KIWI INCOME PROPERTY TRUST

ANNUAL GENERAL MEETING

13 August 2008

Agenda

Unit Holder Meeting

- Chairman's Overview
- Chief Executive's Review
  - Financial Performance
  - Portfolio Summary
  - Added Value
  - Outlook
- Special Business

MCN Holder Meeting

- Special Business

Financial & Operating Highlights

- **Distributable Profit** up **4.9%** to **$62.1m**
- **Full Year Cash Distribution** up **7.9%** to **9.00 cpu**
- **Net Profit After Tax** (NZ IFRS) of **$123.0m**
- **Net Portfolio Valuation Gain** of **$64.7m**
- **Total Assets** increase by **$144.9m** to **$2.1b**
- **Bank Debt** of **$571.0m**, representing a conservative **27.3%** of total assets
- **Weighted Average term to Maturity of Bank Debt Facilities** of **3.9 years**
- **No Debt Expiries** before **March 2011**
- **NZ IFRS Adjusted**[1] **Undiluted NTA** up **9 cents** to **$1.75** per unit
- **Portfolio Occupancy** remains high at **99.1%**
- **Sylvia Park** Shopping Centre successfully completed **June 2007**
- **Sylvia Park** retail sales reach **$349m** with Stage IV retailers yet to trade a full year
- **The Plaza Shopping Centre** **$93m** redevelopment commenced **March 2008**

[1] Adjustment of NTA refers to the exclusion of deferred tax on revaluation gains and other items which will not crystallise

Chief Executive's Review

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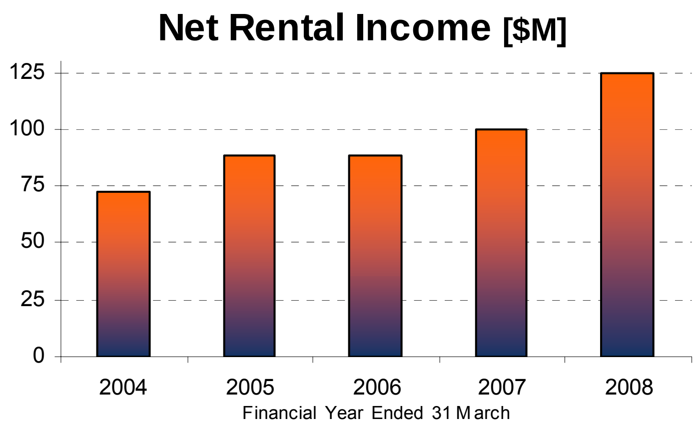
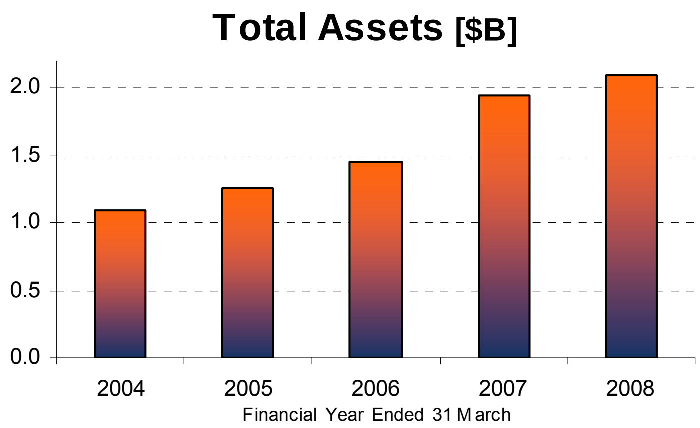
Financial Highlights

	Year Ended / As At	
	Mar-08	**Mar-07**
▪ **Net Rental Income + 25.7% (like for like + 4.4%)**	$125.1m	$99.6m
▪ **Net Profit After Tax** (NZ IFRS) **– 51.7%**	$123.0m	$254.6m
▪ **Distributable Profit + 4.9%**	$62.1m	$59.2m
▪ ***Full Year Cash Distribution + 7.9%***	*9.00 cpu*	*8.34 cpu*
▪ **Total Assets + $144.9m**	$2.1b	$1.9b
▪ **Secured Bank Debt + $85.0m**	$571m	$486m
▪ ***NZ IFRS Adjusted Undiluted NTA + $0.09***	*$1.75*	*$1.66*





Total Returns & Unit Price

Total Gross Return [%PA]	Annual [31 March 08]	Annual [31 July 08]	3 year [31 July 08]	5 year [31 July 08
Kiwi Income Property Trust (KIP)	**-22.2%**	**-19.8%**	**7.0%**	**9.1%**
NZX 50 Gross	-15.5%	-20.8%	-0.2%	9.2%
NZX Property Gross	-17.8%	-16.0%	4.7%	10.1%

Source: GSJBWere Research

- KIP's Total Gross Return since inception is 10.2% p.a.
- KIP's unit price has been impacted by the effects of the global credit crisis on property & equity stocks, compounded further by the Trust's two-stage transition from the MSCI Standard Index to the MSCI Small Cap Index in November 2007 and May 2008.

Portfolio

Portfolio Value and Occupancy

- **Portfolio Value** of **$2.1 billion**
- **Net Valuation Gain** of **$64.7 million**
- **Weighted Capitalisation Rate** softens marginally to **7.0%** with increases in value driven off strengthened income across the portfolio
- **Portfolio Under-rented** by **6.2%**
- **Portfolio Occupancy** remains high at **99.1%**
  - Retail: 99.5%
  - Office: 98.7%

Centre Place Shopping Centre, Hamilton

Unisys House, Wellington

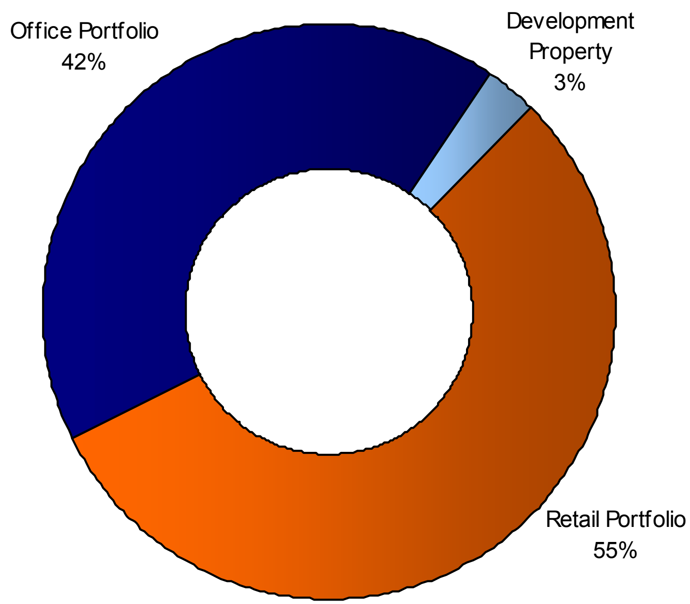
Northlands Shopping Centre, Christchurch

Fisher & Paykel Finance Building, Auckland

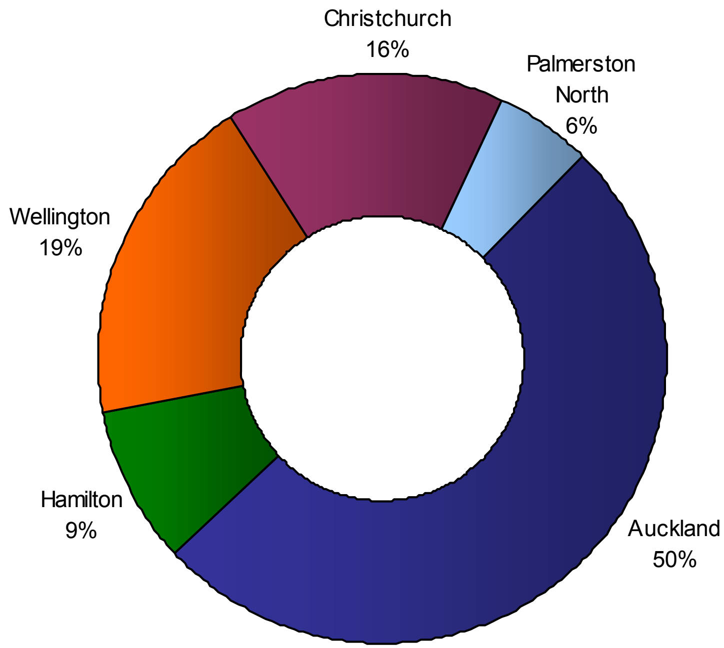
Diversification - PORTFOLIO

- Minimal change to both **Sector** & **Regional Diversification** since last financial year
- Acquisitions during the financial year have marginally increased the regional weightings of Hamilton & Palmerston North

Sector Diversification



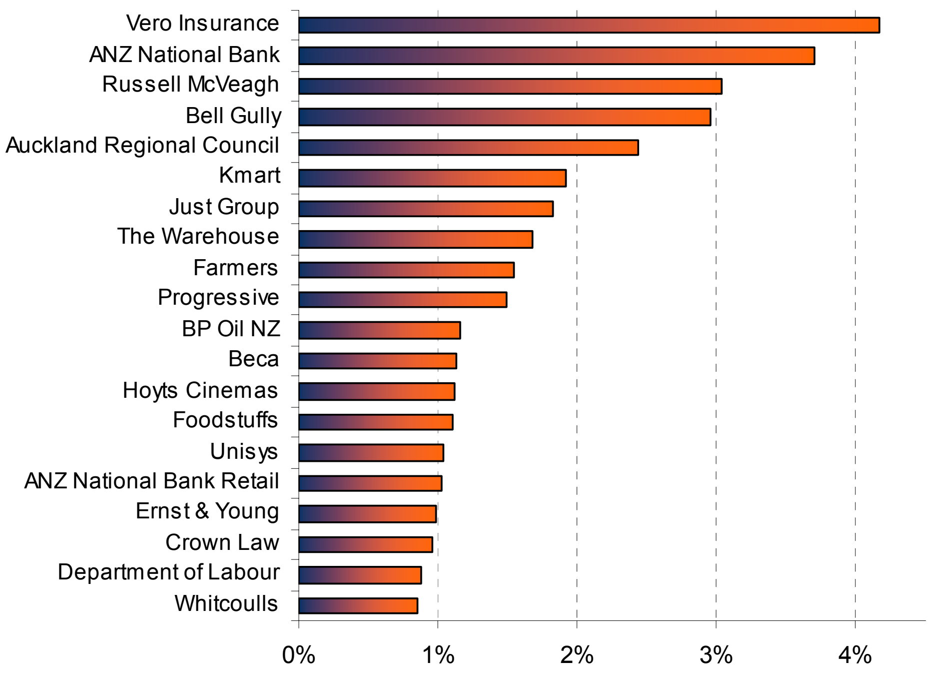
Regional Diversification



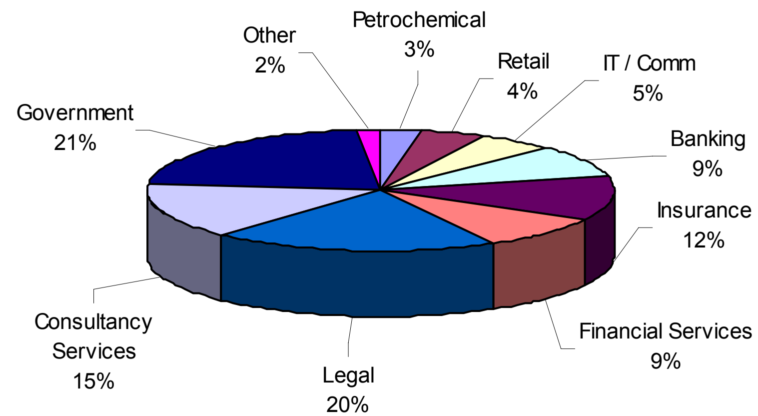
Diversification - TENANT

- The portfolio contains over **850 tenants**, 75% of which are retail tenants and 25% office tenants
- The **Top 20 tenants by Rent** contribute **35%** of the portfolio's gross rental & occupy **49%** of the portfolio's net lettable area
- Almost two-thirds of these tenants are within the office portfolio, which within itself is well diversified by industry with legal & government tenants being dominant

Top 20 Tenants by Gross Rent [% of Investment Portfolio]



Office Portfolio Industry Diversification by Gross Rent [% of Office Portfolio]



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Leasing Activity

- Only **5%** of the portfolio (by gross rent) **expires** in the next financial year
- The portfolio has a **Weighted Average Lease Term** of **4.9 years**
- A total of **668** new leases or rental reviews were concluded having a combined floor area of over **134,000m^2** or approximately **37%** of the investment portfolio
- This resulted in an overall rental increase of **$6.33m** or **9.6%** above previous rental levels. An average compound annual growth rate of **6.5%** was recorded from rental review activity
- In addition to the above, **17,000m^2** of office space was renewed but rental negotiations had not been concluded by the financial year end

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Retail Sales & Gross Occupancy Cost

- Overall sales of **$925m** were recorded across the portfolio, up **29.3%** on the previous financial year, primarily due to additional stages of Sylvia Park trading
- For the first full year of trading to 30 June 2008, Sylvia Park traded strongly recording total sales of **$357m,** well above original expectations
- General economic conditions led to a softening in sales growth across the portfolio, particularly in the second half of the financial year
- Sales across the whole portfolio were down **0.9%** for 12 months to June 2008, consistent with flat retail sales trend.
- Rental growth prospects through fixed or CPI related increases in specialty store leases

Centre Place Shopping Centre Hamilton

The Plaza Shopping Centre Palmerston North

Sylvia Park Shopping Centre Auckland

Downtown Plaza Shopping Centre Hamilton

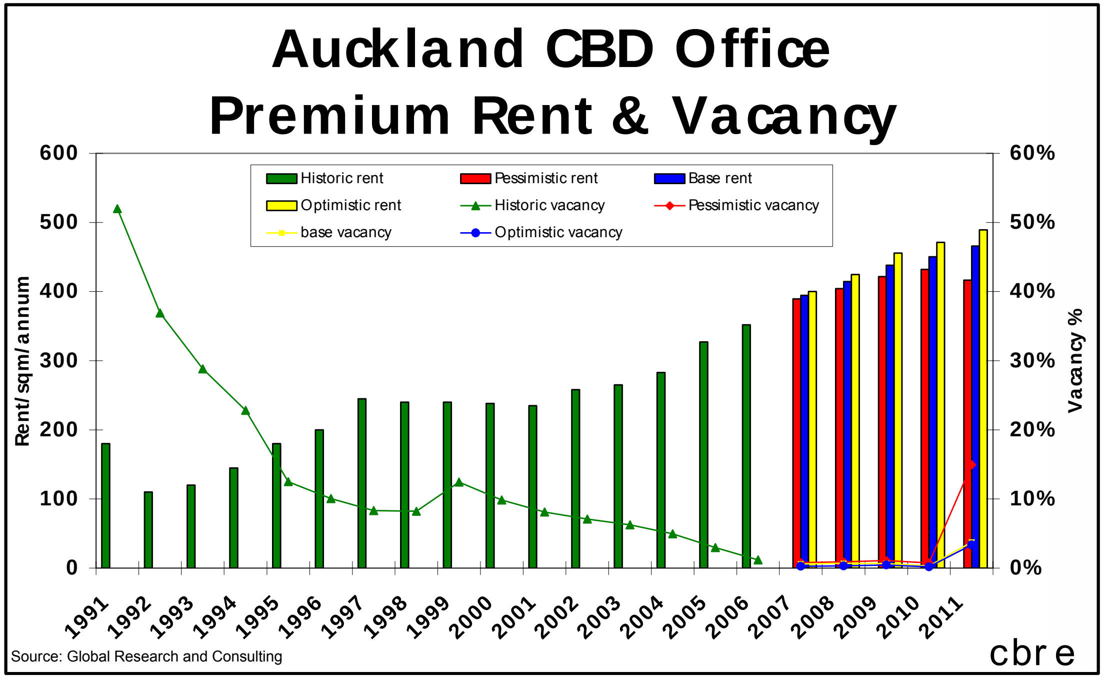
North City Shopping Centre Porirua

Northlands Shopping Centre Christchurch

Office and Retail Markets

Office Market Summary – AUCKLAND

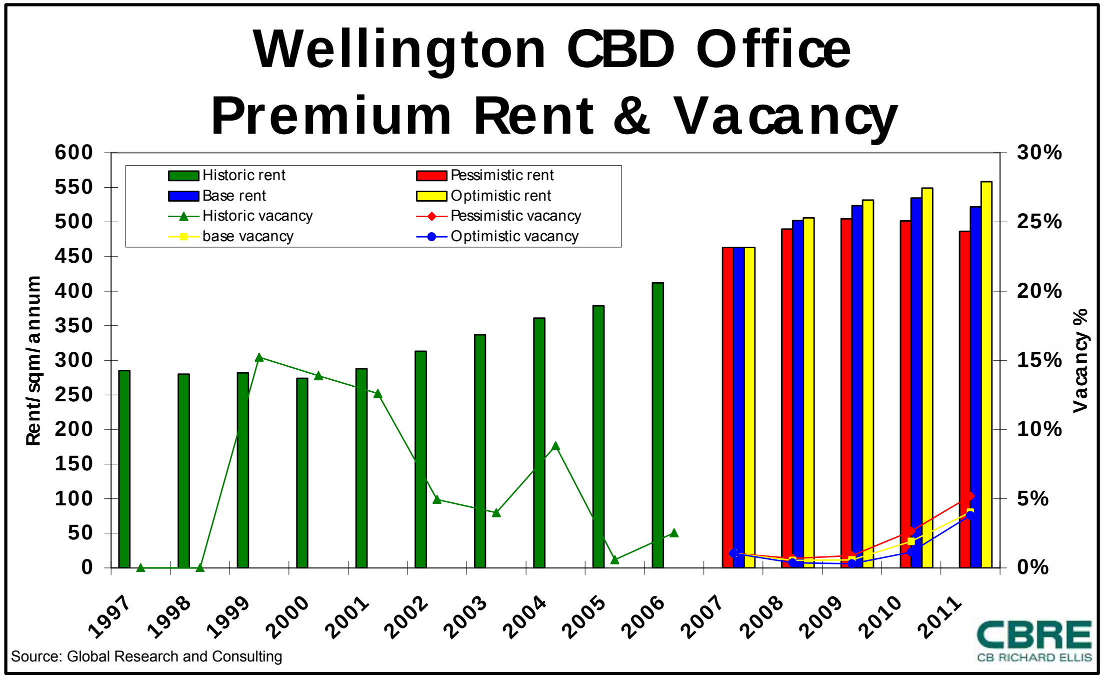
- **Premium grade vacancy** of **0.9%** at June 2008 & overall vacancy of 6.0%
- **Top end Prime rentals** approaching **$600m² net**
- **Average Premium yields** of **7.1%**, softening marginally since late last year following a period of sustained buoyancy
- While the tightening credit market will restrict some speculative development, a new office tower in Auckland's CBD remains a possibility in the future



Vero Centre, Auckland

Office Market Summary – WELLINGTON

- **Premium grade vacancy** of **1.4%** & overall vacancy of 3.0%, the lowest level recorded in five years
- **Premium grade net rents** have increased **11.5%** over the past year with the top rental achieved being **$435m^2 net**
- **Average Premium yields** of **6.9%**, firming since last year
- Significant development activity with 200,000m^2 of largely pre-committed space forecast to come on stream over the next four years



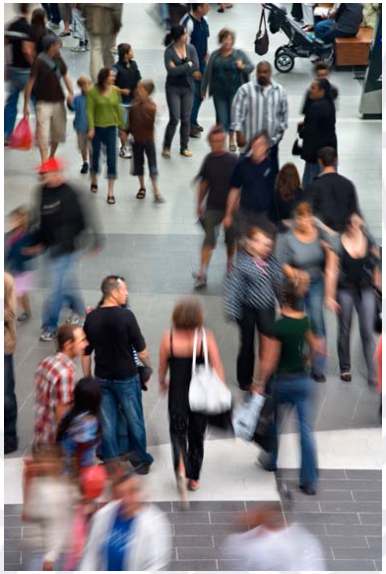
Source: Global Research and Consulting

Majestic Centre, Wellington

Retail Market Summary

- Retail sales have softened against a backdrop of economic uncertainty. Statistics New Zealand confirms a trend of flattening retail sales since December 2007 with core retail sales growth for May 2008 at 0.7% (excludes motor vehicles).
- Household budgets are being stretched by the increasing cost of non-discretionary items including petrol, groceries & mortgage finance. NZIER predicts this period of moderating sales to last through 2009 but recover thereafter.
- Employment is expected to drop in the March 2009 year and recover thereafter. Household income is expected to show slow growth over the coming years.
- We do not expect any significant increase in new retail space in the immediate future.

Sylvia Park Shopping Centre, Auckland


Sylvia Park Shopping Centre, Auckland

Added Value

Added Value - THE PLAZA

- **Redevelopment commenced** in March 2008
  - Increase in NLA from 19,700m^2 to 31,200m^2
  - New two level Farmers department store of 6,800m^2
  - 40 new specialty stores & 450 seat foodcourt

- **Key Financial Information**
  - Estimated capitalised redevelopment cost of $93m
  - Initial Yield in excess of 7.5%
  - Yield exceeds 8.5% in year 3 post completion
  - Projected IRR 9.8%
  - Funded by new $100m 5 year bank facility

Artist impression of Church St entry
The Plaza Shopping Centre, Palmerston North

Artist impression of foodcourt
The Plaza Shopping Centre, Palmerston North

Key Dates

Project commenced	**March 2008**
Stage 1 opens New foodcourt, specialty shops, carpark	**Quarter 1 2009**
Stage 2 opens Specialty shops	**Quarter 3 2009**
Stage 3 opens Farmers, specialty shops	**Quarter 2 2010**

Added Value - THE PLAZA

Leasing Progress Stage 1

- **88%** of **budgeted income** now **secured**
- **12** out of 17 **shops now unconditionally committed**
- Opens in **March 2009**
- Leasing on remaining stages **well underway**

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Added Value - SYLVIA PARK

- Centre completed with the opening of Stage IV on 28 June 2007

- Retail occupancy 100%
  - 99.7% occupancy including professional suites

- Strong trading performance continues
  - Sales to year ending 30 June 2008 at $357 million

- Further demand for retail space especially from fashion retailers

Sylvia Park Shopping Centre, Auckland

Artist impression of North-east multi-storey carpark
Sylvia Park Shopping Centre, Auckland

- Train station popular with customers & staff. Sylvia Park consistently one of the busiest stations on Auckland's suburban rail network

- Construction is underway on a $14m extension to the north-east multi-storey carpark which will provide an additional 750 parking spaces, increasing on-site parking to over 4,000

Added Value - SYLVIA PARK OFFICES

- **Resource consent received** for two 5-level buildings
  - Building A – 10,600m^2
  - Building B – 7,600m^2
- **Full design development** of Building B being completed
  - Flexible floor plates to allow for whole or part floor occupants
  - Embracing environmentally sustainable design features
  - Aiming to achieve NZGBC 5 Green Star rating
  - Estimated construction cost of approximately $30m
- Seeking appropriate level of tenant pre-commitment before proceeding

Location of Office Buildings A & B
Sylvia Park, Auckland


Artist impressions of Office Building B
Sylvia Park, Auckland


Artist impressions of Office Building B
Sylvia Park, Auckland

Acquisitions & Disposals

- **Acquisitions**

  In May 2007 three retail properties were purchased in Hamilton with a combined value of **$9.8m**. The properties have strategic value to the Trust given their location immediately adjacent to Centre Place Shopping Centre

  The Countdown supermarket adjacent to The Plaza Shopping Centre in Palmerston North was purchased in December 2007 for **$14.5m**. The supermarket will be fully integrated into the shopping centre as part of the current redevelopment

- **Disposals**

  There were no disposals during the financial year

Ward Street, Hamilton

Countdown, Palmerston North

Outlook

Outlook for KIPT

☑ Well positioned property portfolio

- High quality assets with occupancy at 99.1%
- Portfolio under-rented by 6.2%
- Retail rental growth underpinned by fixed increase rent review structures
- Significant lease expiries renewed
- Healthy weighted average lease term of 4.9 years
- Well diversified portfolio by sector, region & industry

☑ Strong balance sheet and treasury position

- Balance sheet conservatively geared at 27% with prudent debt arrangements
- Any downward movement in the Trust's property values expected to be reasonably contained
- Prudent interest rate hedging in place with a disciplined and experienced approach to treasury management
- Four bilateral facilities with no expiries before March 2011 (weighted average term 3.9 years)

☑ Growth through focussed asset management, development and acquisition

- Strong focus on driving performance of existing assets
- Internal development opportunities
- Investigation of external opportunities, particularly those with strategic value

☑ Continued delivery of investor returns

- Cash distribution of approx. 9.00 cpu for year ending March 2009, subject to a continuation of reasonable economic conditions
- Compound total annual return since inception of 10.2% per annum

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August 2008