



# investore

Managed by Stride Investment  
Management Limited

## **Interim Report**

For the six months ended  
30 September 2018

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## Financial Highlights

for the six months ended 30 September 2018 (HY19)

Profit before other (expense)/income and income tax	<b>\$14.0m</b> Up \$0.4m on HY18
Profit before income tax	<b>\$13.1m</b> Down \$1.6m <sup>1</sup> on HY18
Distributable profit <sup>2</sup> after current income tax	<b>\$10.8m</b> Up \$0.4m on HY18
Cash dividend guidance for FY19	<b>7.46cps</b>

## Portfolio Characteristics

as at 30 September 2018

Investment property value	<b>\$740.4m</b>
Occupancy	<b>99.9%</b>
WALT <sup>3</sup>	<b>12.6 years</b>
NTA per share	<b>\$1.64</b>

1 The movement in the comparable periods of (\$1.6m) reflects the (\$2.1m) movement in the net change in fair value of investment properties.

2 Distributable profit is a non-GAAP measure and consists of net profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax. Further information including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 5 to the interim financial statements.

3 Weighted Average Lease Term (WALT).

## Capital Management

for HY19

Bond issue	<b>\$100m</b> 18 April 2018
Bank refinancing	<b>\$70m</b> extended to 2022
12 month share buyback programme of up to 5% of its ordinary shares	<b>1,471,124</b> (or 0.6% <sup>4</sup> ) shares repurchased and cancelled to date
Loan to value ratio remains constant	<b>42.2%</b> as at 30 September 2018

## Key Highlights

for HY19

Investore Fund Manager, Fabio Pagano, appointed by SIML

Mitre 10 Mega Botany extension near complete

## Post Balance Date Activity

New 10 year lease agreed and to commence FY21

**Countdown Rotorua<sup>5</sup>**

4 Representing 0.6% of the shares on issue immediately prior to the launch of the share buyback programme.

5 230-240 Fenton Street, Rotorua.

# The Investore Premise

Investore Property Limited (Investore) occupies a unique position in the New Zealand publicly listed property sector with its investment strategy focussing on standalone large format retail properties. Investore's strength is this sector-specific focus.

The key characteristics that underpin the Investore property portfolio are long lease terms, nationally recognised tenants and high occupancy rates.

Collectively these attributes generally support more stable, dependable rental income streams than other property asset classes (which can experience more regular leasing activity and increased lifecycle costs), and this is further supported by Investore's anchor tenant profile, who typically:

- Occupy more than 90% of the net lettable area of the premises (equating to 90% - 100% of the rental income) over a long lease term; and
- Target largely non-discretionary and therefore more sustainable retail spend, like groceries and trade hardware.

Investore's portfolio, which is externally managed by Stride Investment Management Limited (SIML), is geographically diversified across New Zealand, benefitting from the continuing population growth of regional New Zealand, as well as the main urban centres.

This niche placement and deliberate investment focus positions Investore to deliver on its strategy of providing shareholders with stable and enduring returns.

Overview	as at 30 September 2018
Number of Properties	40
Number of Tenants	78
Net Lettable Area (sqm)	209,980
Net Contract Rental <sup>6</sup> (\$m)	47.2
WALT <sup>7</sup> (years)	12.6
Occupancy Rate (% by area)	99.9
Portfolio Value (\$m)	740.4
Key Retailers	Countdown, The Warehouse, Mitre 10, Bunnings, Animates

<sup>6</sup> Contract Rental is the amount of rent payable by each tenant, plus other amounts payable by that tenant to Investore under the terms of the relevant lease as at the relevant date, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at the relevant date, and assuming no default by the tenant.

<sup>7</sup> See footnote 3 on page 2.

# Strategy

To invest in quality, large format retail properties throughout New Zealand, and actively manage shareholders' capital, to maximise distributions and total returns over the medium to long term.

The existing and future strategy is:

- Continued focus on owning properties that have the key characteristics of long lease terms, nationally recognised and quality tenants, and have a high occupancy rate.
- Acquiring properties adjacent to existing Investore properties to provide opportunities for future development or further development of existing premises, to meet the tenants' requirements.
- Selective acquisitions which enhance geographical and/or tenant diversification, and considered divestments to maintain balance sheet capacity.
- Proactive capital management.



## Investore has had a solid performance for the six months to 30 September 2018 (HY19).

Attractive and stable returns are the hallmark of Investore's investment focus and this is reflected in the interim results.

For HY19, both the profit before other (expense)/income and income tax at \$14.0 million (HY18, \$13.6 million) and distributable profit after current income tax at \$10.8 million (HY18, \$10.4 million), were higher than the comparable period. This reflects the net effect of acquiring the three Bunnings operated properties from Stride Property Limited and the divestment of two supermarket properties, the Fresh Choice in Queenstown and the Countdown in Hornby, Christchurch, in FY18. Profit before income tax at \$13.1 million, was \$1.6 million lower than HY18 at \$14.7 million and reflects the (\$2.1 million) movement in the net change in fair value of investment properties in the comparable periods.

A key continuing workstream for the Board during HY19 has been our focus on enhancing investor returns by optimising shareholder value, evidenced by:

- A successful \$100 million inaugural six year senior secured fixed rate bond issue on 18 April 2018, with a fixed interest rate of 4.4% per annum; and
- The launch of a share buyback programme announced on 1 August 2018 of up to 5% of Investore's ordinary shares on issue over a 12 month period, which the Board believes is an efficient use of balance sheet capacity.

The bond issue extended the overall tenor of Investore's funding facilities, resulting in improved alignment between Investore's debt profile and the property portfolio's long weighted average lease term (WALT) profile. Equally important, the bonds have provided Investore with diversification of funding sources, now comprising of both bank and bond debt.

Continuing with the theme of capital management and following the bond issue, during the period in review, Investore refinanced \$70 million out of its \$270 million banking facilities, so that as at 30 September 2018 the weighted average tenor for all debt facilities was 3.6 years, compared with 2.2 years pre-bond at 31 March 2018 and 3.5 years post-bond on 18 April 2018. Investore's weighted average cost of debt at 4.40% as at 30 September 2018 remained steady compared to the weighted average cost of debt post issuance of its inaugural bond in April 2018 of 4.39%.

During the period we have also continued to explore acquisition opportunities and enhanced property use in and around our existing sites.

As signalled at the Annual Shareholder Meeting on 27 June 2018 and aligned with the two-year anniversary of Investore's listing, the Board has undertaken a review of SIML, as the Manager, and its performance, in accordance with the terms of the management agreement between Investore and SIML. By way of recap, the Investore model is to outsource the management of our assets to SIML and its experienced management team, who provide a full range of real estate investment management services to Investore. The Board is comfortable with the way the relationship has developed and feel well-resourced and supported. We value the assistance SIML has provided in executing a number of important initiatives.

SIML announced in August 2018 that it had appointed Fabio Pagano as Investore Fund Manager, who is due to start in December 2018. The Board welcomes this development and this resource, which will assist Investore in the further execution of its strategic vision, and considers that it will result in a stronger focus on the growth and development of the future business.

The Board announced the appointment of Gráinne Troute as an Independent Director on 19 April 2018 and this Board appointment was strongly endorsed by shareholders at the 2018 Annual Shareholder Meeting. The independent majority representation on the Investore Board is an important governance feature for Investore. As a Board we believe that a high standard of governance by a skilled, qualified and diverse team of Directors is essential for sustaining the long-term performance of the company and ultimately providing value for our investors.

The Board of Investore reconfirms guidance for the company's annual cash dividend for FY19 at 7.46cps. The second quarterly dividend of 1.865cps is due to be paid on 12 December 2018.

I look forward to reporting our full year's results to you at the conclusion of the FY19 year.



**Mike Allen**  
Chair of Investore Property Limited



# Capital Management & Portfolio Overview

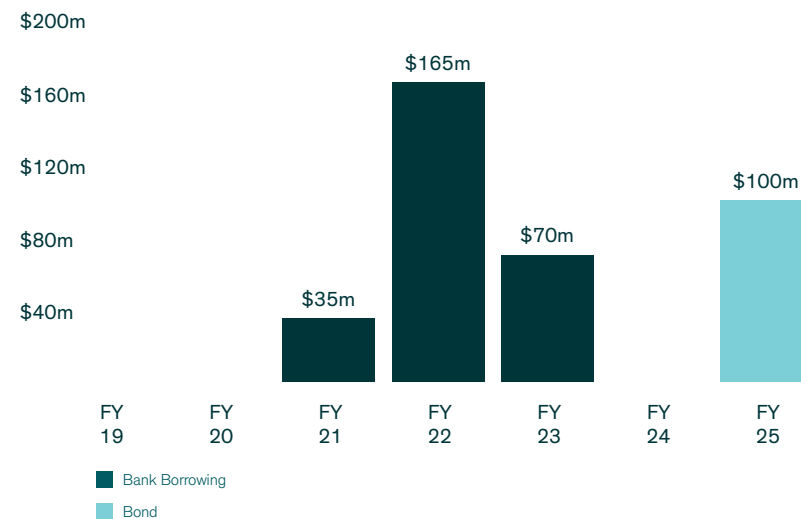
- Investore's successful inaugural bond issue of \$100 million for six years in April 2018 increased the weighted average maturity of its debt facilities.
- The bond issue increased diversification of Investore's funding sources and more closely aligns debt tenor to long term lease profile.
- Investore refinanced \$70 million of its \$270 million of bank debt facilities, increasing average tenor of debt facilities to 3.6 years as at 30 September 2018. The next debt facility maturity is \$35 million in June 2020 (FY21).
- The share buyback programme was launched in August 2018, which the Board believes is an efficient use of balance sheet capacity.
- Investore is considering additional capital management initiatives in the future as market conditions allow, which may include a second bond issue.
- Occupancy remains high at 99.9%, with five specialty tenant lease renewals concluded in the six-month period to 30 September 2018.
- On behalf of Investore, SIML is proactively engaging with General Distributors Limited on store refurbishments, seeking to increase supermarket sales and value for Investore.
- Active management of lease expiries resulted in a successful renewal of the Countdown at 230 - 240 Fenton Street, Rotorua (new 10 year lease commencing FY21). The post balance date impact on WALT<sup>8</sup> as at 30 September 2018 is +0.2 years to 12.8 years.



## Debt Maturity Profile

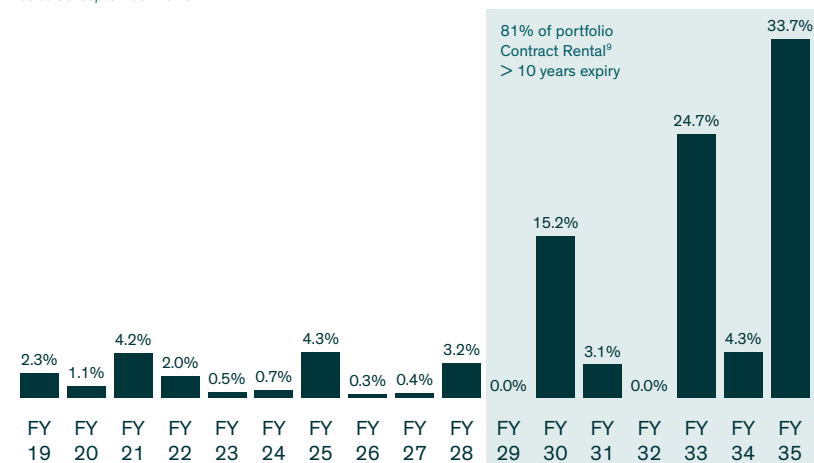
as at 30 September 2018

### Debt Facilities



## Lease Expiry Profile<sup>9</sup> by Contract Rental<sup>10</sup>

as at 30 September 2018



Note: Numbers may not sum accurately due to rounding.

<sup>8</sup> See footnote 3 on page 2.

<sup>9</sup> Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 30 September 2018, as a percentage of Contract Rental.

<sup>10</sup> See footnote 6 on page 4.

**As Manager of Investore, SIML continues to proudly support Investore. We actively manage the Investore portfolio through enhancement and improvement, positioning Investore to deliver on its strategy of stable and enduring returns to investors.**

On the back of an active second year of operations in FY18, SIML has continued through HY19 to assist Investore in the execution of its strategic objectives and work programme, designed to further optimise the Investore portfolio for long term growth. At the mid-point of the current financial year, there has been a particular focus by the Manager on executing a programme of capital management initiatives set by the Board, including the inaugural bond issue and the share buyback programme, which are highlighted in the Chair's Report. In addition, SIML has successfully undertaken several specific portfolio initiatives on behalf of Investore.

Close to completion is the extension project at Mitre 10 Mega, Botany, Auckland, due to be finished by the end of the current calendar year. Once finalised, the project will have added a further 1,300 sqm of net lettable area to the current footprint of 12,124 sqm, and the property will be leased to Mitre 10 for a further period of 12 years from completion of the redevelopment. Investore is funding the majority of this expansion, and will receive a rental return on this investment from Mitre 10 over the duration of the lease. This is one example of how Investore successfully partners with its tenants around development projects to add value and meet the tenant's needs and in return receives capital improvement rent. Overall these developments deliver incremental benefits to the property that are accretive comparative to investment.

Another example of SIML partnering with its tenants on behalf of Investore is the completed store refurbishment at Countdown Greenlane, Auckland (which is featured on pages 12 and 13). This successful formula of working alongside tenants has been a particular feature of the relationship with General Distributors Limited (GDL), which operate Countdown branded supermarkets and represent 73% of Investore's Contract Rental<sup>11</sup> as at 30 September 2018.

<sup>11</sup> See footnote 6 on page 4.

Over the past 18 months, there have been eight completed refurbishments undertaken across Investore owned and GDL operated sites, with the Greenlane and Upper Hutt premises being completed during the current reporting period of HY19.

While these refurbishments have predominantly been funded by GDL, we are beginning to observe performance trends showing that the portfolio of refurbished trading stores generally outperform the balance of the portfolio in terms of sales, which creates additional value for GDL and Investore.

Consistent with Investore's development activity and investment mandate for HY19, from a market perspective we have seen the demand for bulk retail assets remain strong for the period, continuing to support firm yields. The sales in this asset class lead to a very competitive buyers' market when transactions are presented, reconfirming the strong demand for large format retail assets and their high liquidity.

To reflect the natural evolution of Investore as it moves to the next phase of growth, SIML announced on 29 August 2018 the appointment of Fabio Pagano to the newly created executive role of Investore Fund Manager. The role has been proactively established to ensure SIML continues to provide market leading and specialist real estate investment management services and to assist Investore in its growth initiatives. Due to start in early December 2018, Fabio will bring extensive experience to SIML, including five years within Coles Australia Group, providing a concentrated executive focus on large format retail.

A key focus of the Investore Fund Manager role will be to further strengthen inhouse capability in sourcing value add transactions. SIML continues to actively seek, on Investore's behalf, future quality development and investment opportunities through its investment pipeline, which fits the strategic investment profile and mandate of Investore, with the goal of growing the portfolio and ultimately returns to investors.



**Philip Littlewood, Chief Executive**  
Stride Investment Management Limited

## Countdown, 326 Great South Road, Greenlane, Auckland

Investore partners with its tenants on a variety of projects. These projects are undertaken in acknowledgement of the evolving requirements of retailers, their retail offering and ultimately the overall changing customer experience.

This successful formula of working alongside our tenants has been a particular feature of the relationship with General Distributors Limited (GDL).

An example of this is the recently refurbished Countdown property at Greenlane, Auckland, which was completed in the current interim reporting period. This is a premium Investore asset located on a main arterial route that connects Auckland's western and southern suburbs, and is considered a flagship Countdown store for GDL.

The refurbishment has upgraded this busy store to meet the surrounding needs of the community and improve the overall retail offering, which now includes a new Countdown Pharmacy and a wine cellar which holds the largest Countdown wine selection in New Zealand. A key focus for GDL in its refurbishment was to reduce the store's carbon footprint, which has been achieved by installing the latest energy efficient fittings.

Investore participated in this refurbishment by installing a new energy efficient heating, ventilation and air conditioning system, re-painting the entire exterior of the premises in Countdown's new corporate colours, re-asphalting the existing 7,750 sqm carpark that surrounds the store footprint, with a final touch around the external landscaping, to further enhance the look and feel of the overall refurbishment.

While the store refurbishment projects are predominantly funded by GDL, there are benefits to Investore in actively participating in the project and committing to specific property works, in parallel with the tenant's refurbishment programme including:

- Investore's willingness and commitment to undertake refurbishment works simultaneously with tenant refurbishment works, often results in the tenant prioritising a refurbishment investment at an Investore site because of Investore's commitment to the store;
- Investore is beginning to observe performance trends indicating refurbished assets generally outperform the balance of the portfolio in terms of sales, which in turn creates additional value for Investore and for GDL;
- Any significant capital investment by a tenant generally signals the tenant's future commitment to the site; and
- Actively partnering with tenants is positive from an overall relationship perspective and is valued by tenants and gives Investore a greater insight into a tenant's operations.







# Interim Financial Statements

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## Statement of Comprehensive Income

For the six months ended 30 September 2018

	Notes	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
Gross rental income		27,420	25,009
Direct property operating expenses		(3,378)	(3,051)
<b>Net rental income</b>	<b>3</b>	<b>24,042</b>	21,958
<b>Less corporate expenses</b>			
Management fees expense	12	(2,030)	(1,816)
Administration expenses		(782)	(730)
<b>Total corporate expenses</b>		<b>(2,812)</b>	(2,546)
<b>Profit before net finance expense, other (expense)/income and income tax</b>		<b>21,230</b>	19,412
Finance income		59	46
Finance expense		(7,307)	(5,897)
<b>Net finance expense</b>	<b>4</b>	<b>(7,248)</b>	(5,851)
<b>Profit before other (expense)/income and income tax</b>		<b>13,982</b>	13,561
<b>Other (expense)/income</b>			
Net change in fair value of investment properties	7	(923)	1,157
Net change in fair value of derivative financial instruments		24	–
<b>Profit before income tax</b>		<b>13,083</b>	14,718
Income tax expense	8	(3,115)	(3,098)
<b>Profit after income tax attributable to shareholders</b>		<b>9,968</b>	11,620
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in cash flow hedges, net of tax		(938)	(1,291)
<b>Total comprehensive income after tax attributable to shareholders</b>		<b>9,030</b>	10,329
<b>Basic and diluted earnings per share (cents)</b>	<b>11</b>	<b>3.81</b>	4.44

The attached notes form part of and are to be read in conjunction with these financial statements.

## Statement of Changes in Equity

For the six months ended 30 September 2018

	Notes	Share capital \$000	Retained earnings \$000	Cash flow hedge reserve \$000	Total \$000
<b>Balance 31 Mar 18 (Audited)</b>		<b>382,247</b>	<b>46,944</b>	<b>(133)</b>	<b>429,058</b>
<b>Transactions with shareholders:</b>					
Dividends paid		–	(9,792)	–	(9,792)
Share buyback	11	(2,293)	–	–	(2,293)
<b>Total transactions with shareholders</b>		<b>(2,293)</b>	<b>(9,792)</b>	<b>–</b>	<b>(12,085)</b>
<b>Other comprehensive income:</b>					
Movement in cash flow hedges, net of tax		–	–	(938)	(938)
<b>Total other comprehensive income</b>		<b>–</b>	<b>–</b>	<b>(938)</b>	<b>(938)</b>
Profit after income tax		–	9,968	–	9,968
<b>Total comprehensive income</b>		<b>–</b>	<b>9,968</b>	<b>(938)</b>	<b>9,030</b>
<b>Balance 30 Sep 18 (Unaudited)</b>		<b>379,954</b>	<b>47,120</b>	<b>(1,071)</b>	<b>426,003</b>
<b>Balance 31 Mar 17 (Audited)</b>		<b>382,247</b>	<b>20,773</b>	<b>2,008</b>	<b>405,028</b>
<b>Transactions with shareholders:</b>					
Dividends paid		–	(10,261)	–	(10,261)
<b>Total transactions with shareholders</b>		<b>–</b>	<b>(10,261)</b>	<b>–</b>	<b>(10,261)</b>
<b>Other comprehensive income:</b>					
Movement in cash flow hedges, net of tax		–	–	(1,291)	(1,291)
<b>Total other comprehensive income</b>		<b>–</b>	<b>–</b>	<b>(1,291)</b>	<b>(1,291)</b>
Profit after income tax		–	11,620	–	11,620
<b>Total comprehensive income</b>		<b>–</b>	<b>11,620</b>	<b>(1,291)</b>	<b>10,329</b>
<b>Balance 30 Sep 17 (Unaudited)</b>		<b>382,247</b>	<b>22,132</b>	<b>717</b>	<b>405,096</b>

The attached notes form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position

As at 30 September 2018

	Notes	Unaudited 30 Sep 18 \$000	Audited 31 Mar 18 \$000
<b>Current assets</b>			
Cash and cash equivalents		2,786	2,199
Trade and other receivables		317	234
Prepayments		333	176
Other current assets		991	1,003
		<b>4,427</b>	<b>3,612</b>
<b>Non-current assets</b>			
Investment properties	7	740,380	738,330
Work in progress		–	162
Derivative financial instruments	9	537	647
Deferred tax asset		236	154
Property, plant and equipment		1	1
		<b>741,154</b>	<b>739,294</b>
<b>Total assets</b>		<b>745,581</b>	<b>742,906</b>
<b>Current liabilities</b>			
Trade and other payables		3,941	4,808
Current tax liability		2,761	1,262
Derivative financial instruments	9	109	–
		<b>6,811</b>	<b>6,070</b>
<b>Non-current liabilities</b>			
Borrowings	10	310,849	306,891
Derivative financial instruments	9	1,918	887
		<b>312,767</b>	<b>307,778</b>
<b>Total liabilities</b>		<b>319,578</b>	<b>313,848</b>
<b>Net assets</b>		<b>426,003</b>	<b>429,058</b>
Share capital	11	379,954	382,247
Retained earnings		47,120	46,944
Reserve	11	(1,071)	(133)
<b>Equity</b>		<b>426,003</b>	<b>429,058</b>

For and on behalf of the Board of Directors, dated 19 November 2018:



**Mike Allen**  
Chair



**Kate Healy**  
Chair of the Audit and Risk Committee

The attached notes form part of and are to be read in conjunction with these financial statements.

## Statement of Cash Flows

For the six months ended 30 September 2018

	Notes	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Cash flows from operating activities</b>			
Gross rent received		26,502	24,053
Interest received		59	46
Interest paid		(6,272)	(5,742)
Operating expenses (including goods and services tax)		(6,494)	(6,029)
Income tax paid		(1,329)	(3,222)
<b>Net cash provided by operating activities</b>	<b>6</b>	<b>12,466</b>	<b>9,106</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(3,857)	(284)
Acquisition of investment properties		–	(449)
<b>Net cash applied to investing activities</b>		<b>(3,857)</b>	<b>(733)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(9,792)	(10,261)
Repayment of bank borrowings		(100,000)	–
Refinancing of bank borrowings		(105)	–
Drawdown of bank borrowings		5,600	–
Net proceeds from issuance of fixed rate bonds		98,568	–
Share buyback costs		(2,293)	–
<b>Net cash applied to financing activities</b>		<b>(8,022)</b>	<b>(10,261)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>587</b>	<b>(1,888)</b>
Opening cash and cash equivalents		2,199	4,377
<b>Closing cash and cash equivalents</b>		<b>2,786</b>	<b>2,489</b>

The attached notes form part of and are to be read in conjunction with these financial statements.

## Notes to the Financial Statements

For the six months ended 30 September 2018

### Note 1: Accounting Policies

#### Reporting entity

The unaudited interim financial statements (financial statements) presented are those of Investore Property Limited (Investore). Investore is domiciled in New Zealand and is registered under the Companies Act 1993. Investore is also an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of Investore have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The financial statements were approved for issue by the Board of Directors (the Board) on 19 November 2018.

#### Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), New Zealand International Accounting Standard 34 (NZ IAS 34) *Interim Financial Reporting* and International Accounting Standard 34 (IAS 34) *Interim Financial Reporting*. The financial statements do not contain all the disclosures normally included in an annual financial report, and should be read in conjunction with the audited 2018 annual financial statements. The financial statements have been prepared using the New Zealand Dollar functional and reporting currency and have been rounded to the nearest thousand dollars (\$000), unless stated otherwise.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of assets and liabilities as identified in the specific accounting policies below and the accompanying notes.

The financial statements include additional comparative information beyond that required under NZ IAS 34 and IAS 34 and has been provided for information purposes for the shareholders.

#### New standards, amendments and interpretations

At the date of approval of the financial statements, the following relevant standard was in issue but not yet effective and has not been early adopted by Investore.

- NZ IFRS 16 *Leases* replaces the current guidance in NZ IAS 17 *Leases* and requires a lessee to recognise a lease liability reflecting future lease payments and a "right-of-use" asset for most lease contracts.

Given that Investore is the lessor for the majority of its leases, NZ IFRS 16 is not expected to have significant impact on how Investore currently accounts for its leases. However, Investore has eleven ground leases on investment properties and therefore Investore may recognise a right of use asset and lease liabilities in accordance with the new leasing standard.

The standard is effective for accounting periods beginning on or after 1 January 2019. Investore intends to adopt NZ IFRS 16 effective from 1 April 2019.



## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 1: Accounting Policies (continued)

#### Significant accounting policies, estimates and judgements

Except as described below, the same accounting policies and methods of computation are followed in the financial statements as compared with the most recent annual financial statements.

Investore has adopted NZ IFRS 9 *Financial Instruments* and NZ IFRS 15 *Revenue from contracts with customers* from 1 April 2018.

#### NZ IFRS 9 *Financial Instruments*

Investore has applied NZ IFRS 9 retrospectively, but has elected not to restate comparative information. The implementation of NZ IFRS 9 has resulted in some changes in accounting policies, as follows.

#### Classification and measurement

From 1 April 2018, Investore classifies its financial assets and financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification of financial instruments has not resulted in any reclassification between measurement categories for Investore's financial assets and liabilities. Derivative financial instruments that are in cash flow hedge relationships remain measured at fair value through other comprehensive income, and other financial instruments (including cash and cash equivalents, trade and other receivables, the NZX bond, trade payables and bank borrowings) are measured at amortised cost.

#### Impairment

Under NZ IFRS 9, on initial recognition of a financial asset, Investore assesses on a forward-looking basis, the expected credit loss associated with its financial assets carried at amortised cost. At each reporting date, the credit risk on a financial asset, apart from trade receivables, is assessed to determine whether there has been a significant increase in the credit risk. In assessing whether there has been a significant increase in credit risk, Investore considers both forward looking information and the financial history of counterparties to assess the probability of default or likelihood that full settlement is not received. For trade receivables, the simplified approach to measuring expected credit loss is adopted, which uses a lifetime expected loss allowance.

Based on an assessment carried out, the impairment loss on financial assets was immaterial. As a result, there have been no measurement changes required to these financial statements by NZ IFRS 9.

#### Hedging

Interest rate swaps in place as at 30 September 2018 qualify as cash flow hedges under NZ IFRS 9. Investore's risk management strategies and hedge documentation are aligned with the requirements of NZ IFRS 9 and are therefore treated as continuing hedges.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 1: Accounting Policies (continued)

#### NZ IFRS 15 *Revenue from contracts with customers*

The implementation of NZ IFRS 15 has required a change in the presentation of service charges in the statement of comprehensive income. Previously, Investore presented the income generated from service charges recovered from tenants as an offset to direct property operating expenses. In implementing NZ IFRS 15, these components have been separated out between income and expense as income falls under the scope of NZ IFRS 15 and cannot be netted off against related expenses. As a result, the 2017 comparatives have been restated as follows: gross rental income increased by \$1,614,000 and direct property operating expenses increased by \$1,614,000. These have also had a flow on impact to the statement of cash flows where gross rent received has increased by \$1,614,000 and operating expenses has also increased by \$1,614,000. There has been no change in the measurement basis of the service charge income under NZ IFRS from the previous standard NZ IAS 18 *Revenue*.

#### Significant events and transactions

The financial position and performance of Investore was affected by the following events and transactions that occurred during the reporting period:

#### Issuance of fixed rate bonds

On 18 April 2018, Investore issued \$100 million of fixed rate bonds with a 6 year term expiring 18 April 2024, paying an interest rate of 4.40%. The proceeds were used to repay \$100 million of Investore's bank borrowings.

#### Share buyback

On 1 August 2018, Investore announced that it would begin an on-market share buyback programme to purchase up to 5% of its ordinary shares (being 13,088,591 ordinary shares). The share buyback will only acquire shares on the NZX Main Board for a period of up to one year. The acquired shares are cancelled upon acquisition. As at 30 September 2018, Investore had acquired and cancelled 1,471,124 shares for a cost of \$2,292,974 (including transaction costs).

#### Reclassification of financial information

Certain comparative balances have been reclassified to align with the presentation used in the current financial period (refer note 12). These reclassifications have no impact on the overall financial performance or financial position for the comparative period.

### Note 2: Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board, as it makes all key strategic resource allocation decisions (such as those concerning acquisition, divestment and significant capital expenditure). Investore is reported as a single operating segment, being large format retail properties.

Investore's revenue streams are earned from investment properties owned in New Zealand, with no specific exposure to geographical risk. One tenant, General Distributors Limited (Countdown), contributes 73% of Investore's portfolio contract rental as at 30 September 2018 (30 Sep 17: 81%).

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 3: Net Rental Income

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Gross rental income</b>		
Rental income and service charge income recovered from tenants	26,719	24,461
Spreading of fixed rental increases	694	548
Capitalised lease incentives	8	–
Lease incentive amortisation	(1)	–
<b>Total gross rental income</b>	<b>27,420</b>	<b>25,009</b>
<b>Direct property operating expenses</b>		
Service charge expenses	(1,965)	(1,614)
Movement in impairment provision	24	–
Other non-recoverable property operating expenses	(1,437)	(1,437)
<b>Total direct property operating expenses</b>	<b>(3,378)</b>	<b>(3,051)</b>
<b>Net rental income</b>	<b>24,042</b>	<b>21,958</b>

Other non-recoverable property operating expenses represents property maintenance and operating expenses not recoverable from tenants, property valuation fees and property leasing costs.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 4: Net Finance Expense

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Finance income</b>		
– Bank interest income	28	46
– Other finance income	31	–
	<b>59</b>	<b>46</b>
<b>Finance expense</b>		
Interest expense:		
– Bank borrowings interest	(5,140)	(5,897)
– Fixed rate bonds interest	(2,167)	–
	<b>(7,307)</b>	<b>(5,897)</b>
<b>Net finance expense</b>	<b>(7,248)</b>	<b>(5,851)</b>

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 5: Distributable Profit

Investore's dividend policy is to target a cash dividend to shareholders that is between 95% and 100% of its distributable profit. Distributable profit is a non-GAAP measure and consists of profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax as follows:

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Profit before income tax</b>	<b>13,083</b>	14,718
<b>Non-recurring and non-cash adjustments:</b>		
Net change in fair value of investment properties	923	(1,157)
Spreading of fixed rental increases	(694)	(548)
Net rent free incentives	(7)	–
Depreciation	–	1
Refinancing cost amortisation	334	125
Net change in fair value of derivative financial instruments	(24)	–
<b>Distributable profit before current income tax</b>	<b>13,615</b>	13,139
Current tax expense	(2,817)	(2,746)
<b>Distributable profit after current income tax</b>	<b>10,798</b>	10,393
<b>Adjustments to funds from operations:</b>		
Maintenance capital expenditure	(360)	(79)
<b>Adjusted Funds From Operations (AFFO)</b>	<b>10,438</b>	10,314
Weighted average number of shares for purpose of basic and diluted distributable profit per share (000)	261,571	261,772
<b>Basic and diluted distributable profit after current income tax per share – weighted (cents)</b>	<b>4.13</b>	3.97
<b>AFFO basic and diluted distributable profit after current income tax per share – weighted (cents)</b>	<b>3.99</b>	3.94

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 6: Statement of Cash Flows Reconciliation

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Reconciliation of profit after income tax attributable to shareholders to net cash flows from operating activities:</b>		
Profit after income tax attributable to shareholders	9,968	11,620
<b>Add/(less) non-cash items:</b>		
Movement in deferred tax (note 8)	298	352
Net change in fair value of investment properties	923	(1,157)
Spreading of fixed rental increases	(694)	(548)
Capitalised lease incentive	(8)	–
Lease incentive amortisation	1	–
Depreciation	–	1
Movement in impairment provision	(24)	–
Refinancing cost amortisation	334	125
Accrued interest movement in derivative financial instruments	(44)	–
Net change in fair value of derivative financial instruments	(24)	–
	<b>10,730</b>	10,393
<b>Add activity classified as investing activity:</b>		
Movement in working capital items relating to investing activities	1,747	187
	<b>12,477</b>	10,580
<b>Movement in working capital:</b>		
Increase in trade and other receivables	(59)	(814)
Increase in prepayments and other current assets	(584)	(646)
(Decrease)/increase in trade and other payables	(867)	485
Increase/(decrease) in tax payable	1,499	(499)
<b>Net cash provided by operating activities</b>	<b>12,466</b>	9,106

In the current period, the movement in prepayments and other current assets excludes prepaid transaction costs of \$439,000 in relation to the fixed rate bonds issued in April 2018, which had been incurred in the year ended 31 March 2018.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 7: Investment Properties

	Unaudited 6 months 30 Sep 18 \$000	Audited 12 months 31 Mar 18 \$000
<b>Opening balance</b>	<b>738,330</b>	660,430
Acquisitions	–	79,887
Disposals	–	(29,319)
Net change in fair value	<b>(923)</b>	23,135
Reduction in purchase price	–	(711)
Property acquisition costs	–	170
Subsequent capital expenditure	<b>2,110</b>	3,729
Transfer from work in progress	<b>162</b>	–
Spreading of fixed rental increases	<b>694</b>	1,009
Net capitalised incentives	<b>7</b>	–
<b>Closing balance</b>	<b>740,380</b>	738,330

Capital expenditure consists of fit-outs and other physical enhancements to the investment properties, with ownership of such capital amounts being retained by Investore.

#### Capital expenditure commitments contracted for

As at 30 September 2018, Investore had the following major commitments:

- \$843,469 (31 Mar 18: \$2,608,845) in total for various capital expenditure works to be undertaken on investment properties in this financial year.

Subsequent to balance date, Investore has committed to a further \$1,840,000 in total for various capital expenditure works to be undertaken on investment properties over the next eighteen months.

#### Valuation basis

All investment properties were valued by independent valuers as at 31 March 2018. The Board has reviewed the fair value of the investment properties as at 30 September 2018 on an asset by asset basis after considering recent comparable transactional evidence of market sales and leasing activity and is satisfied that there has been no significant change to the overall carrying value, other than the following investment properties, which were subject to a desktop review or independent valuation due to the significant capital expenditure works or leasing activity undertaken during the period.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 7: Investment Properties (continued)

	Valuation	Valuer	Unaudited 30 Sep 18 \$000	Audited 31 Mar 18 \$000
Cnr Te Irirangi Drive & Bishop Dunn Place, Auckland	Independent valuation	CBRE	<b>33,100</b>	30,500
Cnr Tremaine Avenue & Railway Road, Palmerston North	Desktop review	JLL	<b>26,250</b>	26,250
Cnr Anglesea & Liverpool Streets, Hamilton	Desktop review	JLL	<b>5,500</b>	5,800
230 - 240 Fenton Street, Rotorua	Desktop review	JLL	<b>15,900</b>	16,150

The above investment properties were either valued by CBRE Limited (CBRE) or desktop reviewed by Jones Lang LaSalle Limited (JLL) as indicated. The valuation and desktop reviews are dated effective 30 September 2018.

With regard to these investment properties, the valuers took into account:

- occupancy (leased area as a proportion of the total net lettable area) (100% at balance date);
- average lease term (weighted average lease term (WALT) at balance date is 7.52 years);
- discount rates (ranged from 5.00% to 10.25%); and
- capital expenditure works at corner Te Irirangi Drive & Bishop Dunn Place, Auckland, of \$1,912,531 including a movement in the work in progress value of \$162,000 relating to the Mitre 10 development.

Capitalisation rates ranged from 5.00% to 10.00% for the investment properties valued.



## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 8: Income Tax

Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at the reporting date.

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>Profit before income tax</b>	<b>13,083</b>	14,718
<b>Prima facie income tax using the company tax rate of 28%</b>	<b>(3,663)</b>	(4,121)
(Increase)/decrease in income tax due to:		
Net change in fair value of investment properties	(258)	324
Non-taxable income	196	154
Depreciation	924	935
Net change in fair value of derivative financial instruments	6	–
Non-deductible expenses	(1)	(7)
Temporary differences	(21)	(31)
<b>Current tax expense</b>	<b>(2,817)</b>	(2,746)
Depreciation	(308)	(383)
Other	10	31
<b>Deferred tax charged to profit or loss</b>	<b>(298)</b>	(352)
<b>Income tax expense per the statement of comprehensive income</b>	<b>(3,115)</b>	(3,098)

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 9: Derivative Financial Instruments

	Unaudited 6 months 30 Sep 18 \$000	Audited 12 months 31 Mar 18 \$000
Notional value of interest rate swaps – fixed rate payer	230,000	230,000
Notional value of interest rate swaps – fixed rate receiver	25,000	–
Notional value of interest rate swaps – fixed rate receiver – forward starting	–	25,000
	<b>255,000</b>	255,000
Fixed interest rates payer ranges	<b>2.19%-3.01%</b>	2.19%-3.01%
Fixed interest rate receiver	<b>4.40%</b>	–
Weighted average fixed interest rate (excluding margins)	<b>2.58%</b>	2.48%
Percentage of drawn debt fixed	<b>97%</b>	75%

On 18 April 2018, Investore issued \$100 million of fixed rate bonds with a 6 year term expiring 18 April 2024. On 21 March 2018, Investore entered into a \$25 million forward start fixed rate receiver swap for the duration of the bond. The effect of the fixed rate receiver swap was to convert a portion of the \$100 million bond to floating interest rate.

As at 30 September 2018, the fair value of the interest rate derivatives was a liability of \$1,489,538, including an accrued interest liability of \$62,846 (31 Mar 18: liability of \$239,622, including an accrued interest liability of \$107,101).

The fair values of interest rate derivatives are determined from valuations prepared by independent treasury advisors using valuation techniques classified as Level 2 in the fair value hierarchy (31 Mar 18: Level 2). These are based on the present value of estimated future cash flows based on the terms and maturities of each contract and the current market interest rates as at balance date. Fair values also reflect the current creditworthiness of the derivative counterparties. The valuations were based on market rates at 30 September 2018 of between 1.91%, for the 90-day BKBM, and 2.91%, for the 10-year swap rate (31 Mar 18: 1.96% and 3.06%, respectively).

Gains and losses recognised in the cash flow hedge reserve in equity on interest rate derivative contracts as at 30 September 2018 will be reclassified in the same period in which the hedged forecast cash flows affect profit or loss, until the repayment of the underlying borrowings.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 10: Borrowings

	Unaudited 6 months 30 Sep 18 \$000	Audited 12 months 31 Mar 18 \$000
<b>Non-current</b>		
Bank facility drawn down	213,000	307,400
Borrowing costs	(425)	(509)
<b>Total bank borrowings</b>	<b>212,575</b>	<b>306,891</b>
<b>Other sources of borrowing</b>		
Fixed rate bonds	100,000	–
Unamortised capitalised costs on fixed rate bonds	(1,726)	–
<b>Total fixed rate bonds</b>	<b>98,274</b>	<b>–</b>
<b>Total borrowings</b>	<b>310,849</b>	<b>306,891</b>
<b>Bank facility expiry dates</b>		
Bank facility drawn down	213,000	307,400
Undrawn bank facility available	57,000	62,600
<b>Total bank facility available</b>	<b>270,000</b>	<b>370,000</b>
Facility A	70,000	165,000
Facility B	165,000	165,000
Facility C	35,000	40,000
<b>Total bank facility available</b>	<b>270,000</b>	<b>370,000</b>
<b>Bank facility expiry dates</b>		
Facility A	31 Aug 2022	9 Jun 2019
Facility B	9 Jun 2021	9 Jun 2021
Facility C	9 Jun 2020	9 Jun 2020
Weighted average interest rate for debt (inclusive of current interest rate derivatives, bond and bank margins and line fees) at balance date	4.40%	4.25%

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 10: Borrowings (continued)

#### Fixed rate bonds

On 18 April 2018, Investore issued \$100 million of fixed rate bonds with a 6 year term, expiring on 18 April 2024, paying an interest rate of 4.40%. The proceeds were used to repay and cancel \$100 million of Facility A of the bank facility, (previously \$165 million). The bonds are quoted on the NZX Debt Market. Interest is payable quarterly in April, July, October and January in equal instalments.

#### Bank borrowings

Investore's bank borrowings are via syndicated senior secured facilities with ANZ Bank New Zealand Limited, Bank of New Zealand, Commonwealth Bank of Australia and Westpac New Zealand Limited.

On 31 August 2018, Investore refinanced part of its total bank facility. Facility A was increased by \$5 million to \$70 million and the tenor was extended by three years to 31 August 2022. Facility C was reduced by \$5 million to \$35 million. The interest rate, excluding margin, on the facility was 2.47% as at 30 September 2018 (31 Mar 18: 2.34%).

#### Security

The bank borrowings and fixed rate bond are managed through a security agent who holds a first registered mortgage on all the investment properties owned by Investore and a registered first ranking security interest under a General Security Deed over substantially all the assets of Investore.

Investore has been compliant with bank and bond covenants during the relevant periods.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 11: Equity

	Unaudited 6 Months 30 Sep 18 Shares 000	Audited 12 Months 31 Mar 18 Shares 000	Unaudited 6 Months 30 Sep 18 Capital \$000	Audited 12 Months 31 Mar 18 Capital \$000
Opening balance	261,772	261,772	382,247	382,247
Share buyback	(1,471)	–	(2,293)	–
Closing balance	260,301	261,772	379,954	382,247

There is only one class of shares, being ordinary shares, and they rank equally with each other. All issued shares are fully paid and have no par value.

On 19 April 2018, Gráinne Troute was appointed to the Board as an Independent Director. The Board is comprised of two Directors appointed by Stride Investment Management Limited (SIML) and three independent Directors appointed by Investore shareholders. As required by the NZX Listing Rules, Gráinne Troute retired and was elected by shareholders at the 2018 Investore Annual Meeting.

On 1 August 2018, Investore implemented a share buyback scheme where Investore is able to undertake an on-market buyback of up to 5% of its ordinary shares over a 12 month period. During the period from 6 August 2018 to 27 September 2018 (inclusive), Investore acquired 1,471,124 ordinary shares on market at an average price of \$1.53 for a total consideration of \$2,255,168 and the shares acquired were subsequently cancelled. Incremental costs of \$37,806 incurred as part of the share buyback scheme were deducted from equity. The buyback scheme was paused from the close of trading on 25 September pending the release of Investore's financial statements. Investore will release a further announcement once the on-market share buyback programme recommences.

An issuer which does not comply with all of the requirements of the NZX Listing Rules may be granted listing with the designation 'Non-Standard' or 'NS'. A term of the waiver granted to Investore to permit SIML to have the right to appoint two directors was that Investore would be given a Non-Standard Designation upon its listing and the quotation of its shares.

As at 30 September 2018, Stride Property Limited (Stride) has a cornerstone shareholding in Investore of 19.9%, being 51,791,786 shares (31 Mar 18: 19.9% and 52,091,786 shares). Stride is not subject to any escrow arrangements that prevent it from selling or otherwise disposing of any shares that it holds.

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 11: Equity (continued)

	Unaudited 6 months 30 Sep 18 \$000	Audited 12 months 31 Mar 18 \$000
Reserve		
Cash flow hedge reserve		
Opening balance	(133)	2,008
Movement in fair value of interest rate derivatives	(1,294)	(2,920)
Tax on fair value movement	380	817
Less classified to profit or loss	(24)	(38)
Closing balance	(1,071)	(133)

#### Basic and diluted earnings per share

Basic and diluted earnings per share amounts are calculated by dividing profit after income tax attributable to shareholders by the weighted average number of shares on issue.

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
Profit after income tax attributable to shareholders	9,968	11,620
Weighted average number of shares for purpose of basic and diluted earnings per share	261,571	261,772
Basic and diluted earnings per share – weighted (cents)	3.81	4.44

## Notes to the Financial Statements (continued)

For the six months ended 30 September 2018

### Note 12: Related Party Disclosures

	Unaudited 6 months 30 Sep 18 \$000	Unaudited 6 months 30 Sep 17 \$000
<b>The following transactions with a related party took place</b>		
<b>Stride Investment Management Limited</b>		
Asset management fee expense	(2,030)	(1,816)
Building management fee expense	(205)	(195)
Accounting fee expense	(125)	(125)
Project management fee expense	(78)	(7)
Leasing fee expense	(11)	(29)
Maintenance fee expense	(13)	(9)
<b>Stride Property Limited</b>		
Dividends paid	(1,945)	(2,042)
<b>The following balance was payable to a related party</b>		
Stride Investment Management Limited	–	(5)

The management services are provided under a management agreement between SIML and Investore dated 10 June 2016, as amended by way of deed of amendment dated 8 September 2017 in connection with the changes approved to Investore's Constitution at the Investore Annual Meeting on 8 September 2017.

Investore does not have any employees. Accordingly, there are no senior managers of Investore who have a relevant interest in the shares of Investore.

The comparative building management fee expense has been reclassified from management fees expense to direct property operating expenses to align with the nature of the expense. The comparative was previously classified as management fees expense to align with its presentations in the Prospective Base Case financial information of the Product Disclosure Statement dated 10 June 2016.

### Note 13: Contingent Liabilities

Investore has no contingent liabilities at balance date (31 Mar 18: \$nil).

### Note 14: Subsequent Events

On 19 November 2018, Investore declared a cash dividend for the period 1 July 2018 to 30 September 2018 of 1.865 cents per share, to be paid on 12 December 2018 to all shareholders on Investore's register at the close of business on 4 December 2018. This dividend will carry imputation credits of 0.5043 cents per share. This dividend has not been recognised in the financial statements.

There have been no other material events subsequent to balance date.



### Independent review report

To the shareholders of Investore Property Limited

#### Report on the interim financial statements

We have reviewed the accompanying interim financial statements of Investore Property Limited (the "Company") on pages 17 to 36, which comprise the statement of financial position as at 30 September 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and other explanatory notes.

#### Directors' responsibility for the interim financial statements

The Directors of Investore Property Limited are responsible on behalf of the Company for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

#### Our responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Our firm carries out other assurance services for the Company over operating expense and performing agreed procedures in respect of proxy vote at the 2018 Annual Shareholder Meeting. The provision of these other services has not impaired our independence as auditor of the Company.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Company are not prepared, in all material respects, in accordance with IAS 34 and NZ IAS 34.

#### Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

Chartered Accountants, Auckland  
19 November 2018



## Corporate Directory

### Board of Directors

Mike Allen (Chair)  
Kate Healy  
Gráinne Troute  
John Harvey (SIML Appointed Director)  
Tim Storey (SIML Appointed Director)

### Registered Office

Level 12, 34 Shortland Street  
Auckland 1010  
PO Box 6320, Wellesley Street  
Auckland 1141  
New Zealand  
W [investoreproperty.co.nz](http://investoreproperty.co.nz)

### Share Registrar

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Victoria Street West  
Auckland 1142  
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F +64 9 488 8787  
E [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

### Manager

Stride Investment  
Management Limited  
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Auckland 1141  
New Zealand  
T +64 9 912 2690

### Legal Adviser

Bell Gully  
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48 Shortland Street  
PO Box 4199  
Auckland 1140

### Bankers

ANZ Bank New Zealand Limited  
Bank of New Zealand  
Commonwealth Bank of Australia  
Westpac New Zealand Limited

### Auditor

PricewaterhouseCoopers  
PricewaterhouseCoopers Tower  
Level 22, 188 Quay Street  
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## Investore Property Limited

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