KIWI INCOME PROPERTY TRUST

NZX & MEDIA RELEASE

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KIWI INCOME PROPERTY TRUST HALF YEAR RESULT AND DISTRIBUTION UPGRADE

Kiwi Income Property Trust announced today an after tax profit of $43.6 million for the half year to 30 September 2007, up 79.7% on the corresponding period the previous year (after adjusting for Unit Holder finance charges).

Chairman of the Manager of the Trust, Sean Wareing, said “this is the Trust’s first Interim Result reported under New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and the maiden profit of $43.6 million reflects an excellent first-half performance.”

After allowing for NZ IFRS and other non-cash adjustments, the Trust posted a distributable profit of $29.3 million which is in line with the distributable profit for the six months to 30 September 2006.

Mr Wareing said “the strong performance during the reporting period combined with the positive outlook for the Trust’s portfolio of premium-quality office and retail assets have put the Trust in a position to increase the projected cash distribution to 9.00 cents per unit for the full year ending 31 March 2008, an increase of 7.9% over the previous year. This projection is subject to a continuation of reasonable economic conditions.

“The key factors behind the increase in distribution are the strong rent reviews achieved and forecast across the Trust’s portfolio, significant tenant demand for high-quality office and retail space resulting in high occupancy levels, and in particular, a very positive outlook on the potential growth at Sylvia Park,” Mr Wareing said.

An interim cash distribution of 4.50 cents per unit, together with imputation credits of 0.16 cents per unit, will be paid to Unit Holders with a record date of 30 November 2007 and a payment date of 14 December 2007. The distribution is eligible for reinvestment in accordance with the terms of the Trust’s Dividend Reinvestment Scheme.

This interim distribution will be the Trust's first to be paid under the new Portfolio Investment Entity (PIE) regime. Consequently, no further New Zealand tax will be payable, which will result in a significant improvement in after-tax returns for most New Zealand resident investors. For example, a New Zealand resident investor with a 39% tax rate will be 55% better off after tax when compared with the interim distribution last year. More good news is to come with the Trust's tax rate dropping from 33% to 30% from 1 April 2008. This means that the Trust will pay less tax and be able to distribute a greater portion of its profit to Unit Holders, net of New Zealand tax.

FINANCIAL & OPERATING HIGHLIGHTS

- Maiden NZ IFRS profit after tax of $43.6 million, up 79.7% on the comparable period in 2006.
- Distributable profit of $29.3 million, in line with the comparable period.
- Increased cash distribution projection for the full year of 9.0 cents per unit – up 7.9% on the previous year.
- Net rental income increased by 29.2% to $60.6 million ('like for like' up 4.1%).
- Total assets increased by $37 million from 31 March 2007 to $2.0 billion.
- An annual total gross return to 31 October 2007 of 14.4%, two-year return of 19.4% per annum, and a three-year return of 18.3% per annum, all outperforming the NZSX Property Gross and NZSX50 Indices.
- Secured bank debt at 30 September 2007 of $532 million, representing a conservative debt to total assets ratio of 26.9%.
- Completion of New Zealand's largest and highest profile shopping centre, the 70,100m^2 Sylvia Park, on programme and within budget.
- Continued high portfolio occupancy at 99.1%.

OPERATIONS

Chief Executive of the Manager of the Trust, Angus McNaughton, said "the financial and operational highlights of the Interim Result reflect the benefits of taking a long-term strategic view when investing in premium-quality retail and office assets throughout New Zealand.

"The office sector remains buoyant and demand for top-quality office space has resulted in high occupancy levels and strong rental growth. Rental reviews completed within the past six months on 13,360m^2 of lettable space across the office portfolio have achieved a 27.0% increase, or compound annual growth of 9.3% per annum, reflecting continued demand and the high 98.8% occupancy across the Trust's office portfolio. In the Trust's Vero Building in Auckland, premium rentals of $580m^2 are now being achieved," he said.

“The retail portfolio has traded solidly over the past six months, with the occupancy level remaining high at 99.4%. Sylvia Park, New Zealand’s largest shopping centre at 70,100m^2, continues to go from strength to strength with the final retail Stage IV of the landmark project opening on programme on 28 June 2007. All retail space at Sylvia Park is leased and the September 2007 retail sales were 18.6% higher than the previous September for the 100 retailers who have been open for more than a year. These figures are extremely positive and the busy Christmas trading period is now well underway,” Mr McNaughton said.

“The Trust’s programme of encouraging people to take the train at Sylvia Park is also proving to be successful with a September 2007 survey indicating that more than 5,000 people use the Sylvia Park Train Station during a normal week and more than 9,000 per week during the school holidays. These figures have exceeded expectations.

“Looking ahead, plans are advancing well for the proposed $90 million expansion of The Plaza Shopping Centre in Palmerston North and construction of the first 7,600m^2 mid-rise office building at Sylvia Park,” Mr McNaughton said.

MSCI INDEX CHANGES

A review of the eligibility criteria for the MSCI Global Investable Market Indices has resulted in a number of significant New Zealand entities, including the Trust, transferring from the MSCI Standard Index to the MSCI Small Cap Index. While the impact of this change is uncertain, there will be some investors who use the MSCI Indices as the basis for investment decisions and, as a result, may reduce their investment in the Trust.

OUTLOOK

Chairman of the Manager of the Trust, Mr Wareing said “the outlook for the Trust remains very positive despite uncertainties in global financial markets, high interest rates and the move from the MSCI Standard Index to the MSCI Small Cap Index.

“There is a shortage of high-quality office and retail space which continues to drive demand and rentals. The Trust remains well positioned to take advantage of these favourable market conditions,” Mr Wareing said.

ENDS

A summary of Kiwi Income Property Trust’s Financial Statements for the six months to 30 September 2007 can be accessed at www.kipt.co.nz/n30.

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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 $2.0 billion. 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