

23 MAY 2015

NPT LIMITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

NPT Limited is pleased to report its results for the year ending 31 March 2016, delivering a solid operating performance and a 31.5% lift in Net Profit after Tax as it continues to unlock value within its property portfolio through selective development works.

Highlights

- Net Profit after Taxation up 31.5%
- Distributable profit after income tax of \$6.1m or 3.79 cps up 1.0% on the prior period
- Net Tangible Asset backing (NTA) increased to \$0.74, up 2.0% on prior period
- Cash dividend maintained at 3.50 cps for the full year ended 31 March 2016
- Major development works at Eastgate remain on budget and to timeline

Financial Performance Highlights (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)
 - Record date 10 June 2016 ,payment date 24 June 2016
- Loan to value ratio 28.2% (25.6%)
- Net Tangible Asset backing (NTA) increased to \$0.74 (\$0.725) up 2.0%

Property Portfolio Highlights (31 March 2015 figures in brackets)

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

Major Projects

At Eastgate Shopping Centre, the development of a Restaurant Brands outlet and The Loft continues towards completion in July. Costs and timing are in line with what has been reported previously with the initial return on cost expected to be greater than 9%. The Loft

encompasses the cluster of health and wellbeing services that will occupy just over 2,000m² of the first floor space that has been vacant since the February 2011 earthquake.

Post balance date NPT moved its corporate office to the AA Centre after a complete refurbishment of Level 13. This is the first floor to undergo refurbishment as we work to reposition the building in the strong Auckland office leasing market. Intended to be a showcase of the quality of office space that can be created within the building, market feedback so far has endorsed our approach as being the correct path to bringing about a step-change in rental rates. We are now focused on marketing for lease of the balance of space on Level 13 not occupied by NPT, as well as the next floor that is likely to become vacant later this year.

Capital Management

NPT's LVR as at 31 March 2016 was 28.3%, well below the banking covenant limit of 50%, with 62.5% of drawn debt hedged. The weighted average cost of debt (including margin and line fees) was 5.60%, a reduction of 69 bps on the prior comparable period. Subsequent to balance date NPT entered into a further series of swaps totaling \$20m at an average rate of 2.73% (excluding line fee and margins).

Dividend

Shareholders will receive a dividend of 0.875 cps for the fourth quarter ended 31 March 2016. This brings the total cash dividend for the FY16 year to 3.50 cents per share, consistent with guidance given at the beginning of the financial year. The record date will be 10 June 2016 with payment being made on 24 June 2016.

Looking ahead to the FY17 year, the Directors are expecting to pay a full year cash dividend of 3.60 cps, up 2.9%, based on current projections for the portfolio.

Outlook

NPT continues to focus on unlocking the value within its portfolio with the development of The Loft health and wellbeing services centre and a Restaurant Brands outlet at Eastgate Shopping Centre on target for completion in the second quarter of FY17. Further repositioning of the AA Centre will continue across the year as NPT looks to take advantage of the strong office leasing market in the Auckland CBD. The Balance Sheet remains with capacity to complete our capital works programme and add to the portfolio should a suitable opportunity arise. Management continues to closely watch corporate costs and the management expense ratio is expected to significantly reduce in FY17.

ENDS

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Key Facts about NPT Limited

- NPT Limited is an NZX-listed company; its code is NPT.
- The Board is comprised of Sir John Anderson (Chairman), Jim Sherwin and Carol Campbell.
- NPT has a diversified portfolio of retail, commercial and industrial properties located in Auckland, Hawke's Bay and Christchurch.