lease. The additional cost to construct the JB Hi-Fi tenancy has been funded from construction cost savings made during the project, and the overall redevelopment is expected to be completed within the initial capitalised cost budget of \$93 million. The Plaza is projected to have a value on completion of approximately \$195 million (to be confirmed), providing a projected yield of between 7.25% and 7.4% on capitalised cost for the first full year post completion, rising to more than 8.25% in the third year post completion.

"The Plaza Shopping Centre in Palmerston North has been comprehensively redeveloped to provide a first class retail offer in the heart of the city that has been designed to appeal to shoppers from all over the Manawatu. The boost to the local economy from our construction activities has been welcomed, as have the additional jobs created through the introduction of the 35 new retailers who did not previously have a presence in the region." said Chris Gudgeon.

Retailers opening new stores at The Plaza today include:

Farmers Trading Company	Merric	Shoe Connection
Columbus Coffee	Bras N Things	TS14+
Dotti	Hallensteins	Valleygirl
Smiggle	Max	Shanton
James & August	Witchery	The Athlete's Foot
Lippy	Hartleys	Westpac Bank
Budget Eyewear	Temt	The Rosarie
K&K	Theobroma Chocolate Lounge	Radius Pharmacy
Pumpkin Patch	Hardy's Health Store	Mojo
OPSM	Sunglass Hut	Munchkins
Bed Bath & Beyond	Stevens	Gold Buyers

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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 \$1.83 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