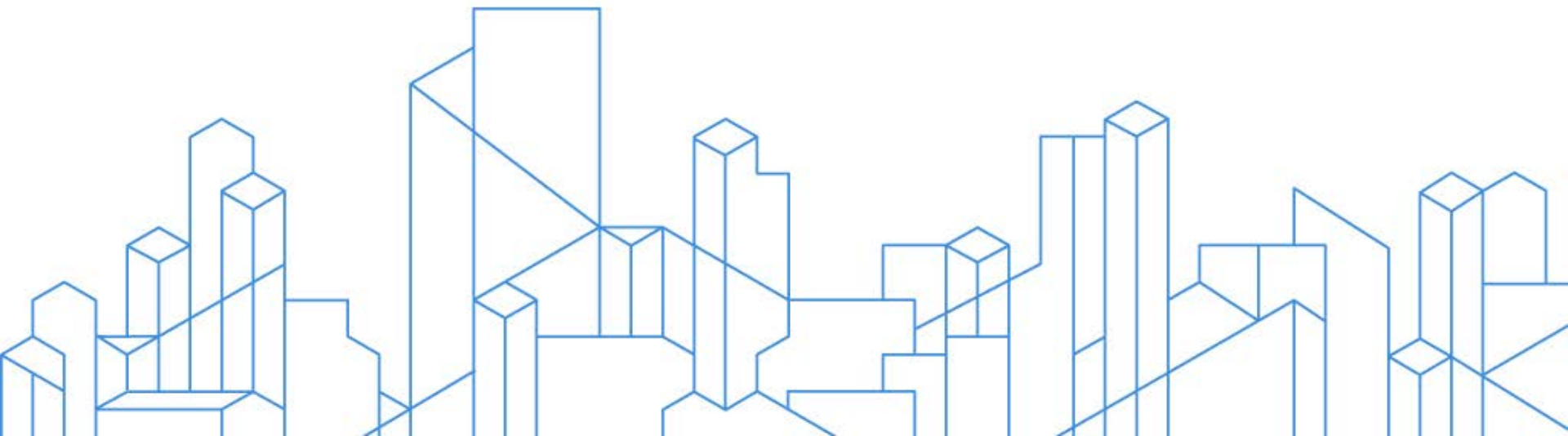


# Annual Result

For the year ended 31 March 2016



---

# Contents

**1. Highlights**

**02. Financial Performance**

**03. Capital Management**

**04. Portfolio Summary**

**05. Outlook**



---

# Highlights



# Highlights

## Financial Performance (31 March 2015 figures in brackets)

- Net Rental income of \$11.5m (\$11.4m) up 0.4%
- Gross Operating Profit before Other Gains/(Losses) of \$6.8m (\$7.0m) down 2.1%
- Net Profit after Taxation of \$8.4m (\$6.4m) up 31.5%
- Distributable Profit before income tax of \$7.3m (\$7.4m) down 1.0%
- Distributable profit after income tax of \$6.1m or 3.79 cps (\$6.0m or 3.75 cps) up 1.0%
- Cash dividend maintained at 3.50 cps for the full year ended 31 March 2016.
  - 0.875 cps cash dividend for the fourth quarter (0.1544 cps imputation credits attached)
- Loan to value ratio 28.3% (25.6%)
- Net Tangible Asset backing (NTA) increased to \$0.74 (\$0.725) up 2.0%

## Portfolio (31 March 2015 figures in brackets)

- Net valuation gain of \$3.1m, up 2.0% on prior period
- Occupancy at 97.1% (97.0%)
- Weighted Average lease term (WALT) 5.4 years (5.9 years)

---

# Financial Performance



# Financial Performance

	31 March 2016 \$m	31 March 2015 \$m	Change \$m	Change %
Net Rental Income	11.5	11.4	0.1	0.4%
<b>Total Operating Income</b>	<b>11.7</b>	<b>11.6</b>	<b>0.1</b>	<b>0.5%</b>
Interest and Finance Charges	(2.5)	(2.5)	-	
Administration Expenses	(2.3)	(2.1)	(0.2)	
Unrealised Loss in Fair Value of Interest Rate Swaps	(0.7)	(0.8)	0.1	
Unrealised Gain in Fair Value of Investment Properties	3.1	1.1	2.0	
<b>Net Profit before taxation</b>	<b>9.3</b>	<b>7.3</b>	<b>2.0</b>	<b>27.0%</b>
Income Tax Expense	(0.9)	(0.9)	-	
<b>Net Profit after Taxation</b>	<b>8.4</b>	<b>6.4</b>	<b>2.0</b>	<b>31.5%</b>

# Distributable Profit

	31 March 2016 \$m	31 March 2015 \$m	Change \$m	Change %
Net Profit before taxation	9.3	7.3	2.0	27.0%
<b>Adjustments:</b>				
Net change in fair value of investment properties	(3.2)	(1.2)	2.0	
Net change in fair value of interest rate swaps	0.7	0.8	(0.1)	
Net change in fair value of other assets	0.1	0.1	-	
Net lease incentives	0.1	0.1	-	
Net lease contributions	0.3	0.2	0.1	
<b>Distributable Profit before taxation</b>	<b>7.3</b>	<b>7.4</b>	<b>(0.1)</b>	<b>1.0%</b>
Current Tax expense	(1.2)	(1.3)	0.1	
<b>Distributable Profit after current tax</b>	<b>6.1</b>	<b>6.0</b>	<b>0.1</b>	<b>1.0%</b>
Weighted average number of shares on issue (millions)	161.9	161.9		
Distributable profit after current tax per share	3.79 cps	3.75cps		1.0%

# Balance Sheet

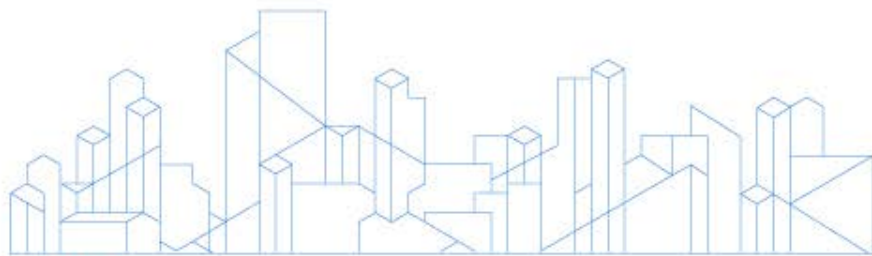
	31 March 2016 \$m	31 March 2015 \$m
Total Shareholders' Funds	119.8	117.4
Shares on Issue (millions)	161.9	161.9
Net Tangible Assets (NTA) per share	74.0 cps	72.5 cps
Gross Property Value	170.0	160.0
Drawn Bank Debt	48.0	41.0
Loan to Value ratio	28.2%	25.6%

- Balance Sheet remains with capacity to complete our capital works programme and add to the portfolio should a suitable opportunity arise.



---

# Capital Management



# Banking

	31 March 2016 \$m	31 March 2015 \$m
Bank facility limit (BNZ)	70.0	70.0
Drawn bank debt	48.0	41.0
Available Undrawn debt	22.0	29.0
Weighted average cost of debt (incl. margins & line fees)	5.60%	6.29%
Remaining duration of bank facility	4.3 years	1.5 years
% of drawn debt hedged	62.5%	85.4%
Loan to Value Ratio covenant (< 50% of Gross Property Value)	28.3%	25.6%
Interest Cover Ratio covenant (EBIT >1.75x Total Debt interest cost)	4.8 x	4.0 x

- Subsequent to balance date NPT entered into a further series of forward starting swaps totaling \$20m at an average rate of 2.73% (excluding line fee and margins).

---

# Portfolio Summary



# Portfolio Summary

		Occupancy	WALT	31 March 2016 Valuation	Revaluation Movement %	Market Cap Rate 2016	Market Cap Rate 2015
AA Centre	Auckland	100.00%	2.7 yrs	\$36.20m	2.8%	7.75%	8.38%
Eastgate Shopping Centre	Christchurch	96.07%	6.1 yrs	\$58.00m	2.8%	8.25%	8.50%
Print Place	Christchurch	100.0%	2.4 yrs	\$13.00m	(4.0%)	9.80%	10.0%
Heinz Wattie Warehouse	Hastings	100.0%	10.8 yrs	\$27.20m	(0.1%)	8.13%	8.25%
Roskill Centre	Auckland	94.55%	6.6 yrs	\$35.00m	4.2%	6.63%	6.88%
<b>Total Portfolio</b>		<b>97.1%</b>	<b>5.4 yrs</b>	<b>\$169.40m</b>	<b>2.0%</b>	<b>7.91%</b>	<b>8.21%</b>

---

# Outlook



# Outlook

- Remain focused on unlocking the value within the existing portfolio
  - Current Eastgate development works on budget and due for completion in the second quarter of FY17 with return on cost exceeding 9%
  - Look to further value add opportunities at Eastgate once the impact of The Loft on visitor numbers has been determined
  - Given the current strong Auckland CBD office leasing market seek to further upgrade floors at the AA Centre when leases expire and lift the current rental rates within the property
- Leverage the closer tenant relationships following the internalisation of the property management function
- Seek to add to the portfolio should a suitable opportunity arise
- Corporate overhead has been significantly reduced with a corresponding reduction in the forecast MER in FY17.
- Cash dividend guidance for FY17 of 3.60cps, an increase of 2.9% on FY16.

---

# Thank You

