

## NZX RELEASE

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# Conditional agreements signed for NPT Partnership Proposal

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Kiwi Property has today entered into conditional agreements recording the terms and conditions of its partnership proposal with NPT Limited (NPT).

As previously announced on 13 December 2016, Kiwi Property has proposed a strategic partnership with NPT. Key elements of the partnership proposal include:

- > Kiwi Property selling North City Shopping Centre and The Majestic Centre to NPT for total consideration of \$230 million.
- > NPT issuing approximately \$48 million of new shares to Kiwi Property (depending on the value of NPT's shares at the time of the issue). As a result, Kiwi Property would become a cornerstone investor in NPT with a shareholding of 19.9%.
- > Kiwi Property acquiring the right to manage NPT with a payment to NPT of \$6 million.
- > NPT pursuing a clearly defined 'Core-Plus' investment strategy with access to Kiwi Property's specialist management capabilities.

The partnership proposal and associated transaction documents are conditional upon NPT's shareholders approving the acquisition of the two properties from Kiwi Property and the issue of new shares to Kiwi Property, NPT undertaking an entitlement offer and raising at least \$90 million under that offer, NPT finalising funding arrangements on terms acceptable to NPT, and NPT obtaining approval from the Overseas Investment Office.

Further information regarding the conditions and each of the transaction documents is contained in the attached notice of special meeting of NPT shareholders and accompanying presentation, which NPT has today released to the market.

Kiwi Property Chief Executive, Chris Gudgeon, said: "The partnership proposal will align the interests of the two listed property companies and provide a clear pathway to grow value for both companies."

"The proposal has the potential to deliver NPT shareholders with an immediate lift in earnings and increases NPT's scale and relevance, positioning the company to grow and prosper."

"Our proposed management agreement with NPT is best-in-class and offers NPT shareholders an ability to terminate the agreement without cause, if they should ever deem this to be in the best interests of the company, at some point in the future," said Mr Gudgeon.

"Kiwi Property's interests will be aligned with NPT shareholders' through its 19.9% shareholding in NPT and we will be strongly motivated under the terms of the management agreement to perform for NPT shareholders," said Mr Gudgeon.

Kiwi Property Chair, Mark Ford, said: "This partnership proposal is a logical opportunity to create further value for our shareholders by using our existing property and funds management platform to generate additional management fee income."

"We will retain an interest in North City Shopping Centre and The Majestic Centre through our shareholding in NPT and the proposal also serves to release capital which we can use to fund our planned expansion of Sylvia Park Shopping Centre."

"If we receive the support of NPT shareholders to our proposal, we can help drive NPT's future investment performance by using our specialist management capabilities to intensively manage



their assets and by seeking investment opportunities that create further value for NPT shareholders,” said Mr Ford.

NPT shareholders will vote on the partnership proposal on 21 April 2017.

A copy of NPT’s Notice of Special Meeting of Shareholders and the accompanying presentation is attached to this announcement.

> Ends

#### Contact us for further information

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#### About us

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Kiwi Property (NZX: KPG) is the largest listed property company on the New Zealand Stock Exchange and is a member of the NZX15 Index. We’ve been around for more than 20 years and we proudly own and manage a \$2.9 billion portfolio of real estate, comprising some of New Zealand’s best shopping centres and prime office buildings. Our objective is to provide investors with a reliable investment in New Zealand property by targeting superior risk-adjusted returns over time through the ownership and active management of a diversified, high-quality portfolio. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website [kp.co.nz](http://kp.co.nz)