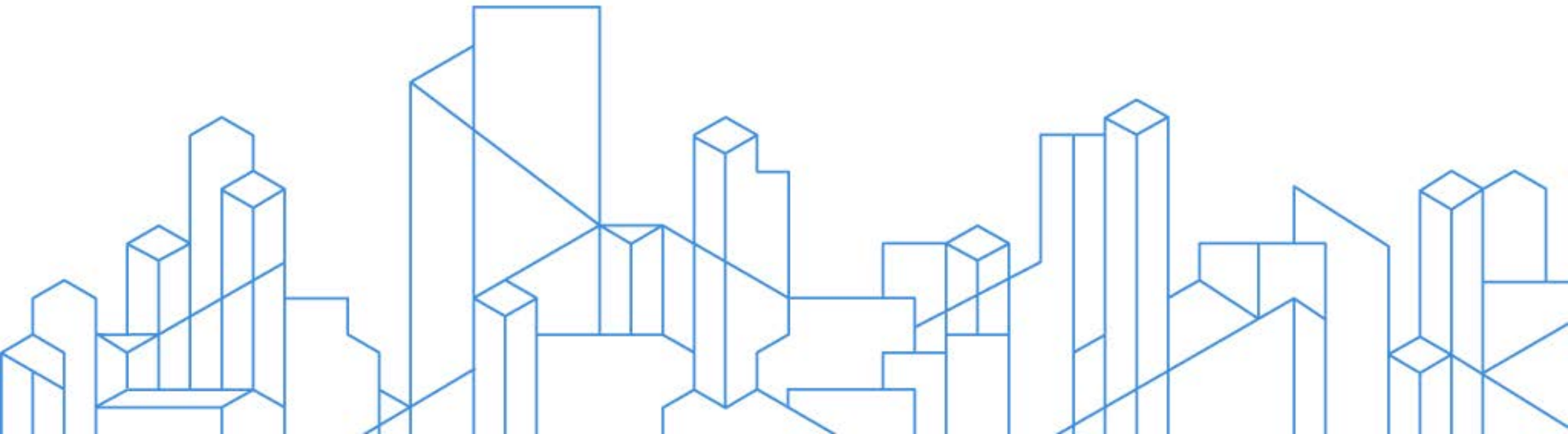


Interim Result

For the six months ended 30 September 2017



Contents

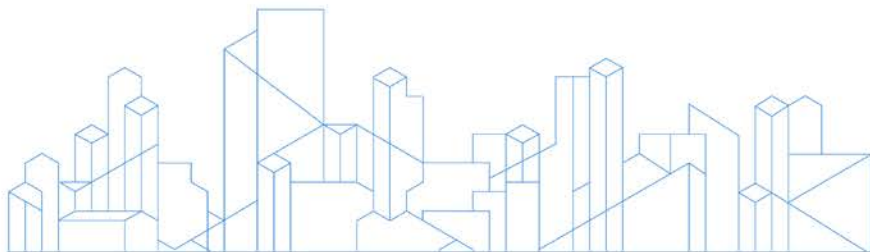
1. Highlights

2. Financial Performance

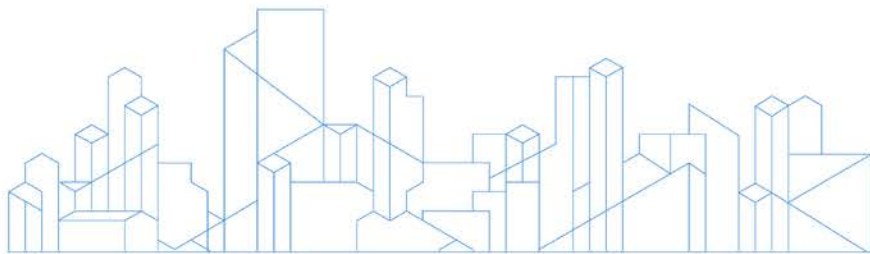
3. Capital Management

4. Portfolio Summary

5. Outlook



Highlights



Highlights

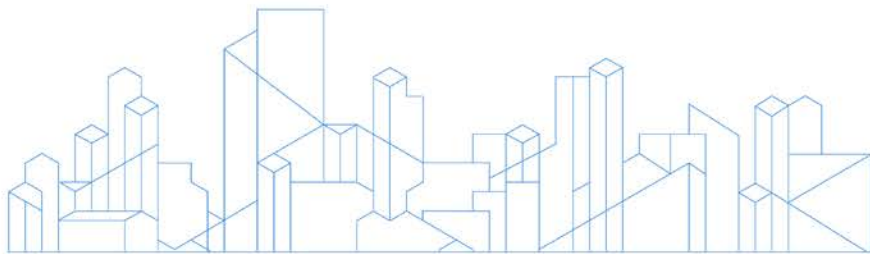
Financial Performance (30 September 2016 figures in brackets)

- Total income of \$8.65m (\$8.43m) up 2.6%
- Operating profit before other gains/(losses) of \$3.56m (\$3.39m) up 5.0%
- Net profit before taxation of \$3.07 (\$2.88m) up 6.4%
- Net profit after taxation of \$2.41m (\$2.53m) down 4.7%
- Distributable profit before taxation of \$3.78m (\$3.55m) up 6.5%
- Distributable profit after current tax of \$3.21m or 1.98 cps (\$3.03m or 1.87 cps) up 5.9%
- Cash dividend maintained at 3.60 cps for the full year ended 31 March 2018.
 - 0.90 cps cash dividend for the 2nd quarter (0.1544 cps imputation credits attached)
- Net Tangible Asset backing (NTA) 71.99 cps (73.77 cps) down 2.4%

Portfolio (31 March 2017 figures in brackets)

- No revaluations performed for the six months to September 2017
- Loan to value ratio 34.1% (33.2%)
- Occupancy at 96.52% (95.99%)
- Weighted average lease term (WALT) 4.3 years (4.6 years)

Financial Performance



Financial Performance

	30 Sep 2017 \$m	30 Sep 2016 \$m	Change \$m	Change %
Total income	8.65	8.43	0.22	2.6%
Direct property operating expenses	(2.54)	(2.74)	0.20	7.3%
Total operating income	6.11	5.69	0.42	7.4%
Interest and finance charges	(1.43)	(1.30)	(0.13)	
Administration expenses	(1.11)	(1.00)	(0.11)	
Net Loss on sale of plant and equipment	-	(0.09)	0.09	
Unrealised loss in fair value of interest rate swaps	(0.04)	(0.42)	0.38	
Transaction costs	(0.46)	-	(0.46)	
Net profit before taxation	3.07	2.88	0.19	6.6%
Income tax expense	(0.66)	(0.35)	(0.31)	
Net profit after taxation	2.41	2.53	-.012	(4.7%)

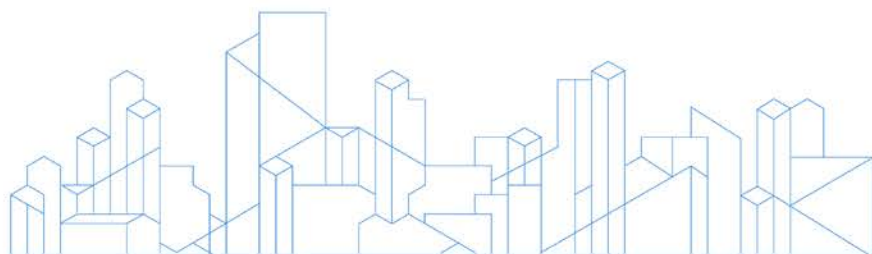
* The Investment Property portfolio was not revalued during the period. The Board reviewed each property as at 30 September 2017 and determined that there had been no material value change to the overall total portfolio from the 31 March 2017 independent valuations.

Distributable Profit

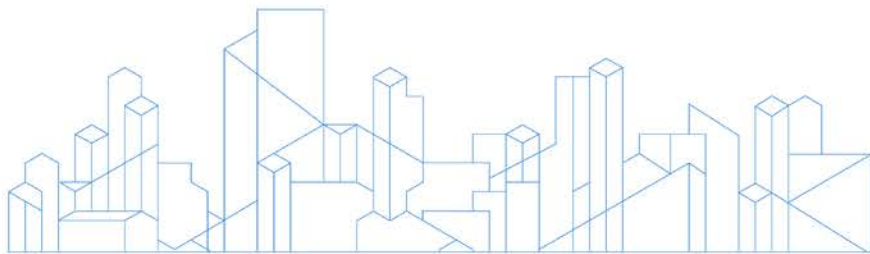
	30 Sep 2017 \$m	30 Sep 2016 \$m	Change \$m	Change %
Net profit before taxation	3.07	2.88	0.19	6.6%
Adjustments:				
Net change in fair value of interest rate swaps	0.03	0.42	(0.39)	
Net change in fair value of other assets	0.08	0.06	0.02	
Net lease incentives	0.01	(0.04)	0.05	
Net lease contributions	0.13	0.14	(0.01)	
Loss/(gain) on disposal fixed assets	-	0.09	(0.09)	
Transaction costs	0.46	-	0.46	
Distributable profit before taxation	3.78	3.55	0.23	6.5%
Current tax expense	(0.57)	(0.52)	(0.05)	
Distributable profit after current tax	3.21	3.03	0.18	5.9%
Weighted average number of shares on issue (millions)	161.9	161.9		
Distributable profit after current tax per share	1.98 cps	1.87cps		5.9%

Balance Sheet

	30 Sep 2017 \$000's	31 Mar 2017 \$000's
Total shareholders' funds	116,568	117,073
Shares on issue (millions)	161,920	161,920
Net tangible assets (NTA) per share	71.99 cps	72.30 cps
Gross property value	174,350	174,350
Work in progress	4,720	2,217
Combined property value	179,070	176,567
Drawn bank debt	61,000	58,500
Loan to value ratio	34.1%	33.1%



Capital Management

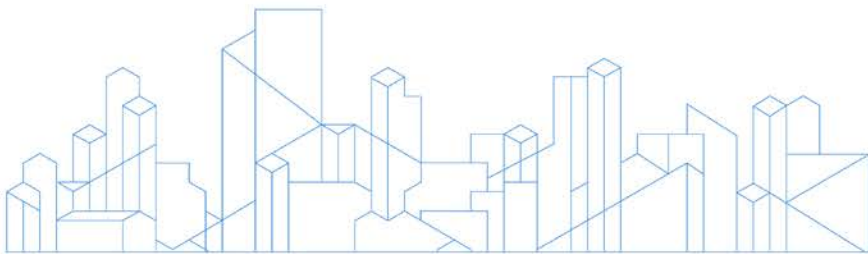


Banking

	30 Sep 2017 \$m	31 March 2017 \$m
Bank facility limit (BNZ)	70.0	70.0
Drawn bank debt	61.0	58.50
Available undrawn debt	9.0	11.50
Weighted average cost of debt (incl. margins & line fees)	4.75%	5.08%
Remaining duration of bank facility	2.8 years	3.3 years
% of drawn debt hedged	65.6%	68.4%
Loan to value ratio covenant (< 50% of gross property value)	34.1%	33.1%
Interest cover ratio covenant (EBIT >1.75x total debt interest cost)	3.4 x	3.6 x

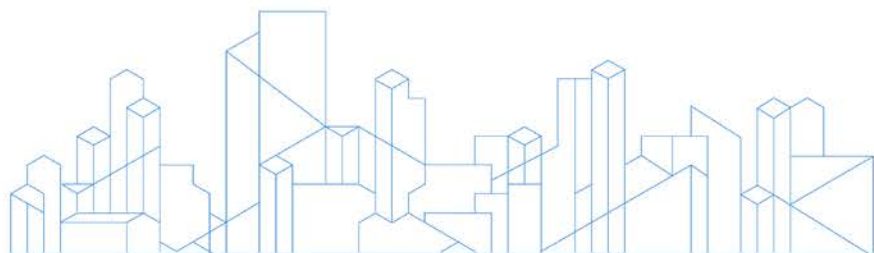


Portfolio Summary

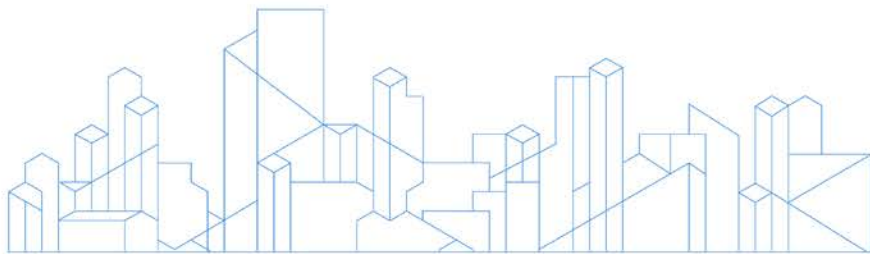


Portfolio Summary

	Location	Occupancy	WALT	31 March 2017 Valuation	Net Rental Income (\$000)
AA Centre	Auckland	99.47%	2.0 yrs	\$40.85m	1,331.8
Eastgate Shopping Centre	Christchurch	95.92%	4.2 yrs	\$59.50m	1,935.0
Print Place	Christchurch	78.51%	1.1 yrs	\$11.00m	527.9
Heinz Wattie's Warehouse	Hastings	100.00%	9.3 yrs	\$27.00m	1,099.5
Roskill Centre	Auckland	100.00%	4.4 yrs	\$36.00m	1,210.6
Total Portfolio		96.52%	4.6 yrs	\$174.35m	6,104.8

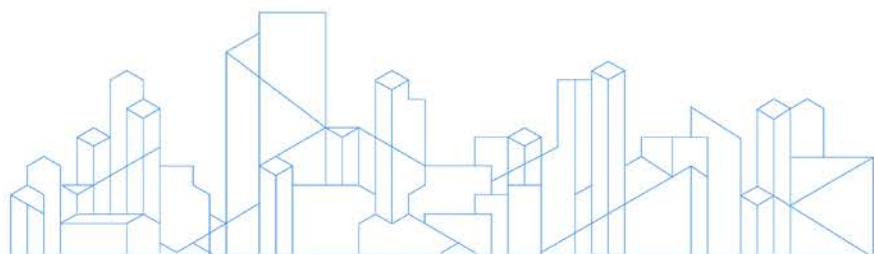


Outlook



Outlook

- Continue to focus on improving net revenue from the existing portfolio.
 - With additional resources provided by Colliers International at Eastgate, we expect to build some momentum in leasing of vacant space.
 - Additional leasing focus should result in development opportunities at Eastgate on a pre-committed basis.
- Actively seek to re-invest sale proceeds from the AA Centre into other property assets where there is the opportunity to add value.
- Complete due diligence and management agreement negotiation process with Augusta to a successful conclusion.
- Maintain cash dividend guidance for FY18 of 3.60 cps.



Thank You

