

## **NZX & MEDIA RELEASE**

28 March 2007

### **KIWI INCOME PROPERTY TRUST RECORDS \$210 MILLION REVALUATION GAIN**

Kiwi Income Property Trust announced its property assets have recorded a total revaluation gain of approximately \$210 million for the financial year ended 31 March 2007.

The revaluation gain will increase the value of the Trust's total portfolio (including acquisitions and capital expenditure) to \$1.9 billion, and increases the undiluted net asset backing per unit by approximately 29 cents to \$1.73.

Valuations of the Trust's assets are conducted by independent valuers and are carried out every 12 months. The revaluations are subject to audit and will be confirmed as part of the 31 March 2007 full-year financial result.

Chief Executive of the Manager of the Trust, Angus McNaughton, said the revaluation gain was a combination of the significant demand for investment grade assets internationally, portfolio rental growth, and the quality of the Trust's portfolio. In line with international trends, cap rates for prime assets have continued to firm strongly in the New Zealand market. The 13% increase in portfolio value is equally spread between the retail and office portfolios.

The Trust's flagship office asset, the Vero Centre, has continued to benefit from a very strong Auckland office market, increased market rentals, and a firming of its cap rate to 6.75%. The building has increased in value by \$44 million to \$300 million and has predominantly underpinned the gain in the overall office portfolio. Other key office assets that increased strongly were Unisys House in Wellington, up \$14 million to \$74 million, PricewaterhouseCoopers Centre in Christchurch up \$13 million to \$58 million, and the National Bank Centre in Auckland, which the Trust recently acquired the remaining 50% of, up \$13 million to \$120 million.

Due to Sylvia Park's construction reaching a significant level of completion, the Centre has, for the first time, been valued as an investment property. The current value of the retail centre as at 31 March 2007 has been assessed at \$420 million, giving rise to a current year revaluation gain of \$43 million, significantly ahead of the April 2008 projected revaluation gain of \$6 million. The Centre has been valued on a cap rate of 6.0%, which is comparable with recent Australasian transactions and valuations of assets with Sylvia Park's growth potential and quality. The Stage III Entertainment and Leisure Precinct, which is fully leased, is due to open on programme tomorrow at 10am. This Precinct includes the Hoyts 10 Cinema Complex with the largest screen in the world for a 35mm projector, Borders bookstore, Dick Smith Electronics Powerhouse, Kathmandu, seven restaurants in a dining lane, and many new retailers. Of the 45 retailers opening within Stage III, 26 are either new to New Zealand or new to a shopping centre in New Zealand. The final Stage IV of the retail project is on programme to open mid-year, which will also see the opening of the Sylvia Park railway station.

The Trust's other retail assets also increased in value significantly. Centre Place Shopping Centre in Hamilton was up \$22 million to \$122 million, Northlands Shopping Centre in Christchurch up \$19 million to \$249 million, and North City Shopping Centre in Porirua up \$18 million to \$135 million.

"The level of the overall valuation increase reflects the strength of both the office and retail markets. Demand for office space across the portfolio remains firm with high occupancy levels providing an excellent platform for rental growth. A number of Australian retailers also continued to seek new opportunities in New Zealand, contributing to the demand for space at Sylvia Park which is now 97% leased", said Mr McNaughton.

As stated in the Trust's Interim Result release on 17 November 2006, the Trust is projecting a gross dividend of 9.50 cents per unit for the year ending 31 March 2007, 4.4% ahead of the previous year's dividend. The Trust's Final Result will be released mid-May this year.

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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 assets is \$1.9 billion. Key assets include:

### **Key Office Assets**

Vero Centre	Auckland
National Bank Centre	Auckland
21 Pitt Street	Auckland
Majestic Centre	Wellington
Unisys House	Wellington
BP House	Wellington
Vector Building	Wellington
PricewaterhouseCoopers Centre	Christchurch

### **Key Retail Assets**

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

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