

11 May 2011

NZX Announcement

**ARGOSY PROPERTY MANAGEMENT LIMITED – ANNOUNCEMENT BY DNZ
PROPERTY FUND LIMITED**

The Independent Directors of Argosy Property Management Limited (Trevor Scott and Peter Brook) respond to the announcement made today by DNZ Property Fund Limited in relation to its prospective “merger” approach.

An initial oral approach was made on behalf of DNZ, which the Independent Directors considered unconvincing. Following further representations on behalf of DNZ, the Independent Directors requested DNZ (on Monday 9 May 2011) to provide written details of their indicative proposal for consideration. No response has been provided other than the release made earlier today, with some accompanying correspondence.

The Independent Directors note that internalisation of management and a payment to the Manager is also a feature of the DNZ indicative proposal.

The Independent Directors are focussed on the optimum outcome and value for the Argosy Trust's unitholders. Internalisation along the lines proposed by the Independent Directors does not preclude a future merger, takeover or other value enhancing transaction for unitholders – to the contrary it makes it easier. However, the Independent Directors consider that unitholders are likely to secure greater value from an initial internalisation along the lines proposed. Ultimately the decision is one for unitholders and explanatory materials, together with an independent report on the internalisation proposal, is in the course of preparation for unitholders' benefit.

The Independent Directors do not have sufficient information to enable them to comment in any more detail on DNZ's prospective proposal. However, as advised to DNZ, the Independent Directors will consider any written information that is provided.

For more information, please contact:

Peter Brook
Independent Director
Phone: 021 921 189

ENDS