

Not for release or distribution in the United States

22 June 2017

Dear investor

KIWI PROPERTY GROUP LIMITED

PRO RATA ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On Monday, 19 June 2017, Kiwi Property Group Limited ('Kiwi Property') announced that it was conducting a pro rata entitlement offer to eligible shareholders to subscribe for 1 new Kiwi Property share ('New Shares') for every 11 existing Kiwi Property shares ('Existing Shares') held at 5.00pm (NZ time) on 21 June 2017 ('Record Date') (the 'Offer') to raise approximately NZ\$161 million. The Offer is underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited (the 'Underwriters').

The Offer is being conducted in two parts: the institutional offer ('Institutional Entitlement Offer') and the retail offer ('Retail Entitlement Offer'). The terms of the Offer are detailed in the Offer document ('Offer Document') dated 19 June 2017.

No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside New Zealand and Australia (except to certain institutional and professional investors listed in, and to the extent permitted under, the Offer details listed below). In particular, the Offer Document is not for release or distribution in the United States. The New Shares have not been and will not be registered under the United States Securities Act of 1933 (the 'U.S. Securities Act') or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States, except in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws.

Under the terms of the Offer, you are either an 'Ineligible Institutional Shareholder' (defined below) or an 'Ineligible Retail Shareholder' (defined below) and accordingly you are not eligible to subscribe for New Shares and you will not be sent a copy of the Offer Document.

This letter is to inform you about the Offer. It is neither an offer to issue shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter. However, you may still receive some benefit from the Offer, as described below.

What is the Offer?

The Offer involves an offer to:

1. shareholders as at the Record Date with a registered address:
 - a. in New Zealand, who Kiwi Property considers is an institutional, habitual, or sophisticated investor;
 - b. in Australia, who Kiwi Property considers is a person to whom an offer of shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Australia) (as modified by any applicable regulatory instrument);
 - c. in Canada, who Kiwi Property considers is an accredited investor as defined in Section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions of the Canadian Securities Administrators;



- d. in the European Economic Area (Luxembourg and the Netherlands), who Kiwi Property considers is a qualified investor within the meaning of the Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the applicable country;
 - e. in France, who Kiwi Property considers is a qualified investor as such term is defined in Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11 and D.533-13 of the French Monetary and Financial Code;
 - f. in Hong Kong, who Kiwi Property considers is a professional investor as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong;
 - g. in Japan, who Kiwi Property considers is a 'qualified institutional investor' (as defined in article 2, paragraph 3 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948));
 - h. in Norway, who Kiwi Property considers is a professional client as defined in Norwegian Securities Regulation of 29 June 2007 No. 876;
 - i. in Singapore, who Kiwi Property considers is an institutional investor or relevant person as such terms are defined in the Securities and Futures Act, Chapter 289 of Singapore;
 - j. in Sweden, who Kiwi Property considers is a qualified investor (as defined in Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument));
 - k. in Switzerland, who Kiwi Property considers is a qualified investor as defined in Swiss legislation to include regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations;
 - l. in the United Kingdom, who Kiwi Property considers is (i) a qualified investor within the meaning of section 86(7) of the Financial Services and Markets Act 2000, as amended, (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended; or
 - m. in the United States, who is an Approved U.S. Shareholder that has been invited directly by Kiwi Property to participate in the Offer,
- in each case (other than paragraph (m)), that is not acting for the account or benefit of a person in the United States and who is (or the nominee for such a person is) invited to participate in the Institutional Entitlement Offer ('Eligible Institutional Shareholders'), and
2. shareholders as at 5.00pm (NZ time) on the Record Date who have a registered address in New Zealand or Australia, are not in the United States of America and are not acting for the account or benefit of a person in the United States, and are not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder, ('Eligible Retail Shareholders') under the Retail Entitlement Offer,

in each case, of an entitlement to subscribe for 1 New Share for every 11 Existing Shares ('Entitlement') held at the Record Date, at a price of NZ\$1.36 ('Offer Price') for each New Share.

A number of New Shares equal to the number of New Shares not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the New Shares which would have been offered to those institutional shareholders who are ineligible to participate ('Ineligible Institutional Shareholders') if they had been eligible to participate in the Institutional Offer, will be offered for subscription to institutional investors through a bookbuild process following the Institutional Entitlement Offer ('Institutional Bookbuild'). Similarly, a number of New Shares equal to the number of New Shares not taken up by Eligible Retail Shareholders in the Retail Entitlement Offer and the New Shares which would have been offered to those retail shareholders who are ineligible to participate ('Ineligible Retail Shareholders') if they had been eligible to participate in the Retail Entitlement Offer will be offered for subscription to institutional investors through a bookbuild process following the Retail Entitlement Offer ('Retail Bookbuild').



The Offer Price will be paid to Kiwi Property from the proceeds of each bookbuild as full consideration for the New Shares. Any premium over the Offer Price that is achieved under the Institutional Bookbuild on 21 June 2017 will be paid pro rata to Eligible Institutional Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Institutional Shareholder. Any premium over the Offer Price that is achieved under the Retail Bookbuild on 12 July 2017 will be paid pro rata to Eligible Retail Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Retail Shareholder.

There is no guarantee that any such premium will be achieved under the Institutional Bookbuild or Retail Bookbuild, or that the premium (if any) achieved for New Shares in the Institutional Bookbuild will be matched in the Retail Bookbuild (or vice versa). The ability to sell New Shares under the Institutional Bookbuild or Retail Bookbuild and the ability to obtain any premium to the Offer Price will be dependent upon various factors, including market conditions. To the maximum extent permitted by law, none of Kiwi Property, the Underwriters, or any associates of those entities, will be liable, including for negligence, for any failure to procure applications under the Institutional Bookbuild or Retail Bookbuild at a price in excess of the Offer Price.

Why am I not eligible to participate in the Offer?

Under the terms of the Offer, investors that are not Eligible Retail Shareholders or Eligible Institutional Shareholders are ineligible to take up Entitlements to subscribe for New Shares under the Offer.

The restrictions upon eligibility are due to legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Kiwi Property has determined that having regard to the relatively small number of shareholders, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements, it would be unduly onerous to make the Offer to shareholders resident in any country outside of New Zealand or Australia (in connection with the Retail Entitlement Offer) or the other stated jurisdictions above (in connection with the Institutional Entitlement Offer).

While this Offer is not available to you, I would like to thank you for your continuing support of Kiwi Property.

Yours sincerely

Mark Ford

Chairman

Note:

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser.

This letter does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. No action has been or will be taken to register or qualify the New Shares in any jurisdiction outside New Zealand or Australia. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, a person in the United States, except in transactions exempt from, or not subject to, registration under the Securities Act and the relevant securities laws of any state or other jurisdiction in the United States.