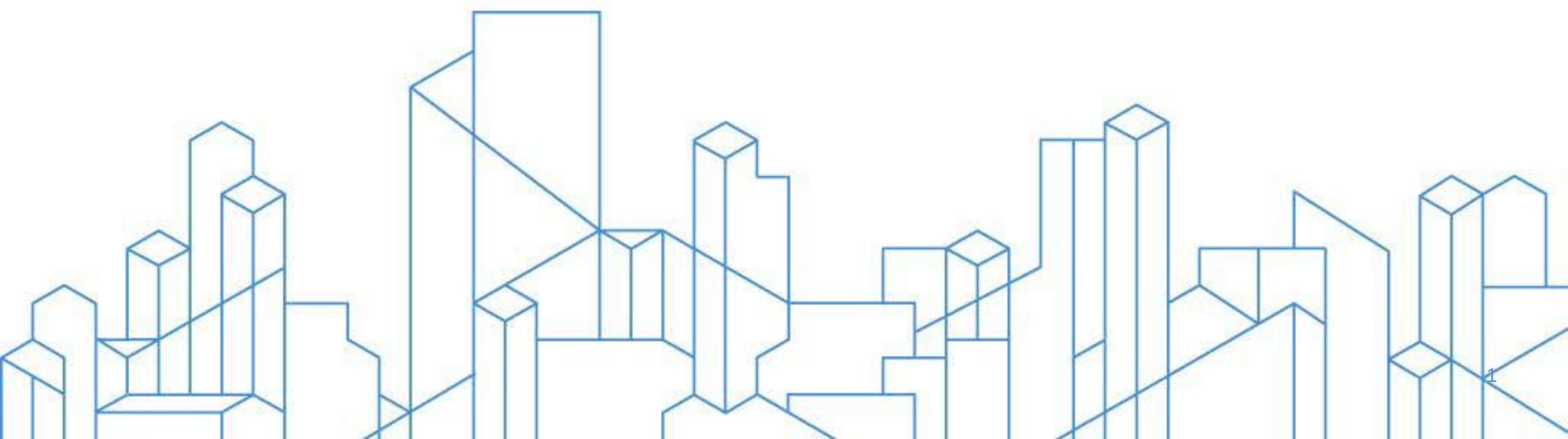
Annual Result

For the year ended 31 March 2018



Contents

Highlights

Financial Performance Against Prior Year

- Net profit after tax of $3.095 million up from $3.073 million
- Adjusted funds from operations* of $6.15 million
- Net rental income of $11.7 million, reduced from $11.9 million
- Portfolio occupancy is 97.4%, increased from 96% due to the sale of Print Place
- The WALE is 4.4 years, reduced from 4.6 years in the prior year
- Loan to value ratio is 26.6% (33.1% in 2017)
- Net tangible assets of 70.6 cents per share (cps) reduced from 72.3 cps
- The sale of both Print Place and the AA Centre creates balance sheet capacity to execute the new value add strategy
- Externalisation of management to Augusta for $4.5 million

**refer to Appendix 1 & 2*

Financial Performance

	2018 $m	2017 $m	Change $m	Change %
Net Rental Income	**11.7**	**11.9**	**(0.2)**	**(1.7%)**
Administration Expenses	(3.0)	(2.6)	(0.4)	
EBIT	**8.7**	**9.3**	**(0.6)**	**(6.5%)**
Net Finance Costs	(2.8)	(2.7)	(0.1)	
Net Profit before taxation, revaluations and one-offs	**5.9**	**6.6**	**(0.7)**	**(10.6%)**
Sale of Management Rights	4.5	-	4.5	
Transaction Costs	(0.7)	(1.3)	0.6	
Unrealised Change in Fair Value of Interest Rate Swaps	0.1	0.7	(0.6)	
Net Loss on Sale of Plant and Equipment	-	(0.1)	0.1	
Unrealised Change in Fair Value of Property	(2.9)	(1.6)	(1.3)	
Net (Loss) on Sale of Investment Property	(3.0)	-	(3.0)	
Net Profit before taxation	**3.9**	**4.3**	**(0.4)**	**(9.3%)**
Income Tax Expense	(0.8)	(1.2)	0.4	
Net Profit after taxation	**3.1**	**3.1**	**0.0**	**0.0 %**

- The pay-out ratio is 95% based on an AFFO of $6.15 million for the year.

Net Rental

Net rent by property	2018 $000	2017 $000	Variance $000	Comments
Eastgate	3,705	3,918	(213)	Increase in vacancies throughout '18
Stoddard Rd	2,527	2,187	340	Increases in lease and opex income
Heinz	2,175	2,064	111	Opex cost savings
AA Centre	2,503	2,454	49	
Print Place	789	1,253	(464)	Vacancies from January '18
Total	**11,699**	**11,876**	**(177)**	

- The primary reduction in net rental is driven by the Print Place vacancy prior to sale
- Stoddard Rd net rent was up due to increased rents and lower net opex costs

Corporate Costs

	2018 $000	2017 $000	Variance $000	Comments
Employee Costs	931	1,160	229	Staff left and not replaced
Redundancy Costs	726	-	(726)	Restructuring in '18
Directors Fees	279	234	(45)	
Audit Fees	108	87	(21)	
Office Costs	424	261	(163)	High deprecation in '18
Professional Fees	313	625	312	Higher legal and professional fees in '17
Other Expenses	170	245	75	Credits from unpresented chqs in '18
Total Administration Expenses	**2,951**	**2,612**	**(339)**	

- Excluding restructure costs and legal fees associated with externalisation, corporate costs reduced by $0.13 million. Lower personnel costs were offset by accelerated depreciation in respect to NPT office furniture

Corporate Costs – Reflecting Externalisation

	2018 $000	2018 Augusta Cost Structure $000	Net saving $000	Comments
Employee Costs	931	-	931	Employee Costs replaced with fee 0.5% of Total Assets
Base Management Fees	-	835	(835)	50 bps on closing asset values
Directors Fees	279	279	-	
Audit Fees	108	108	-	
Office Costs	424	101	323	No rent, cleaning, maintenance, travel, telephone, stationery
Professional Fees	313	243	70	
Other Expenses	170	120	50	
Total Administration Expenses	**2,225**	**1,686**	**539**	

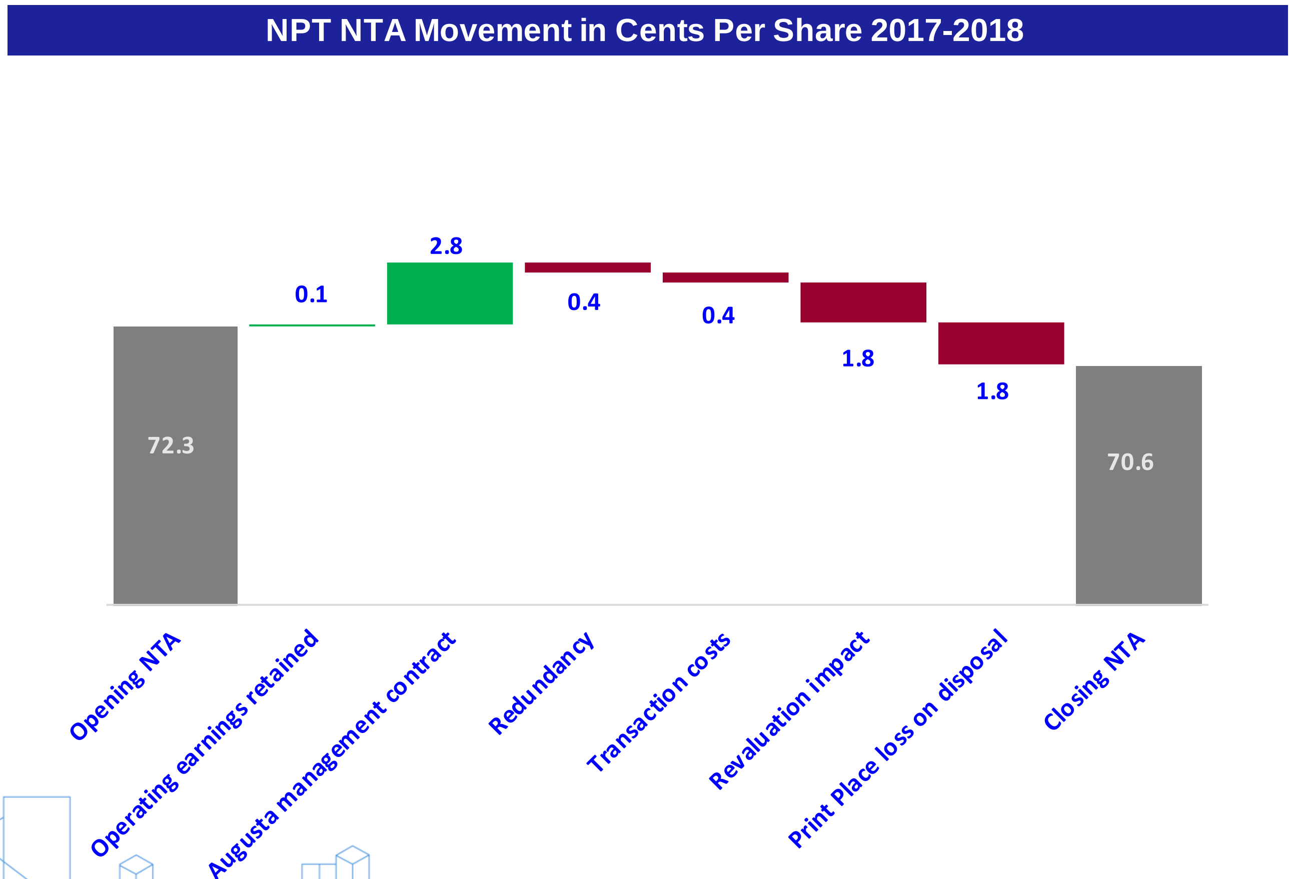
- The above pro-forma representation outlines the FY18 corporate costs on the basis of externalisation. The Augusta base management fees reflect the balance sheet as at 31 March 2018. Non recurring transactions have been removed (such as redundancy costs)
- Excludes use of money benefits on the $4.5 million sale proceeds
- Property mgmt. fees, which form part of the net rental, would have equated to $0.25 million for the year

Balance Sheet

Description	2018 $000	2017 $000	Variance $000	Comments
Current assets	1,151	3,108	(1,957)	$1.5m lower cash balance
Investment Property Held for Sale	43,814	-	43,814	AA Centre - reflects balance of capex
Investment Property	124,636	179,241	(54,605)	3 remaining assets
Total Assets	**169,601**	**182,349**	**(12,748)**	
Current liabilities	7,389	2,885	4,504	Includes $4.7m deposit on AA Centre
Debt	44,500	58,500	(14,000)	$14m of debt repaid during the year. $25.5m undrawn
Deferred tax liability	2,533	2,972	(439)	Reduced by Print Place divestment
Fair value of swaps	840	919	(79)	
Total Liabilities	**55,262**	**65,276**	**(10,014)**	
Equity	**114,339**	**117,073**	**(2,734)**	

- Gearing reduced to 26.6% as at balance date (2017 33.2%)
- NTA is 70.6 cps (2017 72.3 cents per share)

Net Tangible Assets



Funding

	31 March 2018 $m	31 March 2017 $m
Bank facility limit (BNZ)	70.0	70.0
Drawn bank debt	44.5	58.5
Available undrawn debt	25.5	11.5
Weighted average cost of debt (incl. margins & line fees)	5.42%	5.08%
Remaining duration of bank facility (expires 22 July 2020)	2.3 years	3.3 years
% of drawn debt hedged	89.9%	68.4%
Loan to Value Ratio covenant (< 50% of Gross property value)	26.6%	33.1%
Interest Cover Ratio covenant (EBIT >1.75x Total debt interest cost)	3.2 x	2.5 x

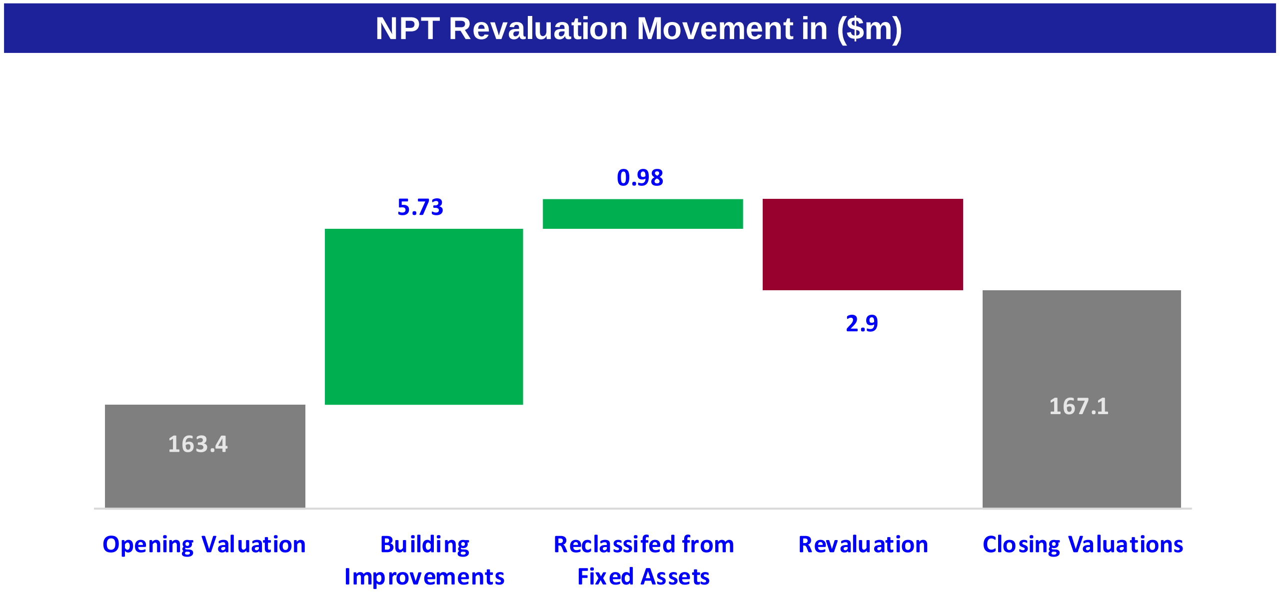
- Post the AA Centre divestment in July 2018 there is further capacity to fund future acquisitions

Revaluation of Investment Property

	Opening Balance of Asset $000	Building Improvements $000	Reclassified from Fixed Assets $000	Updated Asset Carrying Value $000	Valuation $000	Revaluation Impact $000	Comments
Eastgate	59,500	1,164	720	61,384	58,000	(3,384)	$1.9m of improvements, $1.5m drop in DCF calculation
22 Stoddard Road	36,000	120	85	36,205	38,000	1,795	
Heinz Wattie	27,000	38	7	27,045	27,300	255	
AA Centre	40,850	4,410	165	45,425	43,814	(1,611)	Cost overruns on Stairwell project
Total	**163,350**	**5,732**	**977**	**170,059**	**167,114**	**(2,945)**	

- The AA Centre valuation reflects the expected costs to complete the stairwell works ($2.6m)
- $0.977 million reclassified from fixed assets to investment property
- Loss on disposal on Print Place of $2.97 million

Revaluation of Investment Property



- Excludes Print Place which was divested on 29 March 2018
- AA Centre expected to settle on 12 July 2018
- Building improvements represent L8 fit out at AA Centre, the stairwell project as well as Eastgate capex

Portfolio Summary

	Occupancy %	WALT (years)	31 March 2018 Valuation ($m)	Passing Rent ($000s)	Passing Rent Yield %	Market Cap Rate 2018 %
Eastgate Shopping Centre	94.30%	4.7 yrs	58.00	3,908	6.74%	8.00%
Heinz Wattie's Warehouse	100.00%	8.9 yrs	27.30	2,134	7.82%	8.13%
Roskill Centre	100.00%	3.8 yrs	38.00	2,499	6.58%	6.25%
3 Remaining Assets			**123.30**	**8,541**	**6.93%**	**7.49%**
AA Centre		1.65 yrs	43.80	3,397	7.76%	7.25%
Total	**97.40%**	**4.4 yrs**	**167.10**	**11,938**	**7.14%**	**7.43%**

Portfolio Update – Future Strategy

Eastgate Shopping Centre, Christchurch

- Improvement in management structure
- Provide asset with a credible narrative for both users and tenants
- Implement leasing strategy off the back of focussed consumer research
- Re-gear key leases to allow for leasing strategy to be implemented
- Opportunities for value enhancement have been identified

133 Elwood Road, Hastings

- Meaningful discussions commenced about enhancing asset for Heinz Wattie
- Seeking long term lease commitment in return that creates accretion to asset value

22 Stoddard Road, Auckland

- Potential Unit Title of existing centre being explored as opportunity to add value
- 13 lease expiries in calendar year 2019. Leasing interest remains strong in the centre and we will be looking to add value through this process
- Remain cognisant of need for income stability to underpin dividend

Outlook

Post the exit of the AA Centre, which is expected to settle in July 2018, there is further balance sheet capacity to acquire investment property in line with the **value add strategy**.

The Board is confident that Augusta has the necessary capability and track record in the sector to source such opportunities with the current balance sheet capability. The primary focus is to **close the share price gap to NTA** through active management and prudent investment selection.

The Board is committed to a **rebrand** of the company and this will be announced in the near term.

Appendix 1 - Adjusted Funds from Operations (AFFO)

	2018 $000	2017 $000	Comments
Statutory Net Profit After Tax	**3,095**	**3,073**	
Investment Property and Inventory			
Losses from sales of investment property	2,970	-	Sale of Print Place
Fair value loss on investment property	2,945	1,651	Revaluation losses higher in '18 than '17
Depreciation on owner occupied PP&E	357	129	High depreciation on head office assets
Financial Instruments			
FV gain on the mark to market of derivatives	(79)	(732)	
Deferred Tax			
Deferred Tax Expense	(438)	78	Sale of Print Place
Tax on depreciation recovery (non-operating)	209	-	Depreciation recovered from Print Place
Other unrealised or one-off items			
Sale of Management Rights	(4,500)	-	Sale of management rights to Augusta
Transaction Costs	686	1,339	$430k from Kiwi proposal, $256k for Augusta externalisation
Restructuring Costs	523	-	Tax effect of redundancy payments
Legal Proceedings Costs	-	255	
Net Loss on Sale of Plant and Equipment	29	87	Loss on sale of fixed assets
Net operating income after tax	**5,797**	**5,880**	**1.4% drop from '17 to '18**
Incentives and Rent Straightening			
Amortisation of lease incentives and costs	482	280	Higher in '18 due to accelerated amortisation from the AA Centre
Funds From Operations (FFO)	**6,279**	**6,160**	**1.9 % increase from '17 to '18**
Maintenance CAPEX	(131)	(255)	
Adjusted Funds From Operations (AFFO)	**6,148**	**5,905**	**4.1 % increase from '17 to '18**
CPS	3.80	3.65	

Appendix 2 - AFFO

- The AFFO has not previously been reported by NPT. Management has presented the FY17 reporting period for comparative reasons.
- Adjusted funds from operations (AFFO) is non-GAAP financial information and is a common investor metric, calculated based on guidance issued by the Property Council of Australia. NPT considers that AFFO is a useful measure for shareholders and management because it assists in assessing the Company's underlying operating performance. This non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities. A reconciliation of the net profit after tax to AFFO is included in results presentation. The independent auditors have confirmed that the AFFO calculations have been fairly extracted from the audited Group financial statements for the year ended 31 March 2018.

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