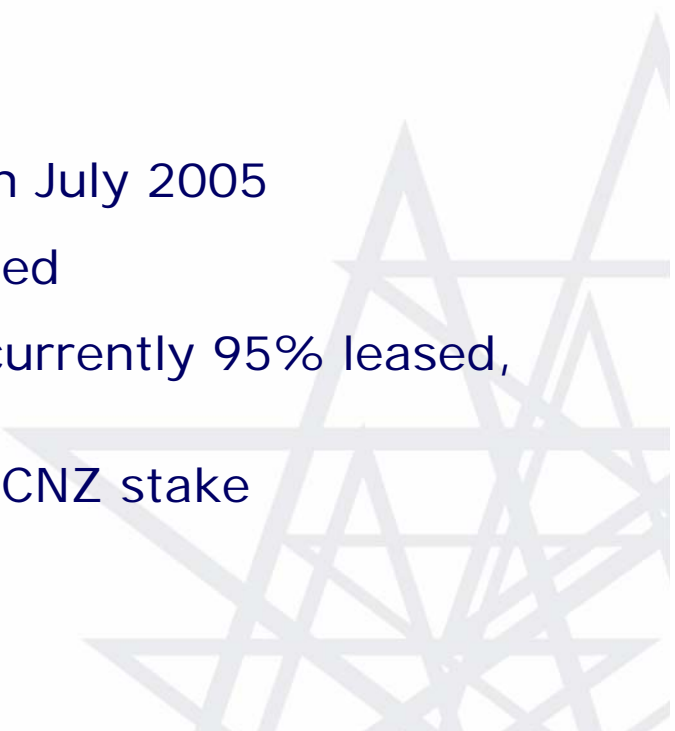


KIWI INCOME PROPERTY TRUST

ANNUAL RESULT

Year Ending 31 March 2006

- Net Income after tax up 36.9% to \$72.1m
 - Total gross dividend up 5.2% to 9.10 cpu (pcp 8.65 cpu)
 - Total gross return of 22.5% p.a.
 - Portfolio revaluation of \$103.2m
 - Undiluted NTA increased by 17 cpu to \$1.44 per unit (includes final dividend)
 - Total assets increased by \$184m to \$1.45b
 - Successful \$142.3m MCN issue completed in July 2005
 - High portfolio occupancy of 99.5% maintained
 - Sylvia Park Stage I 100% leased, Stage II currently 95% leased, construction progressing well
 - \$13.2m profit achieved from sale of 19.2% CNZ stake
 - Inclusion in the NZX10 and MSCI indices
- 

Financial Summary

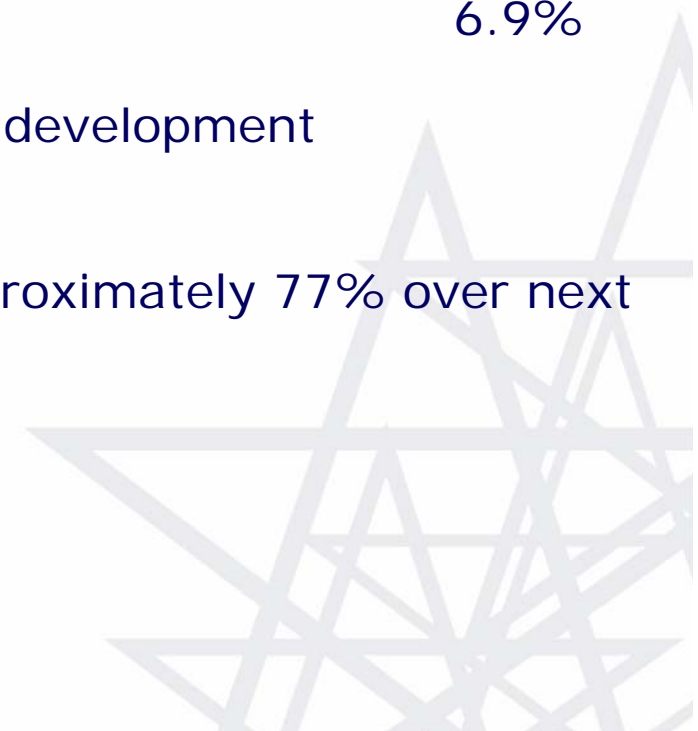
		2006	2005	
Net Rental Income		\$ 88.3m	\$ 88.1m	✓
Net Income before Tax		\$ 80.4m	\$ 66.5m	✓
Net Income after Tax		\$ 72.1m	\$ 52.7m	✓
Gross Distribution		9.10 cpu	8.65 cpu	✓
Unrealised Revaluation Gains		\$103.2m	\$65.0m	✓
Undiluted NTA per unit (includes final dividend)		\$1.44	\$1.27	✓
Securities on Issue	- Units	708.9m	705.1m	
	- MCN's	142.3m	N/A	
Total Assets		\$1.446b	\$1.262b	
Secured Bank Debt		\$236.0m	\$341.0m	
Investor Funds		\$1.020b	\$892.4m	
Secured Bank Debt to Assets		16.3%	27.0%	

Revaluations

Revaluation Gain of \$103.2m

- ▶ Approx. 70% of gain from office portfolio
- ▶ Approx. 78% of gain attributable to increased market rents

Asset	Location	Revaluations >\$5m	
		Valuation (\$m)	Revaluation Gain (\$m)
Office			
Vero Centre	Auckland	255.7	29.7
The Majestic Centre	Wellington	93.2	11.2
Unisys House	Wellington	58.7	8.9
Vector Building (formerly NGC)	Wellington	25.9	6.1
PWC Building	Christchurch	44.6	7.8
Retail			
Northlands	Christchurch	229.5	14.9
North City	Porirua	116.8	10.3

- \$142.3 MCN issue successfully completed in July 2005, fully subscribed
 - Secured bank debt \$236.0m
 - Secured bank debt to assets 16.3%
 - Weighted cost of bank debt 6.9%
 - Secured borrowings post Sylvia Park retail development approximately 30%
 - Average interest rate hedging cover of approximately 77% over next three years
- 

Total Returns

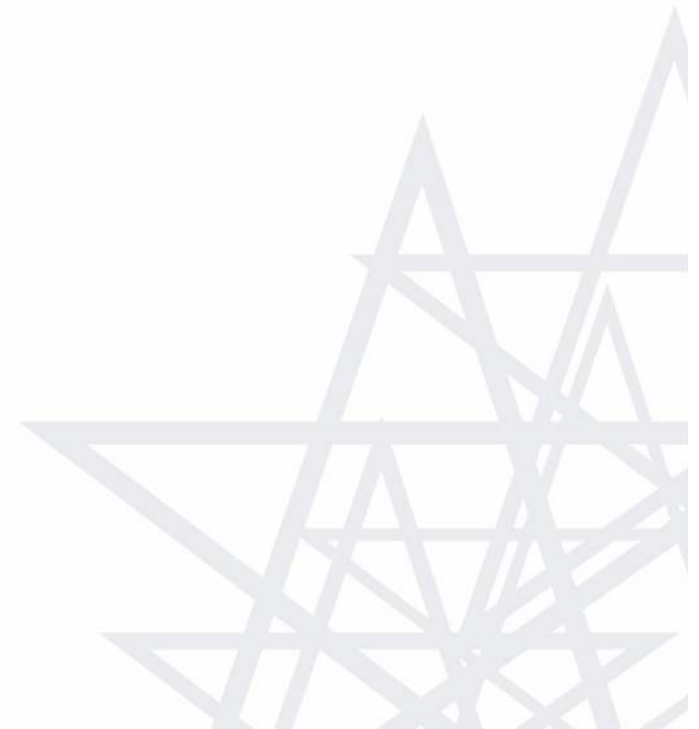
Total return of 22.5% for KIP for year ended 31 March 2006

Returns 31 March 2006	Yearly	Two Year Cumulative (p.a. return)	Three Year Cumulative (p.a. return)
NZX Property Gross	19.0%	18.2%	17.2%
NZX50 Gross	21.8%	19.5%	23.6%
KIP	22.5%	15.2%	14.1%

Source: GSJBWere Research Estimates

Performance Fees

- New fee structure effective from 1 April 2005
- Base Fee 0.55% of Gross Assets
- Performance Fee on unit holder returns over 10%
- Base Fee and Performance Fee capped at 0.70% of Gross Assets
- Total return of 22.5% for year
- Performance Fee of \$1.07m



Dividends

- Gross dividend of 9.10 cpu for year ended 31 March 2006 up 5.2% on previous year
- Projection of no less than 9.10 cpu for year ending 31 March 2007
- Dividend guidance to be reviewed in November 2006

Cents Per Unit	March 2006			March 2005
	Interim	Final	Total	Total
Cash	3.85	4.10	7.95	7.02
Imputation	0.70	0.45	1.15	1.63
Gross Dividend	4.55	4.55	9.10	8.65

■ Acquisitions

- ▶ The Former Warehouse Building, Hamilton
(adjoining Centre Place and Downtown Plaza)

\$4.7m



- ▶ 31 Highbrook Drive, East Tamaki -
F&P Finance Building
(New 10 year lease to F&P Finance)

\$13.1m



■ Disposals

- ▶ AUT Building
((\$1.8m up on book value))

\$29.0m

- ▶ 19.2% Capital Properties stake
((\$13.2m profit))

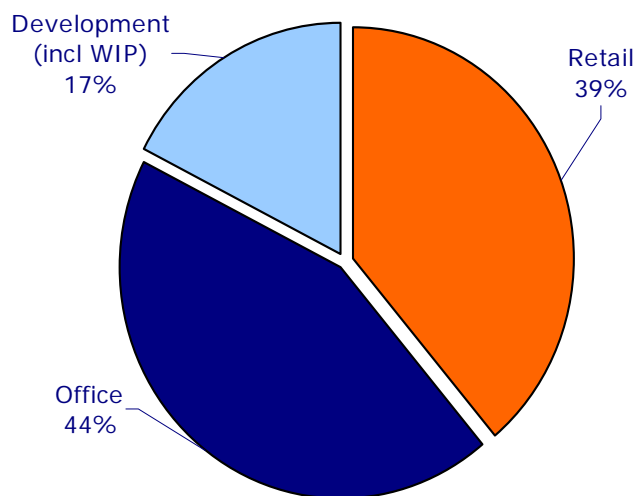
\$69.0m



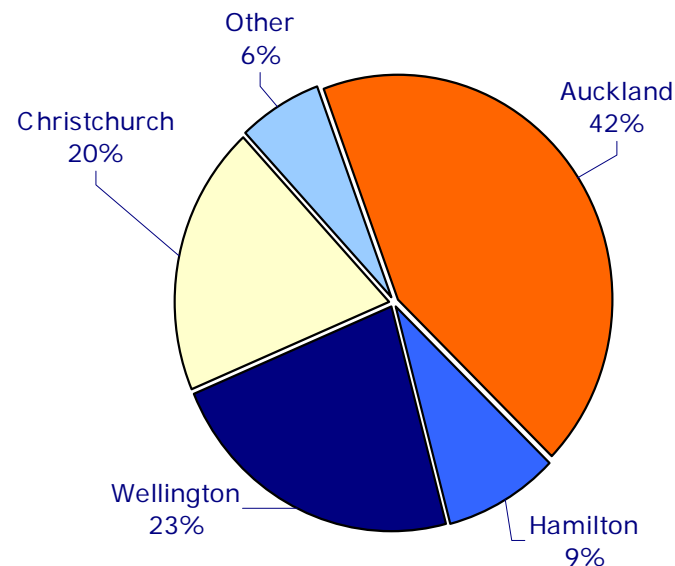
Diversification By Sector & Region

% of Value (As at 31 March 2006)

Portfolio By Sector

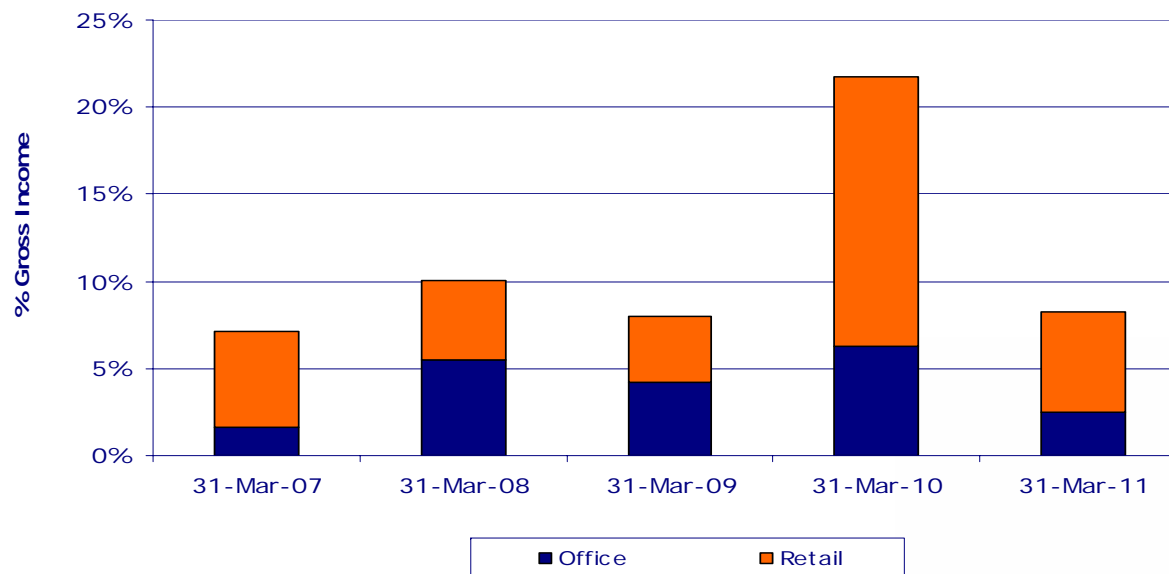


Portfolio By Region



	No. of Tenants	NLA m ²
Retail	459	114,725
Office	162	157,836
Total	621	272,561

Lease Expiry Profile



Key Expiries

FY08 Government of Japan: 2,040m² (Majestic), Commerce Commission: 2,700m² (Unisys), Department of Labour: 6,640m² (Unisys)

FY09 Beca: 1,349m² (PWC), IBM: 1,990m² (Majestic), Unisys: 6,010m² (Unisys)

FY10 Phillips Fox: 2,639m² (NBC), Russell McVeagh: 7,558m² (Vero), Northlands Specialty tenants

Weighted Average Lease Expiry

	2006	2005	2004	2003
Retail	4.5	5.0	4.6	3.5
Office	6.1	6.1	6.0	6.9
Industrial	0.0	0.7	1.1	1.7
Average (Years)	5.4	5.5	5.3	5.7

Note: 2003 excludes Northlands



Vero Centre



Majestic Centre



Northlands



Centre Place

Occupancy – Retail

(As at 31 March 2006)

Property	Net Lettable Area (m ²)	Vacant Area (m ²)	Occupancy %
Centre Place	15,091	157	99.0%
Downtown Plaza	2,959	-	100.0%
The Plaza	14,526	95	99.3%
North City	25,677	30	99.9%
Northlands	41,458	92	99.8%
Sub Total	99,711	375	99.6%
Adjoining Properties	15,014	-	100%
Total Retail	114,725	375	99.7%

Occupancy – Office

(As at 31 March 2006)

Property	Net Lettable Area (m ²)	Vacant Area (m ²)	Occupancy %
Vero Centre	39,482	127	99.7%
National Bank (50%)	13,073	546	95.8%
21 Pitt Street	17,244	-	100.0%
31 Highbrook Drive	4,049	-	100.0%
The Majestic Centre	23,995	356	98.5%
BP House	9,140	-	100.0%
Unisys House	22,151	-	100.0%
Vector Building (formerly NGC)	10,109	-	100.0%
Intergen House	2,510	-	100.0%
PricewaterhouseCoopers	16,082	-	100.0%
Total Office	157,835	1,029	99.3%

Retail Portfolio

New Leases

- 60 retail leases or renewals were completed, 19.9% (\$0.78m) ahead of previous income
- Representing 8.9% of the portfolio area

Rent Reviews

- 309 rent reviews were completed, 5.0% (\$1.24m) ahead of previous income
- Representing 37.9% of the portfolio area

Portfolio Sales

- Up 2.6% (“like for like” up 1.4%)

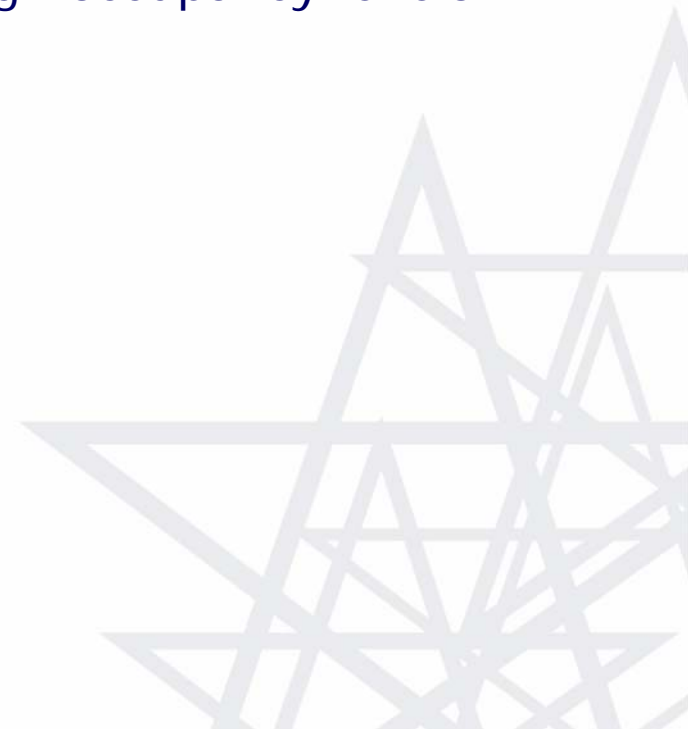
Centre Gross Occupancy Costs

- Specialty range between 12.0% and 15.3%



Retail Sector Performance

- Retail sales growth has continued in the portfolio
- Consumer confidence remains solid after showing signs of weakening
- Demand for retail space has maintained high occupancy levels over the past year



Office Portfolio

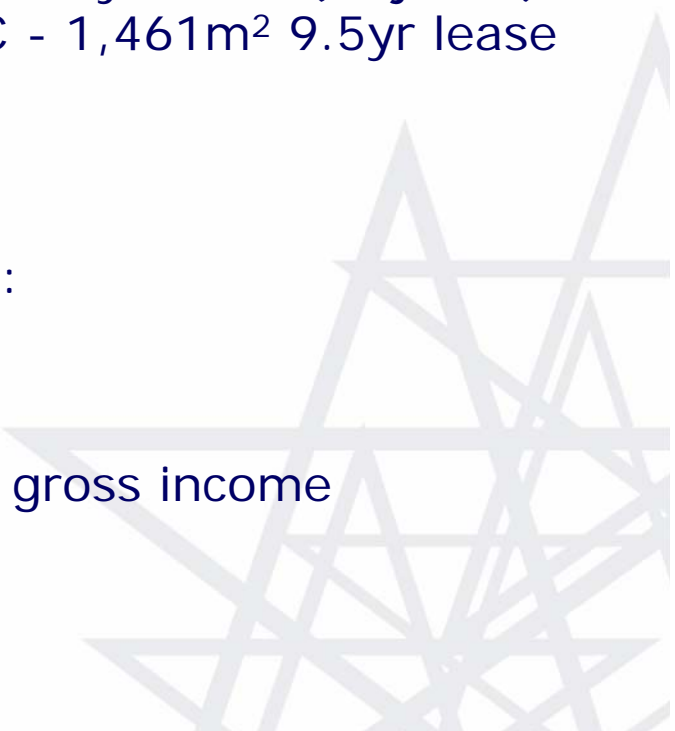
New Leases

30 New leases, renewals & extensions agreed representing:

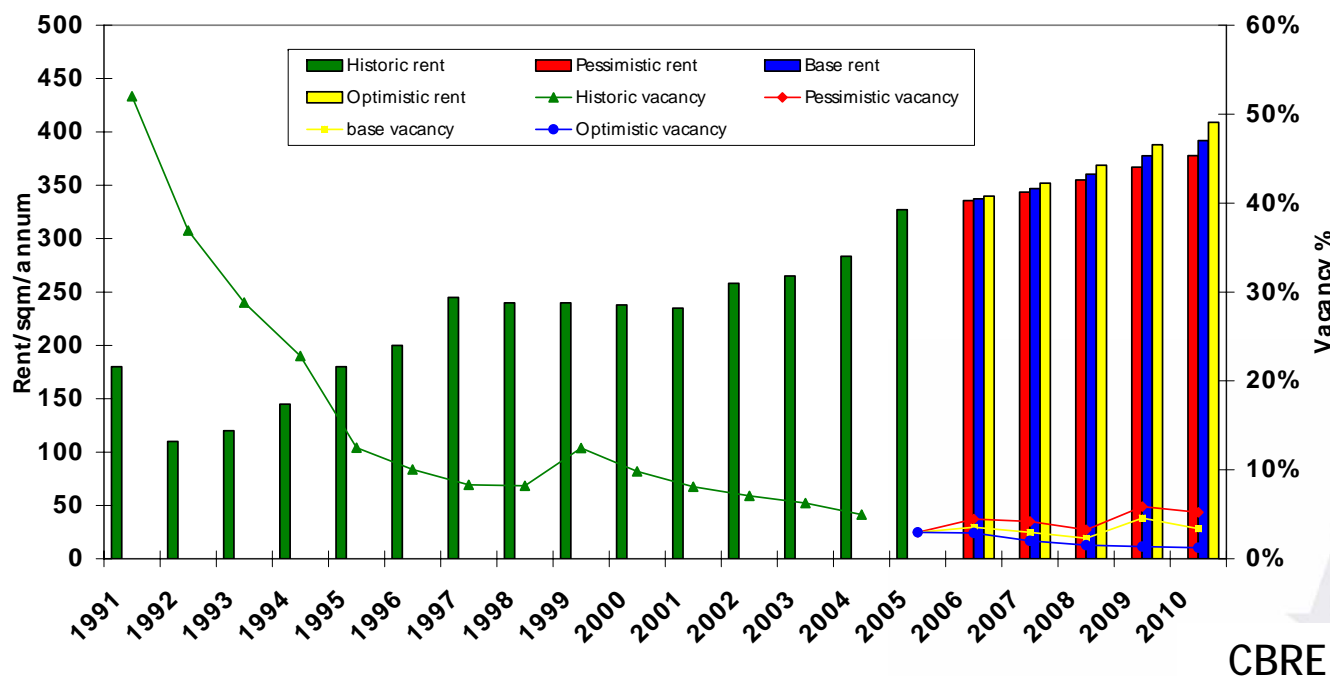
- \$0.79m (13.8%) increase in income
- 23,181m² of net lettable area
- 15.0% of the portfolio area, 14.0% of total gross income
- Major Leases: Airways Corporation - 2,104m² 9yr lease (Majestic); ABN Amro - 1,876m² 9yr lease (Vero); ARC - 1,461m² 9.5yr lease on Level 7 (21 Pitt Street)

Rent Reviews

38 Rent Reviews were completed representing:

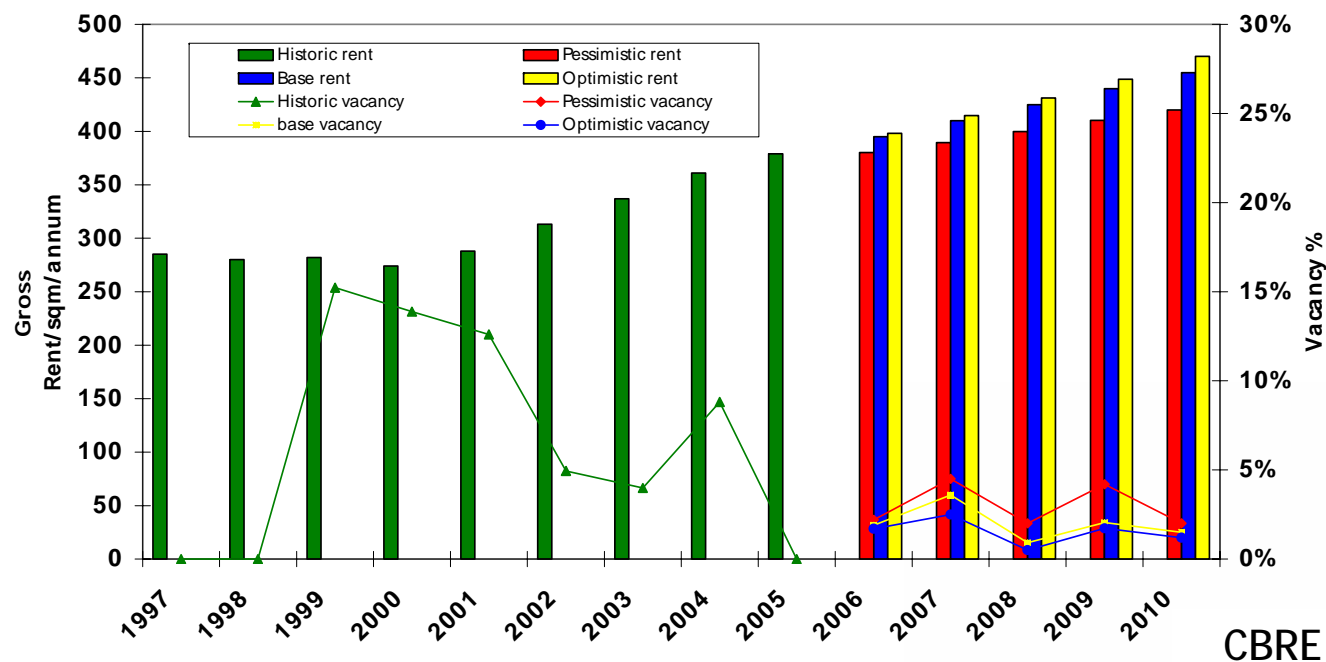
- \$1.08m (9.9%) increase in income
 - 31,859m² of net lettable area
 - 20.7% of the portfolio area, 23.4% of total gross income
- 

Auckland CBD Office Premium Rent & Vacancy



- Over the last 12 months Premium grade net rents increased by 6.7%
- Top end rentals have reached \$480/m²
- At December 2005 Premium grade office vacancy had decreased to 3%
- Premium office yields have firmed from 7.8% to 7.5% during 2005

Wellington CBD Office Premium Rent & Vacancy

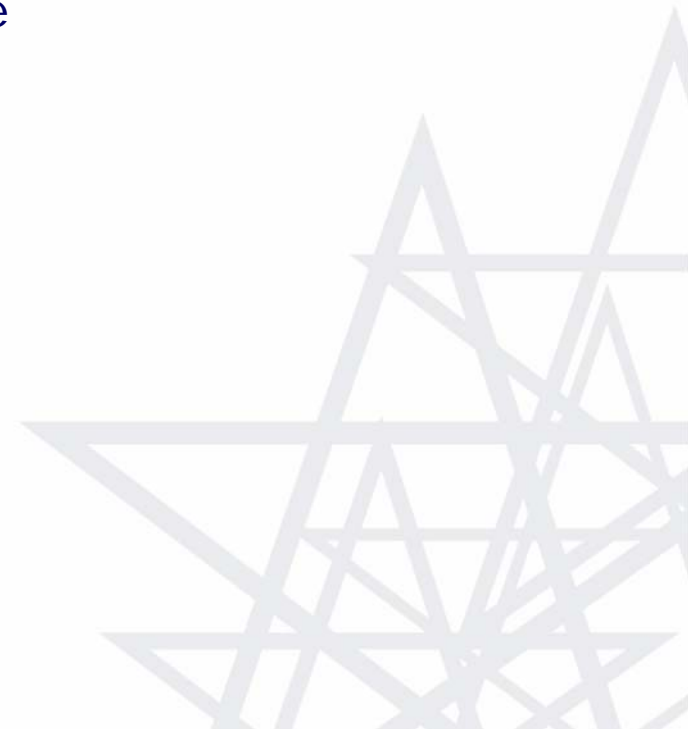


- Premium net rents have increased from \$255/m²-\$293/m² since start of 2005
- Asking rents in new developments are approaching \$400/m² net
- New development now occurring but unlikely to impact on expected growth this year
- At Dec 2005 Premium grade office vacancy had decreased to 0.6%
- Yields firmed from 8.12% to 7.83% during the past year

CBRE

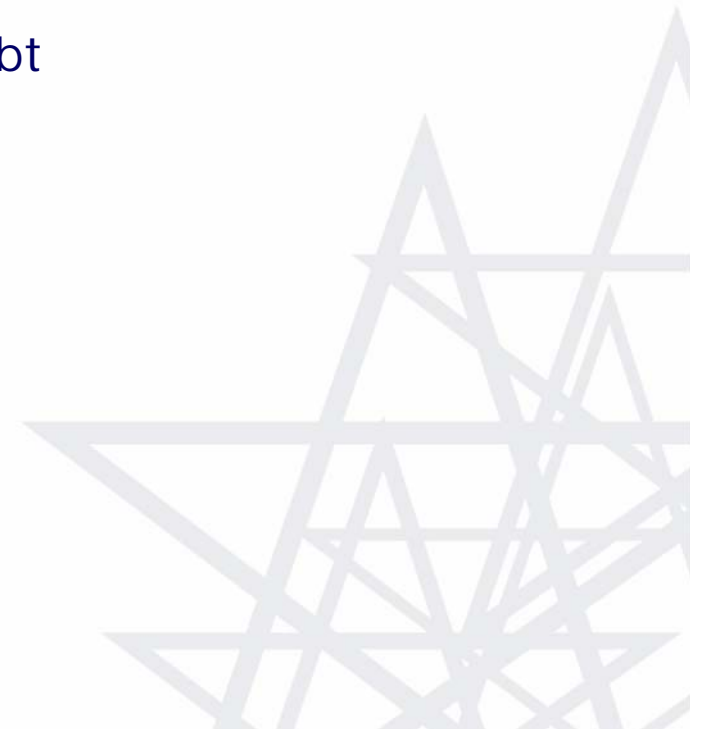
Christchurch

- Overall vacancy has declined from 8.1% to 7.6% or 28,000m² during the past year
- A-Grade vacancies have been at or below 2% since mid 2003
- Prime rentals have increased between 10% and 15% over the last year, now exceeding \$200/m² net effective



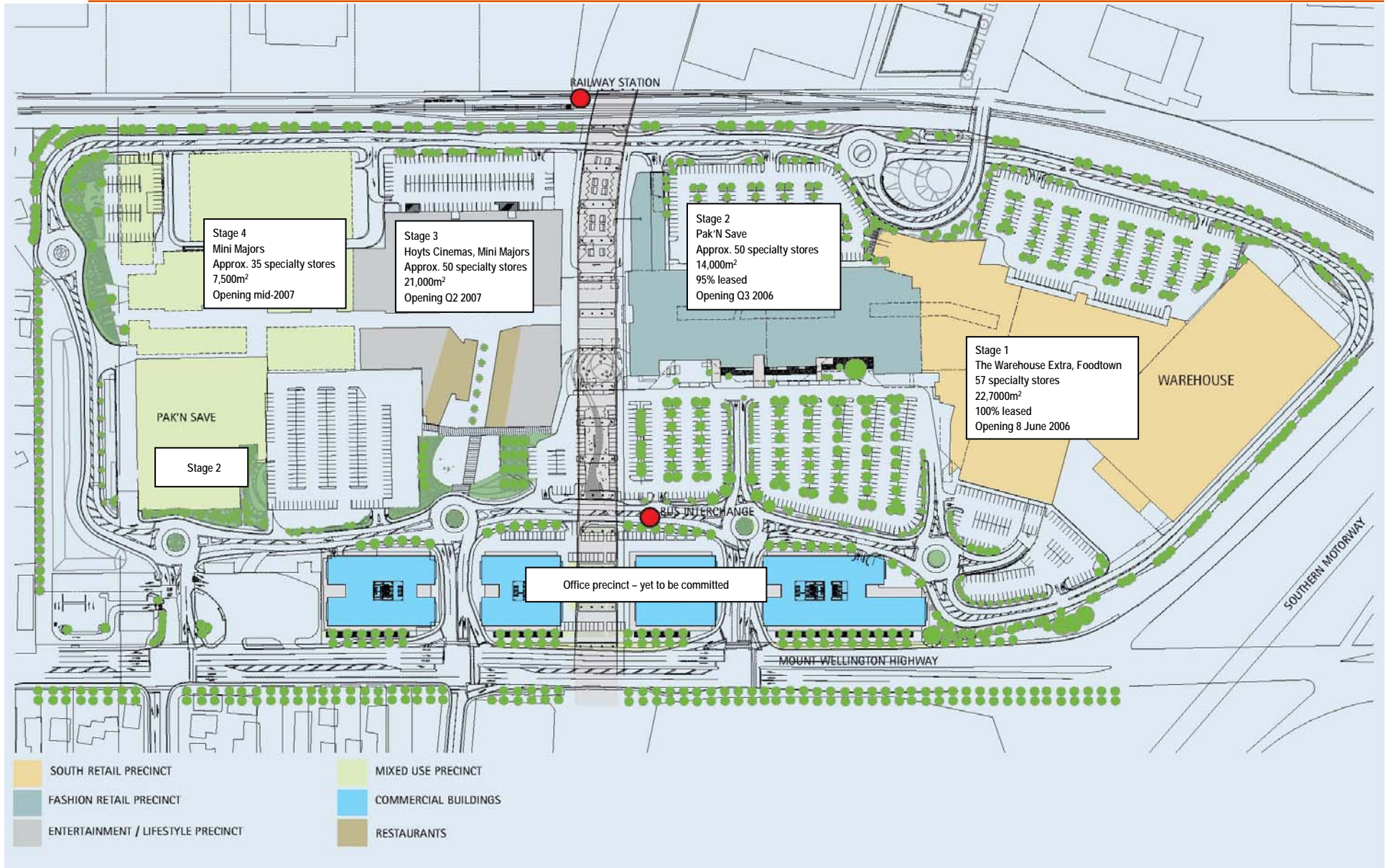
Capital Properties New Zealand Ltd (CNZ)

- 19.2% stake acquired in CNZ for \$1.15 per share in November 2004
- Stake sold for \$1.48 per share in October 2005
- Profit from sale of \$13.2m
- Sale proceeds of \$69m utilised to repay debt





Sylvia Park



Leasing

- **Stage I:**
 - ▶ The Warehouse Extra, Foodtown and 57 specialty stores
 - ▶ 22,700m²
 - ▶ 100% leased
 - ▶ Opening 8 June 2006

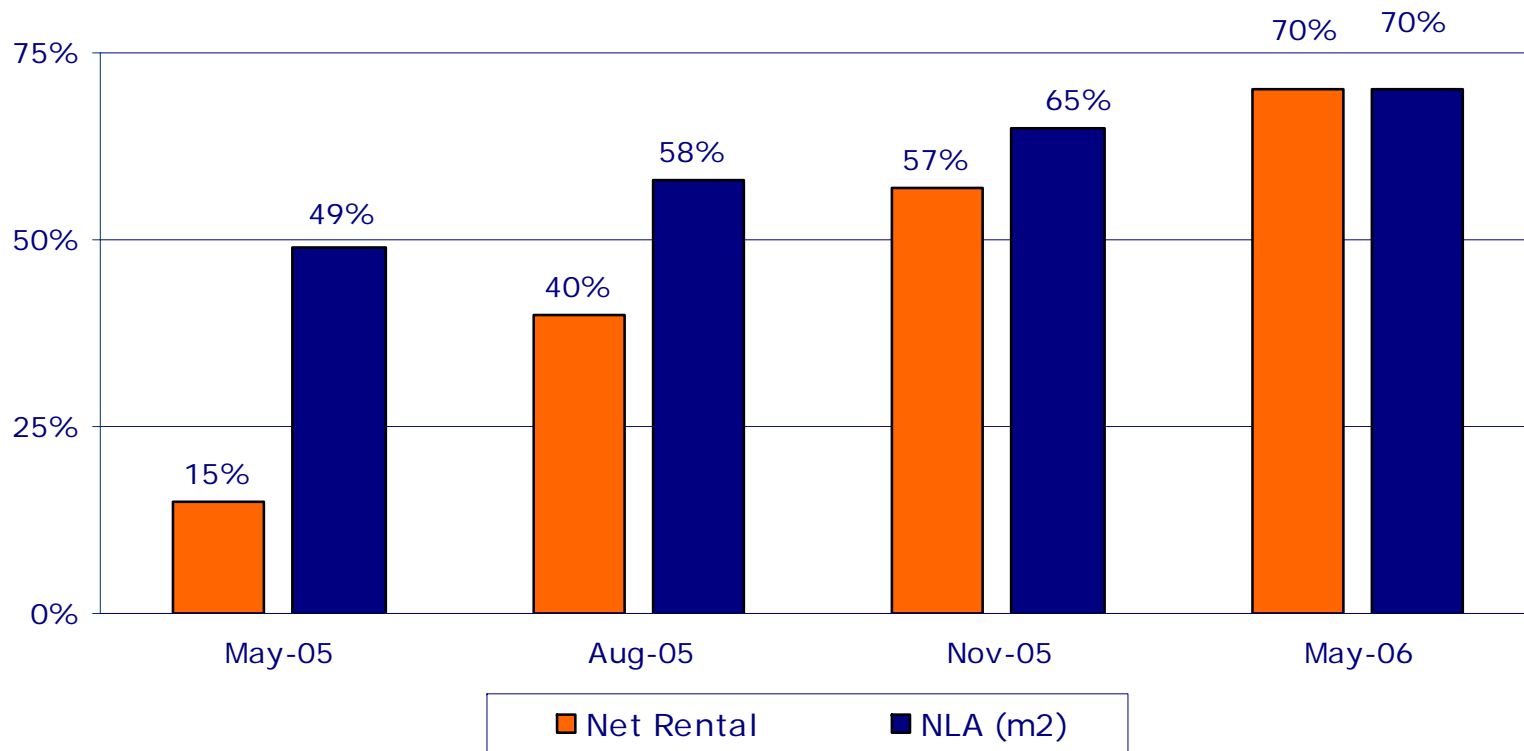
- **Stage II:**
 - ▶ PAK'nSAVE and approximately 50 specialty fashion stores
 - ▶ 14,000m²
 - ▶ 95% leased
 - ▶ Opening third quarter 2006

- Strong demand for fashion tenancies

- Australian retailers committed include – Country Road, Cue, David Lawrence, Kookai, Roxy, Just Jeans Group (5 stores)

Leasing

**Total Centre Leasing Progress
by NLA and Net Rental**



Construction Progress

- Centre on programme to be complete by mid 2007
- Main contractor Multiplex progressing well onsite
- Other contract works largely complete – Naylor Love (The Warehouse Extra), Fletcher Construction (PAK'nSAVE), and Fulton Hogan (Carbine Road overbridge)
- All construction contracts in place (Guaranteed Maximum Price and Lump Sum Fixed Price contracts)





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Sylvia Park

Construction Progress




View North – Stage I & II

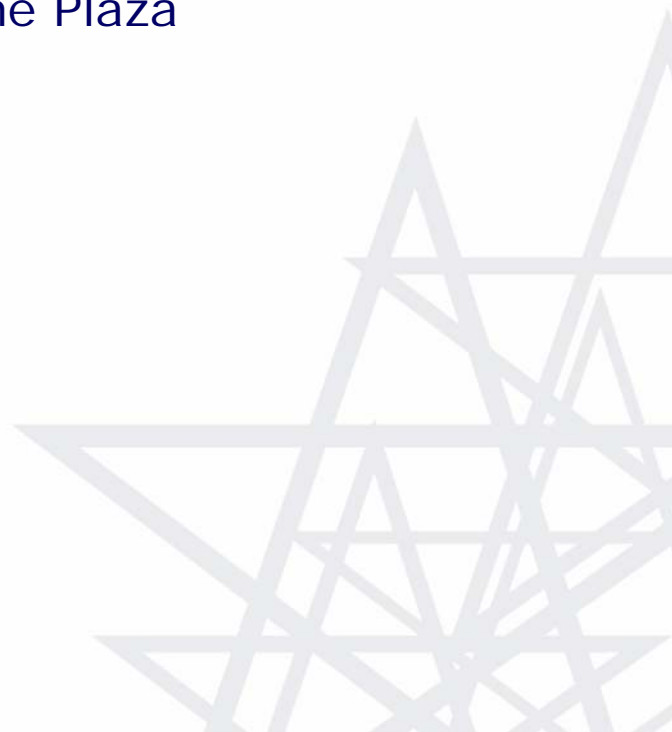


View West – PAKn'SAVE plus Stage III & IV

Commerce

- Overall retail area increasing by 3,500m² to 65,200m², plus additional 2,700m² of office space being constructed (cost of \$25m, with initial yield on additional spend of approx. 7.6%)
 - Total estimated capitalised project cost \$363m plus \$25m (additional retail/office space) = \$388m
 - \$240m book value (including 77 Carbine Road) at 31 March 2006
 - Project financials remain in line with 31 May 2005 Prospectus
- 

- KIP portfolio in sound position for rental growth
- Gross distribution projection of no less than 9.10 cents per unit for year ending 31 March 2007 (will be reviewed in November 2006)
- Key focus on successful completion of Sylvia Park
- Other opportunities include expansion of The Plaza



KIWI INCOME PROPERTY TRUST

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May 2006