

NZX RELEASE

15 March 2012

Northlands Shopping Centre earthquake strengthening work

Kiwi Income Property Trust today announced that part of Northlands Shopping Centre in Christchurch is to be strengthened to comply with the new earthquake loadings standard now applicable in Christchurch.

The Manager of the Trust, Kiwi Income Properties Limited, advised that 14 out of Northlands' 126 shops will be closed while the strengthening work is carried out. The shops required to close represent 5% of the centre's net lettable area. The remaining 95% of the centre will continue to trade as usual.

Mr Chris Gudgeon, Chief Executive of the Trust's Manager, said: "Despite the fact that Northlands Shopping Centre has performed well throughout a prolonged period of earthquakes and aftershocks with moderate damage only, we do need to undertake strengthening work in defined areas to meet the new loadings standard which is 37% higher than the old one."

The Canterbury Earthquake Recovery Authority (CERA) has issued notices to more than 7,000 Christchurch building owners to undertake Detailed Engineering Evaluations (DEEs) to assess the performance of their buildings against the requirements of the new code.

The decision to close these 14 shops has been made in consultation with the Trust's structural engineers and CERA, taking into account the recent DEE assessment.

"While no-one wants to see further interruption to business, the safety and wellbeing of our customers and tenants must take priority," Mr Gudgeon said.

"Importantly, it is expected that the remaining 112 stores within the centre can continue to trade normally."

"Since the first earthquake struck the region in September 2010, Northlands has become an important touchstone for many in the community. Our commitment is to complete our works as soon as possible and return these 14 shops to normal trading as soon as we practicably can," he said.

Warwick Isaacs, General Manager, Operations at CERA said: "We support this move by Kiwi Income Property Trust. It is good to see a proactive approach by building owners and their engineers where safety is uppermost in the response."

"We are pleased to see their focus on public safety and will work with KIPT to minimise any disruption to the Mall's operation."

Preliminary estimates indicate a total construction cost of approximately \$9 million to strengthen or reinstate the affected shops. In addition, the loss of gross rental from these shops is expected to be approximately \$3 million over an estimated 15 month reinstatement programme.

Independent valuations of the Trust's properties as at 31 March 2012 are currently being finalised. Despite the shop closures, the Trust does not expect the value of Northlands Shopping Centre to be written-down further than its 31 March 2011 value of \$207 million.

A copy of the centre plan highlighting the affected stores is included with this announcement.

ENDS

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About Kiwi Income Property Trust

Kiwi Income Property Trust's objective is to optimise returns for its Unit Holders through the careful acquisition, development and professional management of its property portfolio. The Trust is listed on the New Zealand Stock Exchange and is ranked within the top 15 on the NZX 50 Index, and is a member of the NZX Midcap Index.

The total value of the Trust's property portfolio is \$1.92 billion. Assets include:

Key Retail Assets

Sylvia Park Shopping Centre	Auckland
LynnMall Shopping Centre	Auckland
Centre Place Shopping Centre	Hamilton
The Plaza Shopping Centre	Palmerston North
North City Shopping Centre	Porirua
Northlands Shopping Centre	Christchurch

Key Office Assets

Vero Centre	Auckland
National Bank Centre	Auckland
21 Pitt Street	Auckland
The Majestic Centre	Wellington
Unisys House	Wellington
44 The Terrace	Wellington

Kiwi Income Property Trust's website address is www.kipt.co.nz