

Interim Report

For the six months ended

30 September 2015

npt

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Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2015

	Note	Unaudited 6 MONTHS 30 Sep 2015 \$000	Unaudited 6 MONTHS 30 Sep 2014 \$000	Audited 12 MONTHS 31 Mar 2015 \$000
Gross Rental Income		8,466	8,158	16,521
Direct Property Operating Expenses	4	(2,991)	(2,773)	(5,059)
Net Rental Income		5,475	5,385	11,462
Interest Income		41	62	116
Other Income		3	10	13
Total Operating Income		5,519	5,457	11,591
Interest Expense		1,242	1,251	2,520
Administration Expenses	5	962	1,080	2,112
Total Indirect Operating Expenses		2,204	2,331	4,632
Operating Profit Before Other Gains/(Losses)		3,315	3,126	6,959
Net Gain/(Loss) on Sale of Plant and Equipment		-	-	1
Unrealised Gain/(Loss) in Fair Value of Investment Properties	6	2,701	76	1,187
Unrealised Gain/(Loss) in Fair Value of Interest Rate Swaps		(521)	(193)	(829)
Total Other Gains/(Losses)		2,180	(117)	359
Net Profit Before Taxation		5,495	3,009	7,318
Taxation Expense		419	441	933
Net Profit After Taxation		5,076	2,568	6,385
Other Comprehensive Income		-	-	-
Total Comprehensive Income		5,076	2,568	6,385
Earnings Per Share				
Basic and Diluted Earnings Per Share (cents)	7	3.13	1.59	3.94

The notes set out on pages 7 to 14 form part of, and should be read in conjunction with the financial statements

Condensed Consolidated Statement of Changes in Shareholders Funds
For the six months ended 30 September 2015

	Note	Unaudited 6 MONTHS 30 Sep 2015 \$000	Unaudited 6 MONTHS 30 Sep 2014 \$000	Audited 12 MONTHS 31 Mar 2015 \$000
Shareholders Funds at the Beginning of the Period		117,425	116,219	116,219
Earnings				
Net Profit after Taxation		5,076	2,568	6,385
Total Comprehensive Profit for the Period		5,076	2,568	6,385
Distributions Paid and Payable to Shareholders	8	(3,198)	(2,588)	(5,179)
Shareholders Funds at the End of the Period		119,303	116,199	117,425

The notes set out on pages 7 to 14 form part of, and should be read in conjunction with the financial statements

Condensed Consolidated Statement of Financial Position

As at 30 September 2015

	Note	Unaudited 6 MONTHS 30 Sep 2015 \$000	Unaudited 6 MONTHS 30 Sep 2014 \$000	Audited 12 MONTHS 31 Mar 2015 \$000
Current Assets				
Cash and Cash Equivalents		3,175	1,974	2,549
Accounts Receivable	9	206	167	207
Prepayments	10	604	461	741
Other Loans and Receivables	9	108	64	18
Total Current Assets		4,093	2,666	3,515
Non Current Assets				
Prepayments	10	1,671	953	1,261
Investment Properties	6	163,420	156,725	158,225
Property Work in Progress		1,980	396	1,773
Plant & Equipment		699	606	699
Total Non Current Assets		167,770	158,680	161,958
Total Assets		171,863	161,346	165,473
Current Liabilities				
Trade and Other Payables	11	2,318	1,407	1,585
Distribution Payable to Shareholders	8	1,417	-	1,295
Tax Payable		364	24	17
Total Current Liabilities		4,099	1,431	2,897
Non Current Liabilities				
Bank Loans (Secured)	12	44,000	39,939	41,000
Trade and Other Payables	11	18	18	18
Deferred Taxation	13	2,948	3,421	3,159
Interest Rate Swaps		1,495	338	974
Total Non Current Liabilities		48,461	43,716	45,151
Shareholders' Funds				
Contributed Capital	14	134,089	134,089	134,089
Reserves		(14,786)	(17,890)	(16,664)
Total Shareholders' Funds		119,303	116,199	117,425
Total Shareholders' Funds and Liabilities		171,863	161,346	165,473

The Board of NPT Limited approved the financial statements for issue on 24th November 2015


Sir John Anderson
Chairman


J W Sherwin
Chairman of the Audit Committee

The notes set out on pages 7 to 14 form part of, and should be read in conjunction with the financial statements

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Unaudited 6 MONTHS 30 Sep 2015 \$000	Unaudited 6 MONTHS 30 Sep 2014 \$000	Audited 12 MONTHS 31 Mar 2015 \$000
Cash Flows from Operating Activities			
Cash was provided from (applied to):			
Gross Rental Income	8,389	8,132	16,787
Interest Income	41	52	106
Taxation Paid	(283)	(850)	(1,610)
Other Income	3	10	13
Operating Expenses	(3,178)	(3,839)	(7,572)
Interest Expense	(1,113)	(1,210)	(2,480)
Net Cash Inflow from Operating Activities	3,859	2,295	5,244
Cash Flows from Investing Activities			
Cash was provided from (applied to):			
Plant & Equipment	(46)	(26)	(168)
Property Work in Progress	(617)	(114)	(1,660)
Investment Properties under Development	(2,494)	(527)	(978)
Net Cash Outflow from Investing Activities	(3,157)	(667)	(2,806)
Cash Flows from Financing Activities			
Cash was provided from (applied to):			
(Repayments)/Drawdown of Bank and Other Loans (Secured)	3,000	(62)	1,000
Distributions made to Shareholders	(3,076)	(3,882)	(5,179)
Net Cash Outflow from Financing Activities	(76)	(3,944)	(4,179)
Net Increase/(Decrease) in Cash and Cash Equivalents	626	(2,316)	(1,741)
Cash and Cash Equivalents at the Beginning of Period	2,549	4,290	4,290
Cash and Cash Equivalents at the End of the Period	3,175	1,974	2,549

Reconciliation of Net Profit to Net Cash Inflow from Operating Activities

Net Profit after Taxation	5,076	2,568	6,385
Items Classified as Investing or Financing Activities:			
Unrealised (Gain)/Loss in Fair Value of Investment Properties	(2,701)	(215)	(1,187)
Gain on Sale of Plant and Equipment	-	-	(1)
Unrealised Loss in Fair Value of Interest Rate Swaps	521	193	829
Movement in Deferred Taxation	(211)	(84)	(345)
Movements in Working Capital Items:			
Accounts Receivable/Prepayments	48	471	199
Trade and Other Payables	733	(571)	(393)
Taxation Receivable	347	(117)	(342)
Non Cash Item			
Depreciation	46	50	99
Net Cash Inflow from Operating Activities	3,859	2,295	5,244

The notes set out on pages 7 to 14 form part of, and should be read in conjunction with the financial statements

Notes to the Condensed Consolidated Interim Financial Statements For the six months ended 30 September 2015

01. Reporting Entity

The reporting entity is the consolidated group comprising NPT Limited ("the Company") and its New Zealand subsidiaries together referred to as ("the Group"). NPT Limited is a limited liability company incorporated and domiciled in New Zealand. NPT Limited is registered under the Companies Act 1993, is listed on the New Zealand Stock Exchange (NZX) and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The principal activity of the Company is the investment in industrial, retail and commercial property in New Zealand. The condensed consolidated interim financial statements presented are those of the Company and its subsidiaries ('the Group').

02. Statement of Compliance and Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Account Practice in New Zealand ('NZ GAAP') and the requirements of the Financial Reporting Act 2013 and the Main Board Listing Rules of the NZX. The condensed consolidated interim financial statements comply with the New Zealand Equivalent to International Account Standard NZ IAS 34 and IAS 34 "Interim Financial Reporting".

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the basis of historical cost, except for the revaluation of investment properties and certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's audited financial statements for the year ended 31 March 2015. The financial statements are presented in New Zealand Dollars ('NZD'), which is the Group's functional currency, rounded to the nearest thousand dollars (\$000).

Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In the application of NZ GAAP, Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- (i) Investment Properties — Note 6
- (ii) Deferred Tax — Note 13

03. Significant Accounting Policies

Please refer to the Group's 31 March 2015 annual report for a full list of significant accounting policies.

Comparative amounts are from the audited and unaudited financial statements for the prior periods. Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation. Where appropriate, further information has been included within the relevant note disclosures.

Subsidiaries

The condensed consolidated interim financial statements are prepared by consolidating the financial statements of all the entities that comprise the Group, being the Company and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the condensed consolidated interim financial statements.

03. Significant Accounting Policies (continued)

Accounting policies of subsidiaries are consistent with the policies of the Company. All material intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially brought to account at cost plus related costs of acquisition. After initial recognition, investment properties are stated at fair value as determined by an independent registered valuer. Investment properties are valued six monthly. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of an active market, alternative valuation techniques are utilised which may include discounted cash flow projections, capitalisation of income or sales comparison approach as appropriate to the property being valued. The valuations are prepared by considering the aggregate of the estimated cash flows expected from rental income, the occupancy rates, average lease terms and capitalisation rates which reflect the current market conditions. The estimate of fair value is a judgement which has been made, based on the market conditions which apply at reporting date.

Any gains or losses arising from changes in the fair value of investment properties are included in the Profit or Loss within the Statement of Comprehensive Income in the period in which they arise.

Subsequent expenditure is charged to the asset carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The net gain or loss on disposal of Investment Properties is calculated as the difference between the carrying amount of the investment property at the time of the disposal and the proceeds on disposal and is included in the Profit or Loss within the Statement of Comprehensive Income in the period in which the disposal occurred.

04. Direct Property Operating Expenses

	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
	\$000	\$000	\$000
Tenant Operating Expenses	(2,160)	(2,114)	(3,634)
Owner Operating Expenses	(777)	(584)	(1,372)
Bad Debts	(7)	(30)	(47)
Movement in allowance for Doubtful Debts	(47)	(45)	(6)
Total Direct Property Operating Expenses	(2,991)	(2,773)	(5,059)

05. Administration Expenses

	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
	\$000	\$000	\$000
Fees paid to Auditor	36	45	69
Directors Fees	103	107	197
Employee costs	584	754	1,059
Rent	78	67	133
Professional Fees	93	18	154
Registry and Stock Exchange Fees	41	43	83
Shareholder Communications	26	17	38
Other Operating Expenses	1	29	379
Total Administration Expenses	962	1,080	2,112

06. Investment Properties

	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Reconciliation of Carrying Amount	\$000	\$000	\$000
Balance at the Beginning of the Period	158,225	156,060	156,060
Capitalised Costs	2,494	589	978
Revaluation of Investment Properties	2,701	76	1,187
Balance at the End of the Period	163,420	156,725	158,225

Investment properties were valued at the reporting date by an independent registered external valuer who is a member of the Institute of Valuers NZ.

07. Earnings per Share

Earnings per share is calculated by dividing the profit/(loss) attributable to shareholders (excluding distributions) of the Company by the weighted average number of ordinary shares on issue during the period.

	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Profit/(Loss) attributable to Shareholders of the Company (\$000)	5,076	2,568	6,385
Number of Shares on Issue	161,920,433	161,920,433	161,920,433
Basic and Diluted Earnings per Share (cents)	3.13	1.59	3.94
Number of Ordinary Shares			
Issued Shares at the Beginning of the Period	161,920,433	161,920,433	161,920,433
Issued Shares at the End of the Period	161,920,433	161,920,433	161,920,433
Number of Ordinary Shares for Basic and Diluted Earnings per Share	161,920,433	161,920,433	161,920,433

08. Distributions Paid and Payable

		Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
		\$000	\$000	\$000
The following distribution was paid in respect of previous year	0.800 cents (2014:0.80 cents)	1,295	1,294	1,295
The following distribution was declared and paid in respect of previous year	1.100 cents (2014:0.80 cents)	1,781	1,294	1,294
The following distributions were declared and paid during the period	Nil cents (2014:0.80 cents)	-	1,294	2,590
Total Distributions Paid		3,076	3,882	5,179
The following distribution was declared but unpaid at Reporting Date	0.875 cents (2014:Nil cents)	1,417	-	1,295
Less: distributions paid in respect of previous year		(1,295)	(1,294)	(1,295)
Total Distributions Paid and Payable to Shareholders		3,198	2,588	5,179

09. Accounts Receivable

	Unaudited 6 months 30 Sep 2015 \$000	Unaudited 6 months 30 Sep 2014 \$000	Audited 12 months 31 Mar 2015 \$000
Accounts Receivable	261	175	214
Allowance for Doubtful Debts	(55)	(8)	(7)
Total Accounts Receivable	206	167	207
Other Loans and Receivables	108	64	18
Total Other Loans and Receivables	314	231	225

10. Prepayments

	Unaudited 6 months 30 Sep 2015 \$000	Unaudited 6 months 30 Sep 2014 \$000	Audited 12 months 31 Mar 2015 \$000
Prepayments - less than 1 year	604	461	741
Total Prepayments - Current	604	461	741
Prepayments - greater than 1 year and less than 5 years	1,291	838	813
Prepayments - greater than 5 years	380	115	448
Total Prepayments - Non Current	1,671	953	1,261

11. Trade and Other Payables

	Unaudited 6 months 30 Sep 2015 \$000	Unaudited 6 months 30 Sep 2014 \$000	Audited 12 months 31 Mar 2015 \$000
Accrued Interest and Fees paid to Bank	420	288	291
GST Payable	127	115	22
Rent in Advance	15	15	300
Other Creditors and Accruals	1,756	989	972
Total Trade and Other Payables - Current	2,318	1,407	1,585
Other Creditors and Accruals	18	18	18
Total Trade and Other Payables - Non Current	18	18	18

12. Bank and Other Loans

	Unaudited 6 months 30 Sep 2015 \$000	Unaudited 6 months 30 Sep 2014 \$000	Audited 12 months 31 Mar 2015 \$000
Bank of New Zealand (Secured)	44,000	39,939	41,000
Total Bank Loans - Non Current	44,000	39,939	41,000

On the 16th July 2015 the Company entered into a new bank facility agreement of \$70million with the Bank of New Zealand. The facility is secured by way of General Security Agreements granted by NPT Limited and each subsidiary of the Company. In addition, the facility is secured by registered first mortgages over all of the real property assets and the cross guarantee of each of the Group's subsidiary companies. The facility is for 60 consecutive months and is due to expire on 22 July 2020.

The weighed average cost of funds for bank debt under the facility, including margin but excluding line fee, at Reporting Date was 4.48% (30 September 2014: 4.42%; 31 March 2015: 4.47%).

12. Bank and Other Loans (continued)

The Group recognises the risk of the fluctuating economic value of financial instruments because of changes in interest rates in its attempt to manage its cash flow interest rate risk. The Group manages this risk by using floating-to-fixed Interest Rate Swaps.

Generally, the Group raises borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the Interest Rate Swaps, the Group agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Changes in the fair value of Interest Rate Swaps are recognised in the Profit or Loss within the Statement of Comprehensive Income.

13. Deferred Taxation

	Unaudited 6 months 30 Sep 2015 \$000	Unaudited 6 months 30 Sep 2014 \$000	Audited 12 months 31 Mar 2015 \$000
Investment Properties Depreciation Recovery	3,350	3,350	3,350
Interest Rate Swaps	(419)	(95)	(273)
Other	17	166	82
Balance at the End of the Period	2,948	3,421	3,159

14. Contributed Capital

	Unaudited 6 months 30 Sep 2015	Unaudited 6 months 30 Sep 2014	Audited 12 months 31 Mar 2015
Fully Paid Shares on Issue	161,920,433	161,920,433	161,920,433
Shares Subscribed (\$000)	134,089	134,089	134,089

All shares have equal voting rights and share equally in distributions and any surplus on winding up.

15. Segment Information

The principal business activity of the Group is to invest in New Zealand properties. The Group's Investment Properties are divided into three business sectors: Industrial, Commercial and Retail.

The Segment result is the measure of operating profit reported to the Board and reflects the total profit or loss for the period including non-cash and non-recurring items. The Board assesses the segment performance and decides on the resource allocation.

The segment results for the six months ended 30 September 2015 were as follows:

	Industrial \$000	Commercial \$000	Retail \$000	Unallocated \$000	Total \$000
Segment Revenue	1,981	2,062	4,423	-	8,466
Net Segment Revenue	1,684	1,414	2,377	-	5,475
Net Profit/(Loss) before Taxation	1,579	1,915	4,687	(2,686)	5,495
Change in Fair Value of Investment Properties	(105)	500	2,306	-	2,701
Total Liabilities	1,492	1,423	2,507	47,138	52,560
Total Assets	40,812	35,049	92,311	3,691	171,863

15. Segment Information (continued)

The segment results for the six months ended 30 September 2014 were as follows:

	Industrial \$000	Commercial \$000	Retail \$000	Unallocated \$000	Total \$000
Segment Revenue	1,939	2,039	4,180	-	8,158
Net Segment Revenue	1,641	1,364	2,380	-	5,385
Net Profit/(Loss) before Taxation	1,366	1,364	2,740	(2,461)	3,009
Change in Fair Value of Investment Properties	(275)	-	351	-	76
Total Liabilities	3,422	2,999	5,213	33,513	45,147
Total Assets	41,102	34,410	83,507	2,327	161,346

The Audited segment results for the year ended 31 March 2015 were as follows:

	Industrial \$000	Commercial \$000	Retail \$000	Unallocated \$000	Total \$000
Segment Revenue	3,884	4,109	8,528	-	16,521
Net Segment Revenue	3,289	2,829	5,344	-	11,462
Net Profit/(Loss) before Taxation	2,864	2,829	6,970	(5,345)	7,318
Change in Fair Value of Investment Properties	(425)	-	1,612	-	1,187
Total Liabilities	4,075	3,301	5,489	35,183	48,048
Total Assets	41,045	34,495	87,043	2,890	165,473

16. Related Party Transactions

Key Management Personnel

The Group has a related party relationship with its key personnel. Key management personnel include the Directors of the Parent and the Managing Director. Remuneration provided to the Managing Director is detailed below.

	Salary \$000	Kiwisaver Contribution \$000	Consulting Fees \$000	Directors fees \$000	Total \$000
For six months to September 2015					
Sir John Anderson (Chairman)	-	-	-	30	30
J W Sherwin	-	-	3	20	23
Tony McNeil	-	-	-	20	20
Carol Campbell (appointed 25 May 2015)	-	-	-	13	13
Kerry Hitchcock	180	5	-	20	205
Total	180	5	3	103	291
For six months to September 2014					
Sir John Anderson (Chairman)	-	-	-	30	30
J W Sherwin	-	-	2	20	22
Tony McNeil	-	-	-	20	20
David Cushing (resigned 22 August 2014)	-	-	-	20	20
Kerry Hitchcock	180	5	-	20	205
Total	180	5	2	110	297

16. Related Party Transactions (continued)

For the Year Ending 31 March 2015	Salary \$000	Kiwisaver Contribution \$000	Consulting Fees \$000	Directors fees \$000	Total \$000
Sir John Anderson (Chairman)	-	-	-	60	60
J W Sherwin	-	-	4	40	44
Tony McNeil	-	-	-	40	40
David Cushing (resigned 22nd August 2014)	-	-	-	20	20
Kerry Hitchcock	410	12	-	40	462
Total	410	12	4	200	626

No long term employee benefits or post-employment benefits are provided to key management personnel.

Basis of Transactions

Transactions with related parties have been entered into in the ordinary course of business and are undertaken on normal commercial terms.

17. Contingent Liabilities

There were no material contingent liabilities as at 30 September 2015 (30 September 2014: nil; 31 March 2015: nil).

18. Financial Instruments

Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at reporting date. The net fair value of Financial Assets and Liabilities is not materially different from the net carrying amounts disclosed in the condensed consolidated interim financial statements. The methods used for determining the fair values of financial instruments are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2015.

	Designated at fair value \$000	Loans and Receivables \$000	Financial Liabilities at Amortised Cost \$000	Total Carrying Amount \$000	Fair Value \$000
As at 30 September 2015					
Financial Assets					
Cash and Cash Equivalents	-	3,175	-	3,175	3,175
Accounts Receivable	-	206	-	206	206
Total Financial Assets	-	3,381	-	3,381	3,381
Financial Liabilities					
Bank and Other Loans	-	-	44,000	44,000	44,000
Trade and Other Payables	-	-	2,336	2,336	2,336
Distribution Payable to Shareholders	-	-	1,417	1,417	1,417
Interest Rate Swaps	1,495	-	-	1,495	1,495
Total Financial Liabilities	1,495	-	47,753	49,248	49,248

18. Financial Instruments (continued)

	Designated at fair value	Loans and Receivables	Financial Liabilities at Amortised Cost	Total Carrying Amount	Fair Value
As at 30 September 2014	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash and Cash Equivalents	-	1,974	-	1,974	1,974
Accounts Receivable	-	167	-	167	167
Total Financial Assets	-	2,141	-	2,141	2,141
Financial Liabilities					
Bank and Other Loans	-	-	39,939	39,939	39,939
Trade and Other Payables	-	-	1,425	1,425	1,425
Interest Rate Swaps	338	-	-	338	338
Total Financial Liabilities	338	-	41,364	41,702	41,702

	Designated at fair value	Loans and Receivables	Financial Liabilities at Amortised Cost	Total Carrying Amount	Fair Value
As at 31 March 2015	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash and Cash Equivalents	-	2,549	-	2,549	2,549
Accounts Receivable	-	225	-	225	225
Total Financial Assets	-	2,774	-	2,774	2,774
Financial Liabilities					
Bank and Other Loans	-	-	41,000	41,000	41,000
Trade and Other Payables	-	-	1,603	1,603	1,603
Interest Rate Swaps	974	-	-	974	974
Total Financial Liabilities	974	-	42,603	43,577	43,577

Fair value of financial instruments that are not traded in an active market, such as derivative financial instruments, is determined using a valuation technique such as discounted cash flows. The carrying value less impairment provision of other financial assets and liabilities is not expected to be materially different to their fair values.

The only financial instruments measured at fair value in the Statement of Financial Position are derivatives (Interest Rate Swaps). The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. As this valuation technique maximises the use of observable market data as an input, the instrument is classified as Level 2 under NZ IFRS 7 Financial Instruments Disclosure.

19. Subsequent Events

On 24th November 2015, the Board of NPT Limited declared a payment from the Company of a second quarter distribution of 0.875 cents per share, the record date being 18 December 2015 and payment date 8th January 2016.

Independent Review Report

Audit

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To the Shareholders of NPT Limited

We have reviewed the condensed consolidated interim financial statements of NPT Limited and the entities it controlled at 30 September 2015 and for the six month period then ended ("the Group") which comprise the condensed consolidated statement of financial position as at 30 September 2015, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information on pages 7 to 14.

Director's Responsibilities

The Directors of NPT Limited are responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Reviewer's Responsibilities

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. As the auditor of NPT Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the condensed consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performed procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioners, we have no relationship with or interests in the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2015 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Restriction on Distribution or Use

This report is made solely to NPT Limited's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than NPT Limited and NPT Limited's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.



Grant Thornton New Zealand Audit Partnership
Auckland, New Zealand
24 November 2015

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