

**NPT Limited Shareholders Annual Meeting
19 August 2016
Chaired by Sir John Anderson, Chairman of NPT Limited**

The following is the address of Mr Tony Osborne (Acting Chief Executive Officer) to the shareholders of NPT Limited (NPT, the 'Company'). This address was presented at 11.30am on Friday 19 August 2016 at the Flying South Theatre, Level 1, Christchurch Airport.

ACTING CHIEF EXECUTIVE'S ADDRESS

Slide 6: Tony Osborne

Thank you Sir John.

We will start today by taking you through the key points of NPT's financial results and then provide an update on the property portfolio.

Slide 7: Financial Performance

NPT's Net Profit after tax for the year ended 31 March 2016 was \$8.4m, up significantly on the prior year through a combination of a steady operating performance and a 2.0% uplift in the value of the property portfolio.

Importantly, Net Rental Income showed a slight increase despite having a floor at the AA Centre undergoing major refurbishment works following the departure of the tenant there.

Slide 8: Distributable Profit

Distributable Profit after tax, which is NPT's calculation of underlying earnings, showed a 1.0% increase on the prior year from \$6.0m to \$6.1m (from 3.75 cents per share to 3.79 cents per share). Cash dividends totalling 3.50 cents per share have been paid to shareholders, equating to a pay-out ratio of 92.3%.

Slide 9: Balance Sheet

Net Tangible Assets backing (NTA) as at 31 March 2016 was 74.0 cents per share, an increase of 2.0% on the prior year, driven by the uplift in property values mentioned earlier.

Slide 10: Banking

The strong position of the NPT balance sheet has been maintained across FY16 with the loan-to value ratio sitting at 28.2% at year end, well below the bank covenant of 50%. Our current banking facility has just over 4 years to run providing NPT with certainty of funding into the medium term. As expected, with the reduction in interest rates both here in New Zealand and globally we have seen our weighted average cost of debt reduce from 6.29% last year to 5.60% as at 31 March 2016. The reduction in interest rates will continue to benefit NPT's earnings across the FY17 financial year.

Slide 11: Property Portfolio

Moving to the Property Portfolio

NPT's total property portfolio value ended the year at \$169.4m, a net increase of 2.0% when taking into account the capital works invested in the portfolio across the year. Our portfolio metrics remain strong with occupancy at 97.1% and the portfolio Weighted Average Lease Term (WALT) at 5.4 years.

We would note that we have moved away from contracting out the management of our properties and have brought these activities in-house.

Aside from the cost efficiencies that we will obtain, a number of benefits will be derived from this change including delivering an improved standard of service for our tenant customers.

Another advantage of managing our properties directly is that we are able to develop a deeper understanding of the long-term capital expenditure needs of our assets. As we get more closely involved with each property, we are making more informed decisions about future investment in maintaining them. Using this information, our valuation models are being regularly refined to ensure that this future expenditure is factored in so as to provide sustainable revenue in the long-term.

The following slides will give you a more comprehensive look at the properties individually.

Slide 12: Eastgate Shopping Centre

Eastgate is our largest asset by value.

The entire retail sector is under substantial pressure and Eastgate feels the effects of this as much as any retail centre. Our response to this has been to refocus Eastgate as a community hub in the east of Christchurch.

The first floor redevelopment has been completed since balance date and this has seen the opening of “The Loft” in mid-July. The Loft is the name for the combined grouping of health and wellbeing services now resident at Eastgate. Together with the Linwood Library, we believe we now have the most extensive range of medical and social services available anywhere in the country in one place. The participants at The Loft include the Linwood Avenue Medical Centre which provides a broad range of health services, CDHB Older Persons Health Co-ordination Hub, Nurse Maude, Aviva (formerly Christchurch Womens Refuge), He Waka Tapu, NZ Red Cross, Family Help Trust, physios and district nurses among others.

The passion and professionalism displayed by all of the partner organisations involved in this initiative will ensure its success and Eastgate will become a more significant community hub as a consequence.

Our next focus is to continue with our development plans for the Centre including development of the site previously occupied by the medical centre and advancement of a “mini major” larger format retail block.

These further development opportunities will only be undertaken on a pre-committed basis and at rental levels that provide an appropriate return on the investment associated with the construction of new buildings on the site.

Slide 15: 99 Albert Street - AA Centre

This property is located adjacent to the Skytower and the SkyCity casino. Its location is being further strengthened by the development of the NZ

International Convention Centre very nearby and the construction of the City Rail Link. These two projects have the capacity to assist us in repositioning the AA Centre in the CBD office leasing market over time.

In April this year, we moved our office into the completely refurbished thirteenth floor. The interior fit out and new services demonstrate the high standard of office accommodation that can be achieved following an extensive refurbishment programme. This floor is a template for refurbishing other floors as leases expire.

Several floors, including the eighth floor, will be refurbished over the next few years, taking advantage of the strong Auckland CBD office leasing market.

Slide 17: 113 Elwood Road, Heinz Wattie's National Distribution Centre

This property enjoys a long-term lease to Heinz Wattie's and operates as their National Distribution Centre. During the year, it was announced that Heinz Wattie's would merge with Kraft Foods to become The Kraft Heinz Company which would be the fifth-largest food and beverage company in the world.

The property is strategically located next to the Heinz Wattie's Tomoana production facility on the northern fringe of Hastings. The strength of the locality has been further boosted recently with the development on nearby sites of a substantial new export water packaging facility and the announcement that another of Heinz Wattie's key suppliers is to establish a significant production facility next year.

Slide 18: 22 Stoddard Road

With occupancy at 94.55%, 22 Stoddard Road has 20 specialty retail stores and 335 carparks.

All of the vacancy in the Centre exists in the shop vacated by Postie Plus when it went into liquidation.

We continue to seek suitable tenants to occupy this space and hope to be able to provide an update on progress soon.

The Centre trades well overall and we are actively managing the evolving tenancy mix.

Slide 19: 17 Print Place, Christchurch

Our Christchurch industrial property at 17 Print Place is set in attractive grounds and is occupied by three tenants; Canterbury District Health Board, AB Note and Dynamic Controls.

Two of these tenants have lease expiries falling within the next 12 months and it is these shortening lease terms that are solely responsible for the decrease in value.

Slide 20: Outlook for NPT

The completion of the development works at Eastgate Shopping Centre is a significant milestone and will have a positive effect on long-term earnings.

There remain further expansion opportunities at Eastgate Shopping Centre that can be taken advantage of but they must be matched with tenant demand. We are working on a number of fronts but require a level of pre-commitment before proceeding with these development initiatives.

We are confident in being able to progressively reposition the AA Centre and thereby increase returns from this property over time.

Our Balance Sheet has capacity to fund additional development works and has some room for acquisitions, should a suitable opportunity arise.

In the current environment, where opportunities for growth through acquisition are limited, it makes sense for us to reinvest in our existing portfolio. We are always on the lookout to grow by acquisition where a purchase would be accretive to earnings.

The commercial property market remains extremely strong and we expect this to continue across the 2017 financial year. NPT is well positioned to deliver positive results to shareholders in the year ahead.

Thank you everybody for your attendance today and I will now pass you back to Sir John.

For more information, please contact:

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