

Kiwi Income Property Trust

Annual Meeting

2 September 2005

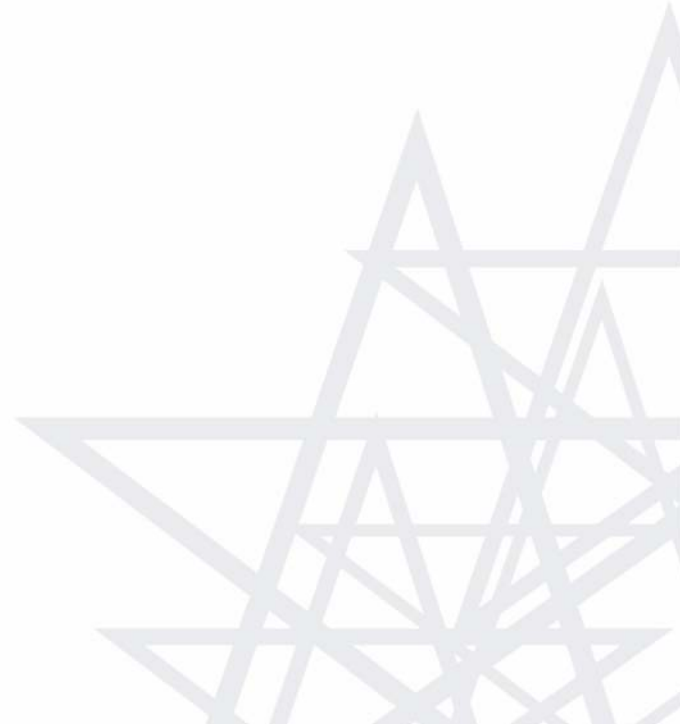
Agenda

Unit Holder Meeting

- Chairman's Address
 - ▶ Introduction
 - ▶ Financial Highlights
 - ▶ Sylvia Park
 - ▶ Investment and Management Philosophy
 - ▶ Management Fee
 - ▶ Corporate Governance
 - ▶ Outlook
- Chief Executive's Review
 - ▶ Financial Overview
 - ▶ Portfolio and Capital Activity
 - ▶ Added Value
 - ▶ Sylvia Park
- Special Business

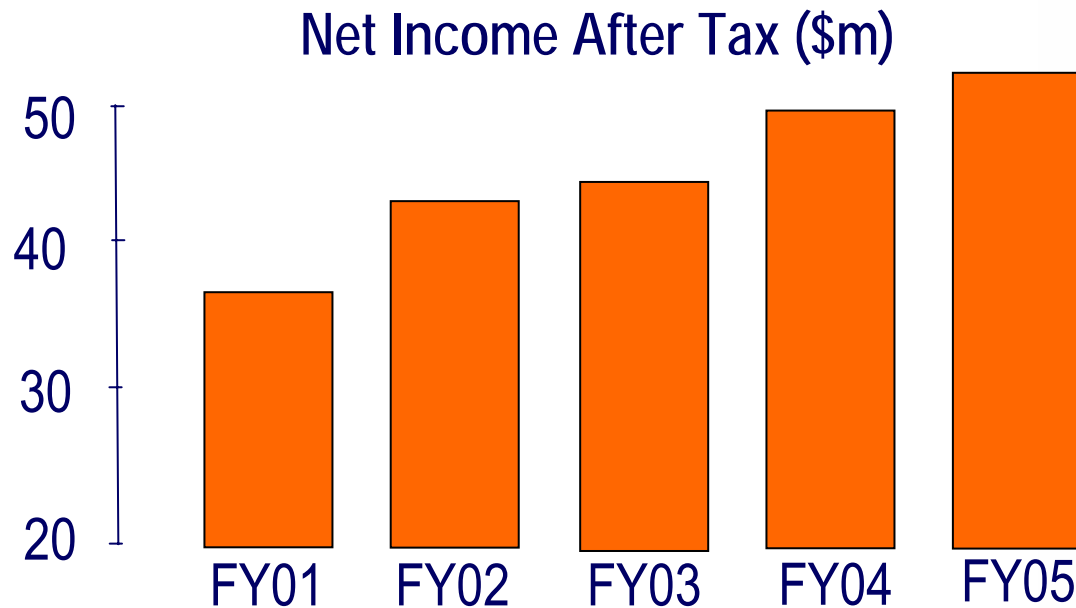
MCN Holder Meeting

- Special Business



Financial Highlights

- Net income after tax up 7.3% to \$52.7m
- Gross dividend of 8.65cpu
- Revaluation gain of \$65.0m
- NTA increased by 9cpu to \$1.27 per unit



Chairman's Review

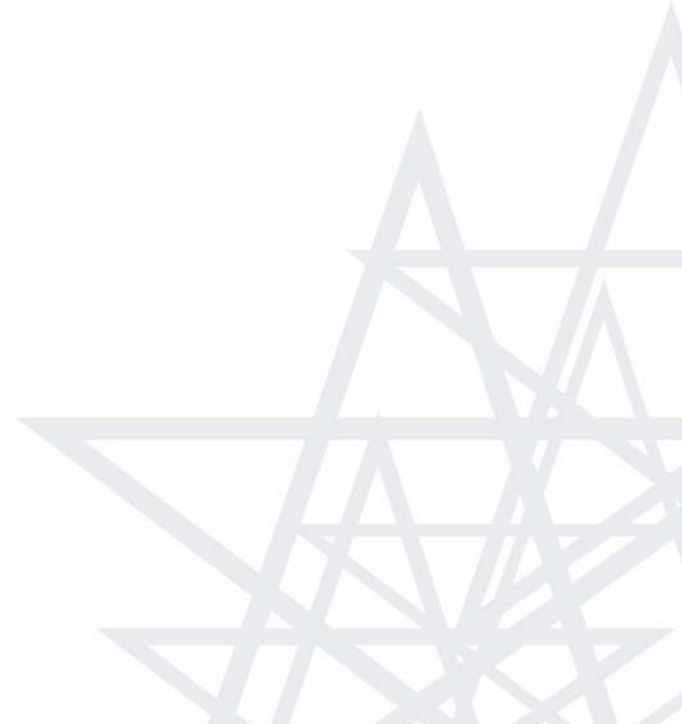
- **Sylvia Park**
 - ▶ Commencement of the project a key highlight
 - ▶ Quality investment with a robust long term growth profile
- **Investment and Management Philosophy**
 - ▶ Intend to evolve philosophy, particularly in relation to the Trust's development activity
- **Management Fee**
 - ▶ Significantly lower structure
 - ▶ Improved alignment with Unit Holders
 - ▶ Issue of performance fee in units to be voted on at this meeting
 - ▶ Fee rebate associated with Sylvia Park
- **Corporate Governance**
 - ▶ Requirement to hold Annual Meetings
 - ▶ Thresholds relating to requisitioning meetings and putting motions to meetings

Chairman's Review

- Independent Director
 - ▶ It is proposed that a further independent director be appointed to the Board
- Outlook
 - ▶ Property sector fundamentals to remain resilient
 - ▶ Strong rental and leasing activity in the Trust's retail and office portfolios
 - ▶ Trust is well placed to continue to deliver attractive, stable, long-term returns to Unit Holders.

Chief Executive's Review

- Financial Overview
- Portfolio and Capital Activity
- Added Value
- Sylvia Park



Financial Overview

	FY05	FY04	
Rental Income	\$88.1m	\$72.2m	✓
Net Income Before Tax	\$66.5m	\$56.1m	✓
Net Income After Tax	\$52.7m	\$49.1m	✓
Gross Dividend	8.65 cpu	8.57 cpu	✓
Revaluation Gain	\$65.0m	\$50.6m	✓
Net Asset Backing (<i>pu</i>)	\$1.27	\$1.18	✓
Total Assets	\$1.3b	\$1.1b	
Debt to Asset Ratio	27.0%	23.1%	
Securities on Issue	705.1m	651.0m	
Portfolio Occupancy	99.5%	98.2%	✓
Weighted Average Lease Term	5.6	5.3	✓

Revaluations

\$65.0m Revaluation Gain (+6.5%)

Revaluations >\$5m

Asset	Location	Valuation \$m	Revaluation Gain \$m
<u>Retail</u>			
Northlands	Christchurch	214.0	10.0
North City	Porirua	106.4	8.5
Centre Place	Hamilton	95.7	5.5
<u>Office</u>			
Vero Centre	Auckland	226.0	10.9
Majestic Centre	Wellington	82.2	7.4
21 Pitt Street	Auckland	45.4	7.3
Unisys House	Wellington	49.7	5.4

Total Returns

Returns to: 31 March 2005	Yearly	Two Year Cumulative p.a. return	Three Year Cumulative p.a. return
NZSX Property Gross	17.3%	16.3%	15.2%
KIP	10.3%	11.1%	14.3%

- KIP total gross return since listing in 1993 (to 31 Aug) 11.2% p.a.

Source: Iress, GSJBW Research Estimates

Office Portfolio

New Leases

38 New leases, renewals & extensions agreed representing:

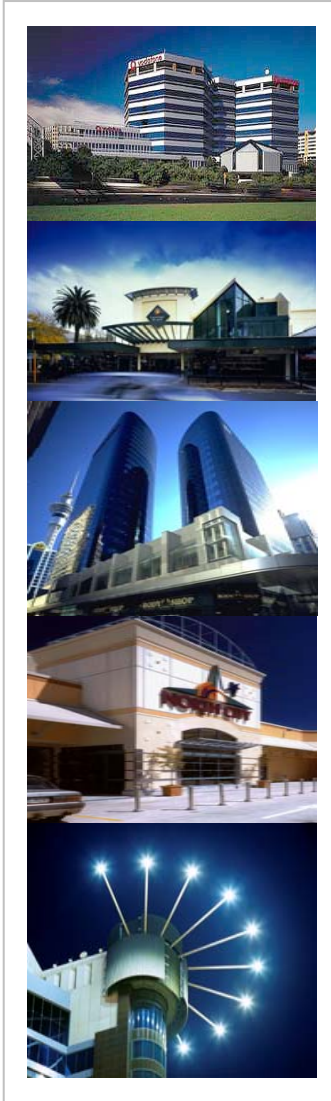
- \$2.6m (28.9%) increase in income
- 43,501m² of net lettable area
- 26.0% of the portfolio area
- 22.8% of total gross income

Rent Reviews

33 Rent Reviews were completed representing:

- \$0.6m (8.6%) increase in income
- 24,530m² of net lettable area
- 14.7% of the portfolio area
- 14.8% of total gross income

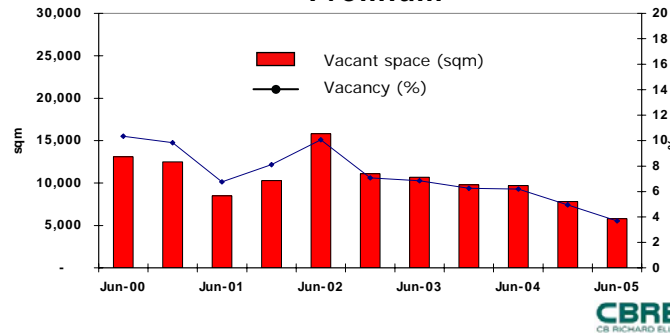
Market Views - Office



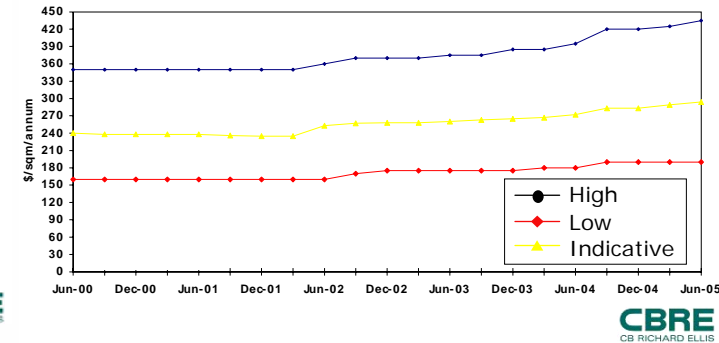
Auckland

- Low vacancy and good levels of demand
- Rental growth
- Yields have firmed

Auckland CBD Core Office Vacancy Premium



Auckland Core CBD Office Rents PREMIUM

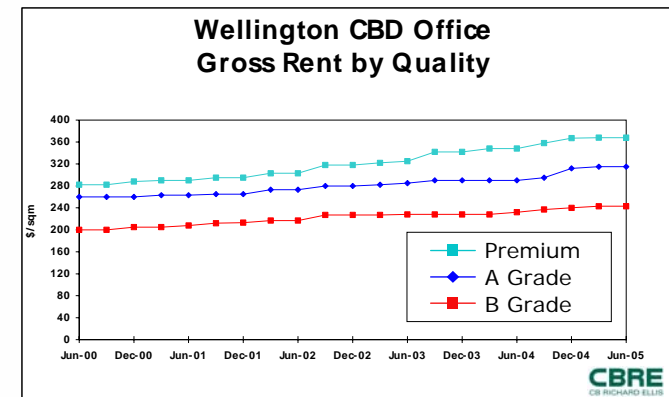
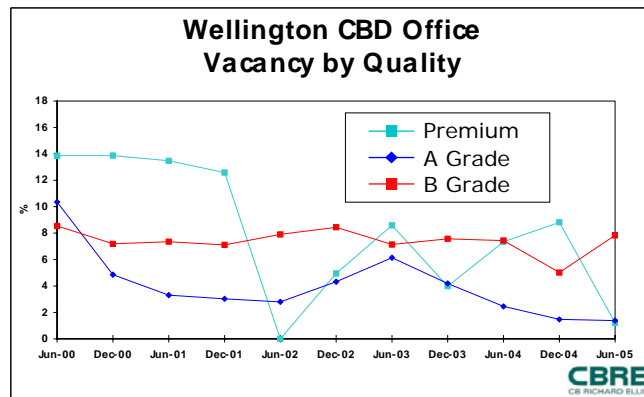


Market Views - Office

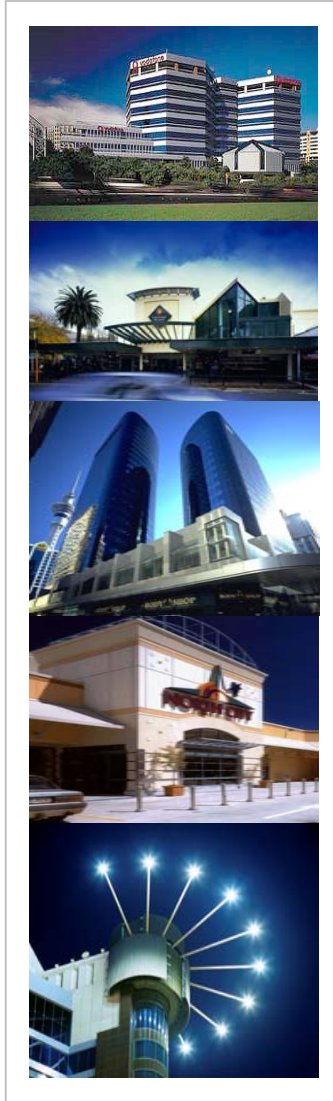


Wellington

- Low vacancy
- Strong investor demand supporting firmer yields
- Government sector growth
- Robust rental growth



Market Views - Office



Christchurch

- Rental growth continues
- Investment market strong
- Market rentals do not justify new office towers

Retail Portfolio

Retail Sales

- Centre specialty sales up 5.7%

New Leases

- 48 Retail Leases or Renewals were completed, 17% (\$0.5m) ahead of previous income
- Representing 5% of the portfolio area
- 7 remaining development leases at North City were completed, 4% ahead of budget.

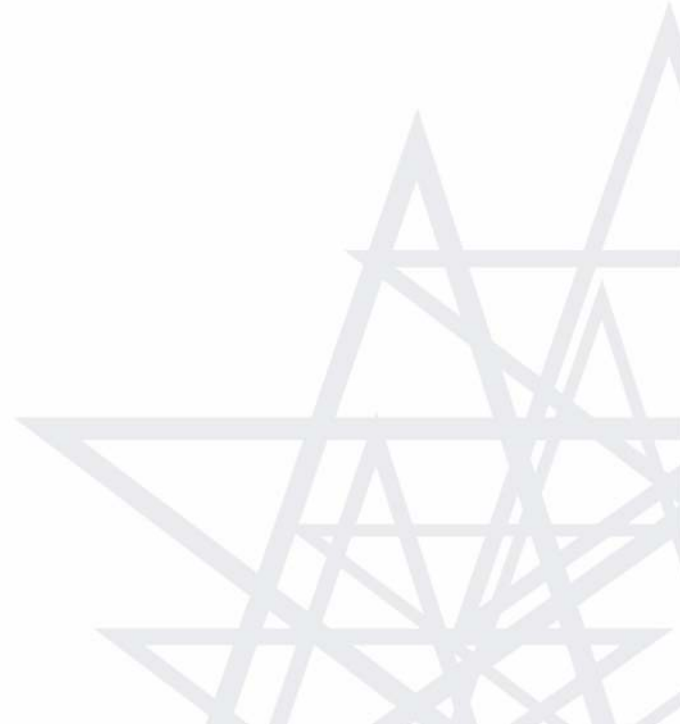
Rent Reviews

- 231 Rent Reviews were completed 5.8% (\$1.0m) ahead of previous income
- Representing 29% of the portfolio area

Market Views - Retail

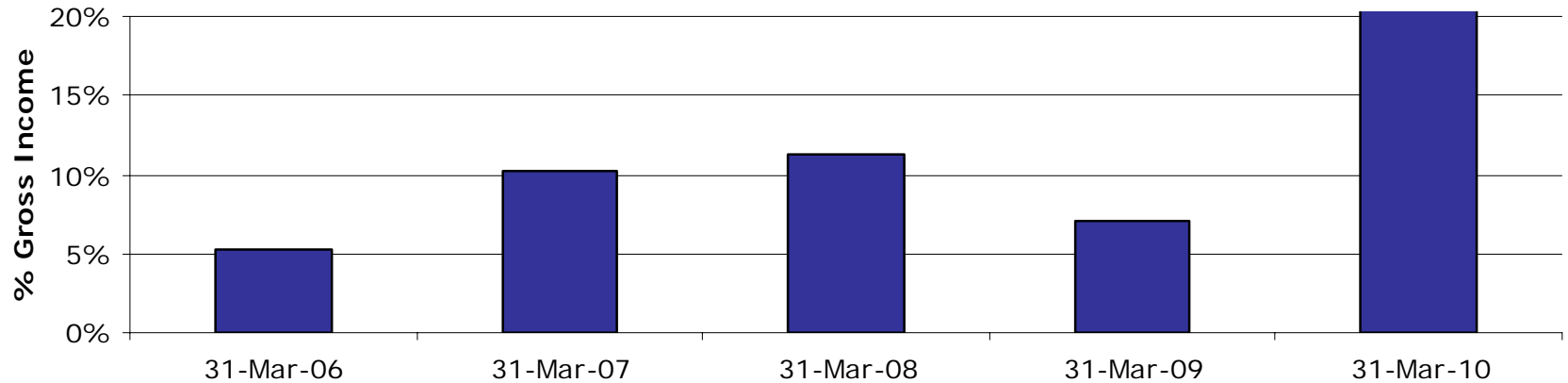


- Retail sales growth will moderate
- Significant barriers to entry
- Positive rental growth forecast
- Rent review structure
- KIP centres well positioned



Diversification By Lease Expiry Profile

**KIPT Portfolio Five Year Lease Expiry Profile
By Gross Income - Pre Sylvia Park**



New Capital



- \$50m placement in April 2004
Purpose: to acquire Unisys House, Wellington



- \$142.3m MCN issue completed July 2005
Primary Offer \$110.0m
Entitlement Offer \$32.3m
Both Offers fully subscribed
Purpose: to partially fund Sylvia Park, Auckland

Acquisitions and Disposals

■ Acquisitions

- ▶ Unisys House \$44.1m
- ▶ NGC Building \$19.4m
- ▶ Intergen House \$4.2m
- ▶ Adjoining properties located in the Wellington government sector

■ Disposals

- ▶ HP House \$25.8m (\$0.4m up on book value)
- ▶ AUT Building \$29.0m (\$1.8m up on book value)

Added Value

Majestic Centre, Wellington



- Lobby and gymnasium upgraded (cost \$0.8m) and new café added
- Retail frontages on Willis Street extended with new leases (cost \$1.2m)
- New leases to:
 - ▶ Cigna (1,700m², 9 years)
 - ▶ NZ Trade & Enterprise (3,000m², 9 years)
 - ▶ Opus (3,900m² to December 2014)
 - ▶ Earthquake Commission (1,000m², 12 years)
- Revaluation gain \$7.4m

Added Value

North City, Porirua

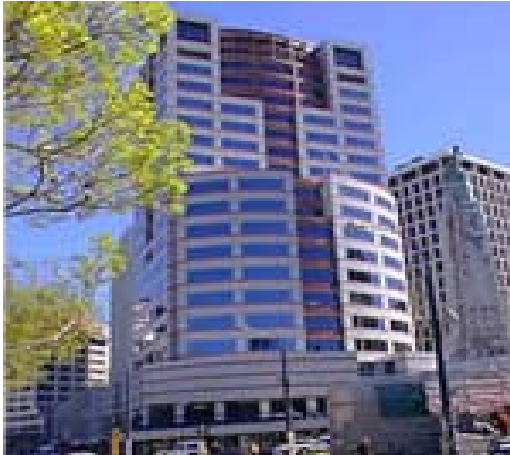


- \$9.9m remix completed September 04
- 500 seat Foodcourt opened March 04
- Improved customer facilities
- 71 new leases completed

	Budget	Actual	
Capital Expenditure	\$9.94m	\$9.94m	✓
Incremental Income	\$0.94m	\$1.40m	✓
Yield	9.5%	14.2%	✓
Revaluation Gain (Over 2 years)		\$12.18	✓

Added Value

Capital Properties



- Consolidation of listed property sector
- KIP purchased 19.4% of CNZ in November 2004 @ \$1.15 per share (cost \$54m)
- AMP Capital has since acquired 15.6% at \$1.35 per share
- NTA \$1.29 per share
- Total Portfolio \$536.6m (31/03/05)
- Wellington and government office exposure
- Considering further options

Sylvia Park



MAP KEY

- State Highway 1
- South Eastern Arterial
- Major Arterials
- Major Retail Centres

- Geographic and demographic centre of Auckland
- Confluence of major transport networks
- Growth node supported by local government initiatives

Unparalleled Access



- Simple and effective motorway access
- New railway station proposed on-site
- Bus interchange on-site
- Four distinct site access points
- 170,000 vehicles per day pass the site
- Unique internal ring road

The Project



Sylvia Park encompasses the following key elements:

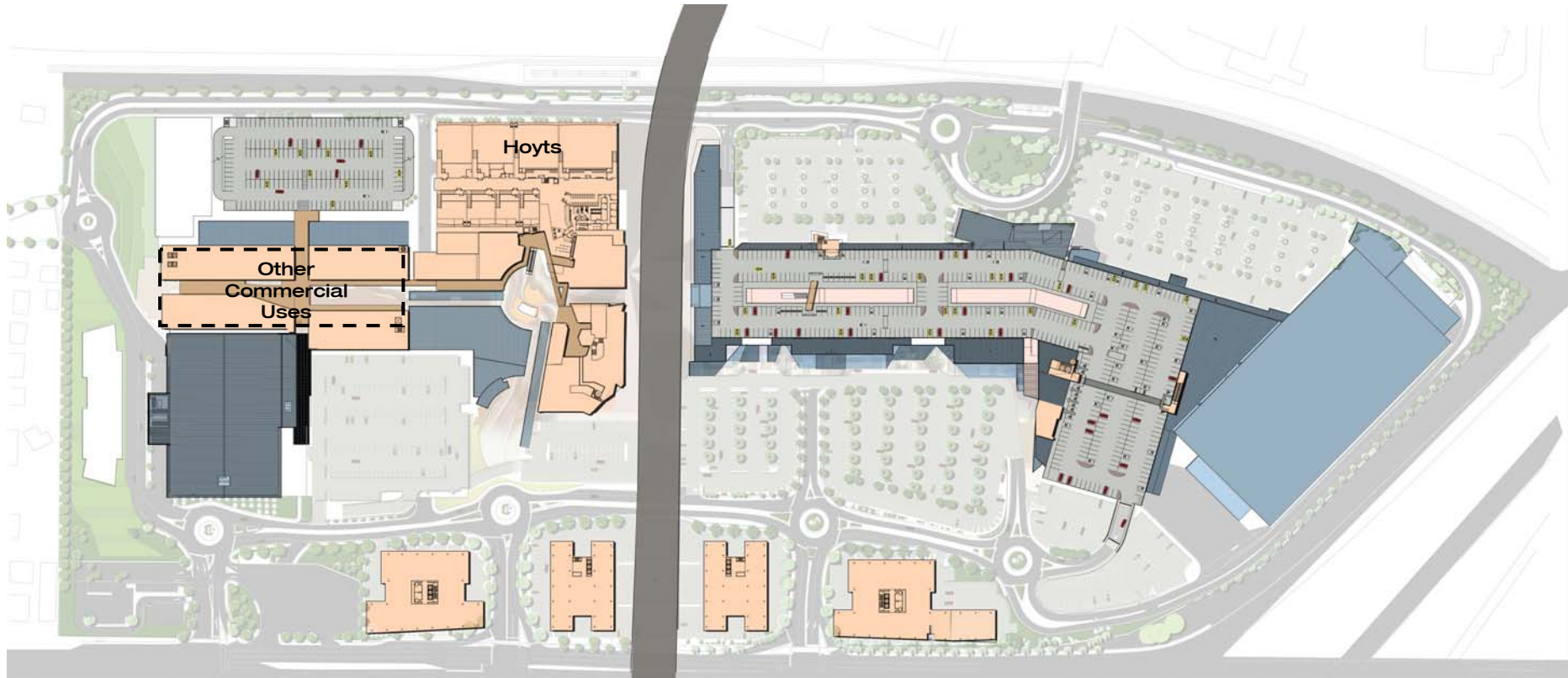
- Regional shopping centre
 - ▶ The Warehouse, Pak'n Save, Foodtown, and Hoyts Cinemas
 - ▶ 62,000 m² lettable area
 - ▶ 8 mini major tenants
 - ▶ Restaurant precinct
 - ▶ 180+ specialty tenants
 - ▶ Integrated community uses
 - ▶ Over 3,000 carparks
- Integrated office park
 - ▶ 35-45,000 m² lettable area in five mid rise buildings
 - ▶ Innovative, efficient and environmentally responsive design and construction
- Potential education uses
- Future potential residential development
 - ▶ Small area adjacent to the northern boundary identified for innovative housing scheme
 - ▶ Possible joint venture or sale of land

Master Plan – Ground Floor



Office Buildings

Master Plan – Upper Floor



3D Perspective to North



- Readily accessible to Eastern Bays
- Up to 8,000 new residents in Mt Wellington Quarry. (3 km to north)

Construction Progress



- 4 key contractors
- Strong on-site progress
- Evaluating additional first floor office space and enhancements to retail plan in North

Construction Progress



Entertainment Precinct



- Artist's Impression – Indicative Only

Foodcourt



- Artist's Impression –
Indicative Only

Proposed Programme

RETAIL

- Commence Construction April 2005
- Stage 1 opens
(The Warehouse, Foodtown + specialty) Mid 2006
- Stage 2 opens (Pak'n Save + specialty fashion) 3rd Quarter 2006
- Stage 3 opens (Hoyts Cinemas + entertainment + leisure specialty) 2nd Quarter 2007
- Stage 4 opens (Northern mini majors + specialty) Mid 2007

Leasing Update

	% Total Area Leased	% Net Rent Leased
Stage 1	91%	81%
Total Retail	58%	40%

- Strong leasing progress in line with projections
- First stage does not open until mid 2006 (The Warehouse, Foodtown, and approximately 50 specialty stores)
- High level of interest from both NZ and Australian retailers

Project Financials

- Total estimated capitalised cost of retail stage \$363m
- Internal rate of return of 10% over a ten year period (CBRE)
- Initial Yield approximately 7% (CBRE)
- CBRE Projected Net Current Value
 - ▶ 1 April 2008 \$369m (gain \$6m)
 - ▶ 1 April 2009 \$384m (gain \$21m)
 - ▶ 1 April 2010 \$396m (gain \$33m)
- Fund management fee rebate of up to \$4.0 million to the extent that the retail project yield is below 7.5% for the two years post completion
- Sylvia Park's retail project management fee at cost
 - ▶ Capped at the current fee of 3% of project cost

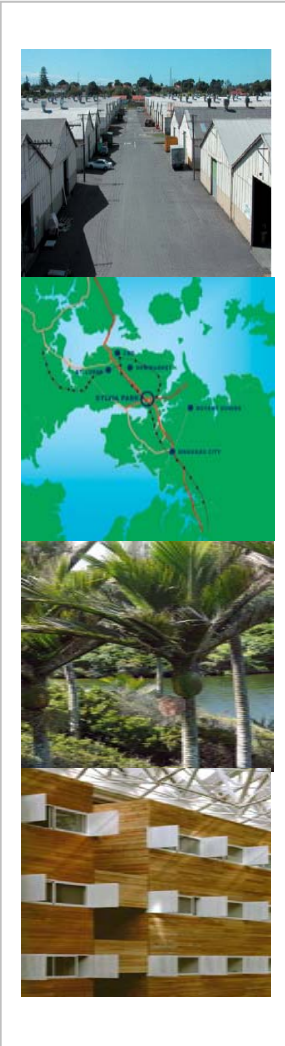
Building for the Future

- Key focus is on long term ownership and growth of Sylvania Park, not “Day 1” development profit
- Significant investment in a number of key areas to provide for long term success and growth, i.e.:
 - ▶ Number and size of key majors and mini majors – the key “foot traffic” generators for specialty stores
 - ▶ Traffic and infrastructure including on site ring road
 - ▶ Public transportation – both bus and rail
 - ▶ Public facilities and amenities
 - ▶ Community uses
- Future expansion – building structure allows for second floor retail and additional major tenants to be added in the future.

Overview

- Strong financial year to 31 March 2005
- Added value through portfolio activity
- Sylvia Park key focus
- Portfolio in strong position

Thank you for your continued support



Kiwi Income Property Trust

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Explanatory Information

Benefits to Unit Holders of paying the performance fee in Units

- Better aligns the interests of Unit Holders and the Manager
 - ▶ Links management fees directly with the returns received by Unit Holder
 - ▶ The Manager is directly incentivised to maximise Unit Holder value

Independent View in Favour

- Independent review by Deloitte concluded that the issue of units in this instance is “fair”
- Independent Directors recommend that Unit Holders vote in favour of the resolution

Note: Please refer to the notice of meeting for full information regarding the resolution.

Special Business

Unit Holder Meeting

Unit Holders will consider, and if thought fit, pass the following Ordinary Resolution

Approval to issue Units in the Trust to the Manager

If the Manager is paid a performance fee, pursuant to clauses 25.5 and 25.6 of the Trust Deed, the Manager shall be entitled to subscribe (or cause a person nominated by the Manager to subscribe) for, and shall issue to itself or such person, Units equivalent in value to the performance fee in accordance with clause 25.11 of the Trust Deed.

Kiwi Income Property Trust

Meeting of Mandatory Convertible Note Holders

2 September 2005

Special Business

Mandatory Convertible Note (“MCN”) Holder Meeting

MCN Holders will consider, and if thought fit, pass the following Ordinary Resolution:

Approval to issue Units in the Trust to the Manager

If the Manager is paid a performance fee, pursuant to clauses 25.5 and 25.6 of the Trust Deed, the Manager shall be entitled to subscribe (or cause a person nominated by the Manager to subscribe) for, and shall issue to itself or such person, Units equivalent in value to the performance fee in accordance with clause 25.11 of the Trust Deed.

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