



NPT Limited

2012 Shareholder Annual Meeting Presentation

Presented 22 August 2012 by:

Sir John Anderson – Chairman, NPT Limited (Meeting Chair)

Kerry Hitchcock – Acting Chief Executive Officer

Agenda

- Presentation by Kerry Hitchcock on the audited financial statements for the year ended 31 March 2012 and the **Directors' Report**.
- Shareholder Discussion.
- Formal business of the meeting:
 - The re-election of retiring director, Mr Jim Sherwin followed by the re-election of retiring director, Mr Kerry Hitchcock.
 - To authorise the Directors to fix the fees and expenses of the Auditor of the Company.
- General Business

NPT's First Year

- The National Property Trust becomes NPT Limited on 1 April 2011
- New Board and new management immediately faced challenges resulting from 22 February 2011 earthquake
- Eastgate Shopping Centre and Natcoll House both badly damaged
- Significant resource needed to address resulting complex insurance issues



NPT's First Year (continued)

- Eastgate:
 - Reopened in stages from May 2011
 - Material damages insurance claim settled
 - CERA certification received in April 2012
- **Major Heinz Wattie's extension completed and lease variation with term to 2027 recently signed**
- Operational efficiencies achieved following appointment of new CFO, Marshall Maine, in September last year
- Jones Lang LaSalle recently appointed new Christchurch retail property managers

Financial Performance

- Trading profit of \$9.94 million*, an increase of 12.5% on last year
- Net loss after tax of \$2.298 million compared to a loss of \$14.67 million last year
- Achieved administration savings of \$728,000 following corporatisation, compared with \$500,000 forecast savings
- Total distributions of 4 cents per share – 1 cent per share above guidance figure, due to Canterbury property portfolio issues crystallising

* Before non-recurring expenses, other gains and losses and tax

Financial Performance (Continued)

- Bank Debt of \$62 million at year end
- Following 31 March \$9.9 million of cash on hand used to retire debt
- Bank debt of \$50.3 million as at June this year and gearing ratio at 35.5%
- Weighted average cost of funds at 6.22% after two long-dated interest rate swaps were bought out
- Net Tangible Asset backing per share as at 31 March 2012 was 53.8 cents

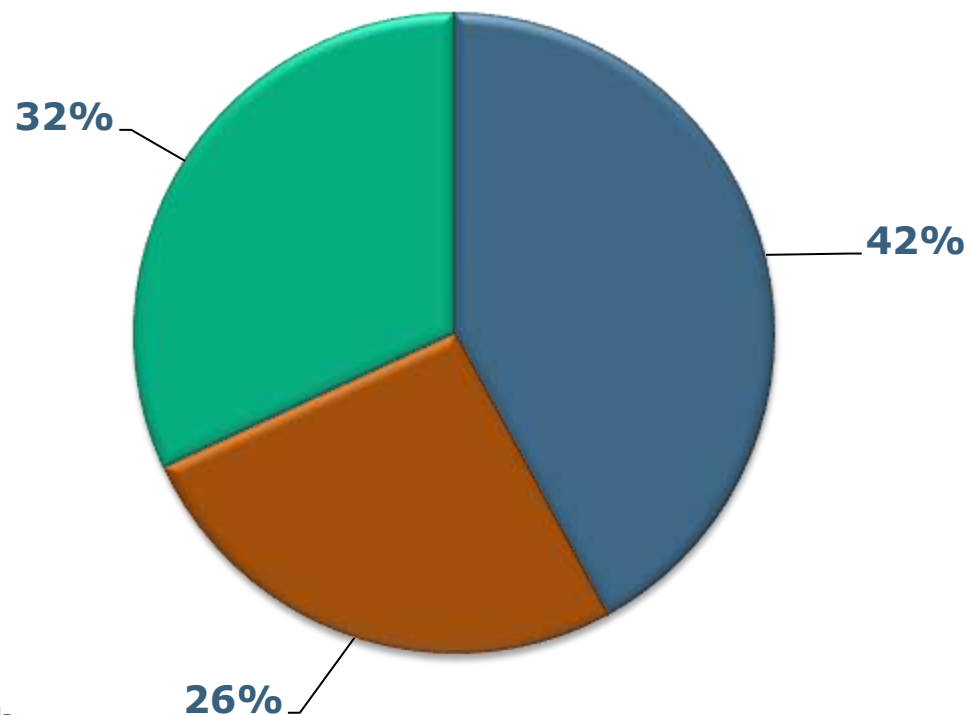
Portfolio Performance

- Portfolio valued at \$143.15 million at 31 March 2012
- Decrease in value due to:
 - Sale of Henderson, Auckland property
 - Capex additions of \$18.14 million
 - Revaluation losses, primarily at Eastgate
- **Extended 15 year lease at Heinz Wattie's and new 8 year Lincraft lease at Eastgate resulting in the portfolio's Weighted Average Lease Term increasing to 5.5 years as at August 2012**
- Vacancy rate increased to 7.15% from 5.7% last year, mainly due to Farmers terminating Eastgate lease early

Portfolio Summary

Portfolio by Sector*

■ Commercial ■ Industrial ■ Retail



* % calculated on valuations at March 2012

AA Centre

- Benefiting from location adjacent to SkyCity developments on Federal Street
- Refurbishment programme underway
- Fully leased

Location:

Auckland

Current Valuation:

\$28.5 million

Occupancy:

100%

WALT:

2.10 years

All information is as at
March 2012



Baldwins Centre / AMI Plaza

- Unconditionally sold with settlement on 14 September 2012
- Sale price of \$24.5 million

Location:

Wellington

Current Valuation:

\$25 million

Occupancy:

99%

WALT:

1.65 years

All information is as at
March 2012



Heinz Wattie's National Distribution Centre

- Two substantial extension projects completed over past two years
- Latest extension completed at a cost of \$3.90 million and formally opened in March 2012
- **Heinz Wattie's moves their Export Operations Distribution Centre to site**
- Increased valuation of \$24.75 million at March 2012
- Extended 15 year lease recently signed and WALT increases to 13.9 years



Location:

Hastings

March '12 Valuation:

\$24.75 million

Occupancy:

100%

WALT:

13.9 years (as at August 2012)

Ocean Boulevard

- Reconfiguration of retail space underway with aim to enhance leasing potential



Location:

Napier

Current Valuation:

\$4.9 million

Occupancy:

67%

WALT:

3.05 years

All information is as at
31 March 2012



Avonhead Shopping Centre

- Retailers trading well
- New property managers
- Head lease, expiring November 2013, will not be renewed



Location:
Christchurch
Current Valuation:
N/A
Occupancy:
100%

HWMC Warehouse

- Head lease expired on 31 March 2012 and was not renewed



Natcoll House

- Located in Christchurch's new CBD redevelopment plan 'Eastern frame'
- Independent appraisals indicate that building will not be economic to repair
- Negotiations regarding the material damage insurance claim continue
- Business interruption insurance continues till February 2013.

Location:

Christchurch

March 2012 Valuation:

\$12.0 million



Print Place

- New 10 year lease to Medlab South secured in November 2011
- Required early surrender of Online Security lease which was due to expire in March 2012
- Added \$1.04 million to its value during the year.

Location:

Christchurch

Current Valuation:

\$12.5 million

Occupancy:

100%

Walt:

5.4 years

All information is as at
31 March 2012



Eastgate Shopping Centre

- Strong focus in recognition of Centre's importance to NPT and to the local community
- Drop in value since September largely due to early termination of Farmers' lease
- Received full insurance settlement of \$18.05 million
- \$13.81 million spent on repairs and reconstruction
- Good level of leasing enquiries following receipt of CERA certification in April this year
- New 8 year lease to Lincraft
- New property managers



Location:

Christchurch

Current Valuation:

\$35.5 million

Occupancy:

75%

WALT:

2.7 years

All information is as at
31 March 2012

Strategic Outlook

- Short to medium term focus on resolving the outstanding issues in Christchurch:
 - Complex insurance claim at Natcoll House
 - Building Eastgate as centre of community
- Overall investment strategy: own a diversified portfolio of quality investment properties providing strong maintainable earnings that result in stable income distributions
- Actively seeking properties where there is greater certainty of income and/or potential to add value by way of refurbishment or redevelopment improvements.

Dividend Forecast

- Company in tax paying position this financial year
- First dividend payment will be fully imputed
- Forecast dividend for this financial year of 3.2 cents per share (gross) or 2.3 cents per share (net)
- First quarter dividend of 0.8 cents (gross) or 0.575 cents (net) payable 5 October 2012

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