

Stride Portfolio Update

This announcement is to update the market on Stride Property Limited's (Stride) transactional activity and property portfolio statistics for the third quarter, being 1 October 2015 to 31 December 2015 of the 2016 financial year (FY16).

Portfolio Activity

Occupancy has been maintained at over 99% while further progress has also been made with the FY16 lease expiries. The percentage of annual contract rental¹ expiring in FY16 reduced from 1.62% as at 30 September 2015 to 0.98% as at 31 December 2015 as a result of renewed leases and new leasing. The FY17 lease expiry has reduced from 6.44% as at 30 September 2015 to 5.14% as at 31 December 2015.

Portfolio Overview

| | as at | as at |
|--|---------------|------------------|
| | 31 March 2015 | 31 December 2015 |
| Properties | 41 | 60 |
| Tenants | 281 | 414 |
| Net Lettable Area (m ²) | 334,694 | 434,427 |
| Net Contract Rental ¹ (\$ millions) | 58.5 | 90.2 |
| Weighted Average Lease Term (years) | 5.1 | 8.1 |
| Occupancy Rate (% by area) | 96.6 | 99.4 |

Lease Transactions

50 lease transactions were completed during the quarter, which included:

- 41 rent reviews over 64,267m² for a total annual rental of \$10.2m
- 6 lease renewals over 7,080m² for a total annual rental of \$1.1m
- 3 new lettings completed over 234m² for a total annual rental of \$0.1m

Divestment Programme

Stride is currently actively marketing four properties for sale with a combined book value of \$48.4m. These properties are land at Tauriko, Tauranga and land at Corinthian Drive, Albany, the Hamilton Central Shopping Centre on Bryce Street, Hamilton and 650 Great South Road, Auckland.

NorthWest Two development

The NorthWest Two development is progressing steadily and is on track to complete in October 2016 as anticipated. In December 2015, the arbitration with Westgate Town Centre Limited (WTCL), about how large one of Stride's four NorthWest Two buildings under construction is required to be, was completed. On 9 February 2016, Stride announced that the decision of the arbitrator had been released. The decision confirms that Stride's plans for the particular NorthWest Two building meet all relevant requirements, including those under the arrangements that Stride has with WTCL.

Leasing for NorthWest Two is also progressing satisfactorily with 90% of the food and beverage space and 51% of the office accommodation committed. The focus is now on the specialty retail space which is planned to be a mix of fashion, homeware and services.

On completion of NorthWest Two, the NorthWest Shopping Centre and NorthWest Two will have a combined net floor area of 35,340m² including 7,804m² of office and 27,536m² of retail and food and beverage space.

NorthWest Shopping Centre

The larger first stage of the NorthWest development project is now complete. The NorthWest Shopping Centre opened on 1 October 2015 with its retail space fully tenanted by a number of New Zealand's leading brands in a mix of specialty stores, kiosks and two anchor tenants, Farmers and Countdown. In its sixth month of operation, the centre has maintained 100% of retail occupancy and 84% of the available office space is also leased. Three remaining office suites totalling 545m² are currently available for lease.

Following a well-attended opening week and the Christmas trading period, the centre is now in a stabilisation phase as customers in the area become familiar with the centre.

The NorthWest Shopping Centre is the first stage of a larger development located at the Westgate Town Centre with over 40,000m² of retail, office and commercial facilities currently under construction. These include the NorthWest Two development being undertaken by Stride, a Bunnings Warehouse and the 'Zone 7' bulk retail centre owned by Kiwi Property Group Ltd. A multi-purpose facility, including a library, is to be built by Auckland Council and is currently expected to be completed in 2017.

These projects provide an offer that is complimentary to the NorthWest Shopping Centre and, once completed, are expected to attract further visitation to the centre and support stabilisation in the near term.

¹ Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Stride by that tenant under the terms of the relevant lease and annualised for the 12 month period on the basis of the occupancy level for the relevant property and assuming no default by the tenant.

Ends

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Stride Overview

Stride Property Limited (Stride), formerly known as DNZ Property Fund Limited, owns one of New Zealand's largest diversified investment property portfolios with \$1,236.3m (value as at 30 September 2015 of \$949.3m and the subsequent \$287m acquisition of the 19 Large Format Retail properties) of commercial office, retail and industrial properties located in the main urban areas throughout New Zealand.