

Investore Property Limited – FY17 Interim Results

Investore Property Limited (Investore) has released its Interim Report and Interim Results presentation for the six months ended 30 September 2016.

Key Points:

- Investore listed and commenced trading on the NZX Main Board on 12 July 2016
- Raised \$185m new equity capital
- Net profit after income tax of \$2.3m
- Distributable profit¹ after income tax of \$7.4m
- Cash dividend guidance of 5.13cps for the year ended 31 March 2017 (FY17) in line with Prospective Financial Statements as part of Investore's initial public offering
- Targeting annual cash dividend for FY18 of 7.46cps
- Settlement of SCA properties, Tranche 1 assets on 12 July 2016 and Tranche 2 assets on 28 September 2016, for \$267.4m in total
- Actively looking for future acquisitions to compliment the portfolio in a highly competitive market

Financial Performance Highlights: (prior six month period to 31 March 2016 figures in brackets)

- Net rental income of \$13.3m (\$7.5m)
- Corporate expenses of \$2.0m (\$0.2m)
- Net profit before other expenses and income tax of \$3.9m (\$4.5m)
- Net profit after income tax of \$2.3m (\$3.0m)
- Distributable profit before income tax of \$8.4m (\$4.3m)
- Distributable profit after income tax of \$7.4m (\$3.6m)
- 5.13cps cash dividend guidance for FY17
 - 1.38cps cash dividend for the quarter ended 30 September 2016 (0.4139cps imputation credits)
- Targeting annual cash dividend of 7.46cps for FY18
- Loan to value ratio (LVR) 40.6%
- Investore will provide a comparison of the results against the prospective information, as contained in the Product Disclosure Statement dated 10 June 2016, when it releases its annual results for the full year ended 31 March 2017

Portfolio Highlights:

- Total portfolio value of \$642.8m
- Net Tangible Assets (NTA) backing per share of \$1.47
- No lease expiries in FY17
- FY18 lease expiries at 4.3% of the portfolio contract rental²
- Occupancy at 99.7%
- Weighted average lease term (WALT) 14.4 years

Acquisitions:

- Six properties from Stride Property Group for \$87.0m
- Tranche 1 of the SCA Portfolio on 12 July 2016 for \$139.3m
- Tranche 2 of the SCA Portfolio on 28 September 2016 for \$128.1m

Capital Management:

- Capital raising of \$185m
- Refinance of bank facility
- 73% drawn debt hedged

Development Projects:

- Animates, Invercargill
 - Scheduled to open March 2017
 - GFA 835m²
 - Total capital expenditure of \$2.145m
 - Total rental expected \$0.230m p.a., of which Animates is \$0.205m p.a.
- The Warehouse, Dunedin
 - Completed in October 2016
 - Seismic upgrade of heritage buildings and refurbishment of 20 year old retail premises in association with a new six year lease commitment from The Warehouse
 - Capital expenditure of \$0.541m and valuation increase of \$0.750m (\$0.209m net)

Notes:

¹ Distributable profit is a non-GAAP financial measure adopted by Investore Property Limited (Investore) to assist Investore and its investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for 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 net profit after income tax, is set out in note 5 to the interim financial statements for the six months ended 30 September 2016.

² Contract rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease as at 30 September 2016, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 30 September 2016, and assuming no default by the tenant.

Ends

Attachments provided to NZX:

- Investore Property – NZX Appendix 1 – 161116
- Investore Property – NZX Appendix 7 – 161116
- Investore Property – FY17 Interim Results Presentation – 161116
- Investore Property – FY17 Interim Report - 161116

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