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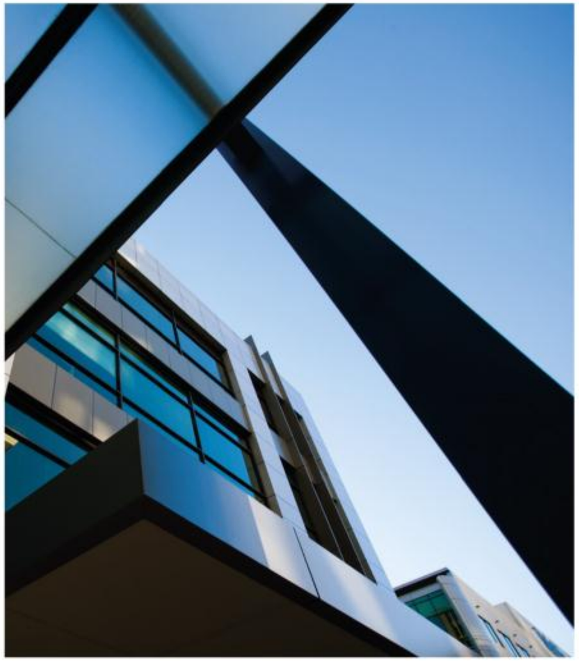
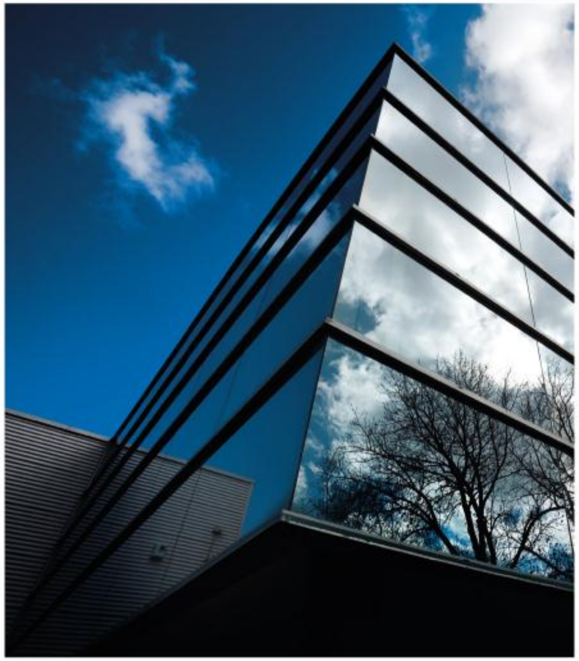
ARGOSY PROPERTY

ANNUAL RESULTS PRESENTATION 23 MAY 2013





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Highlights

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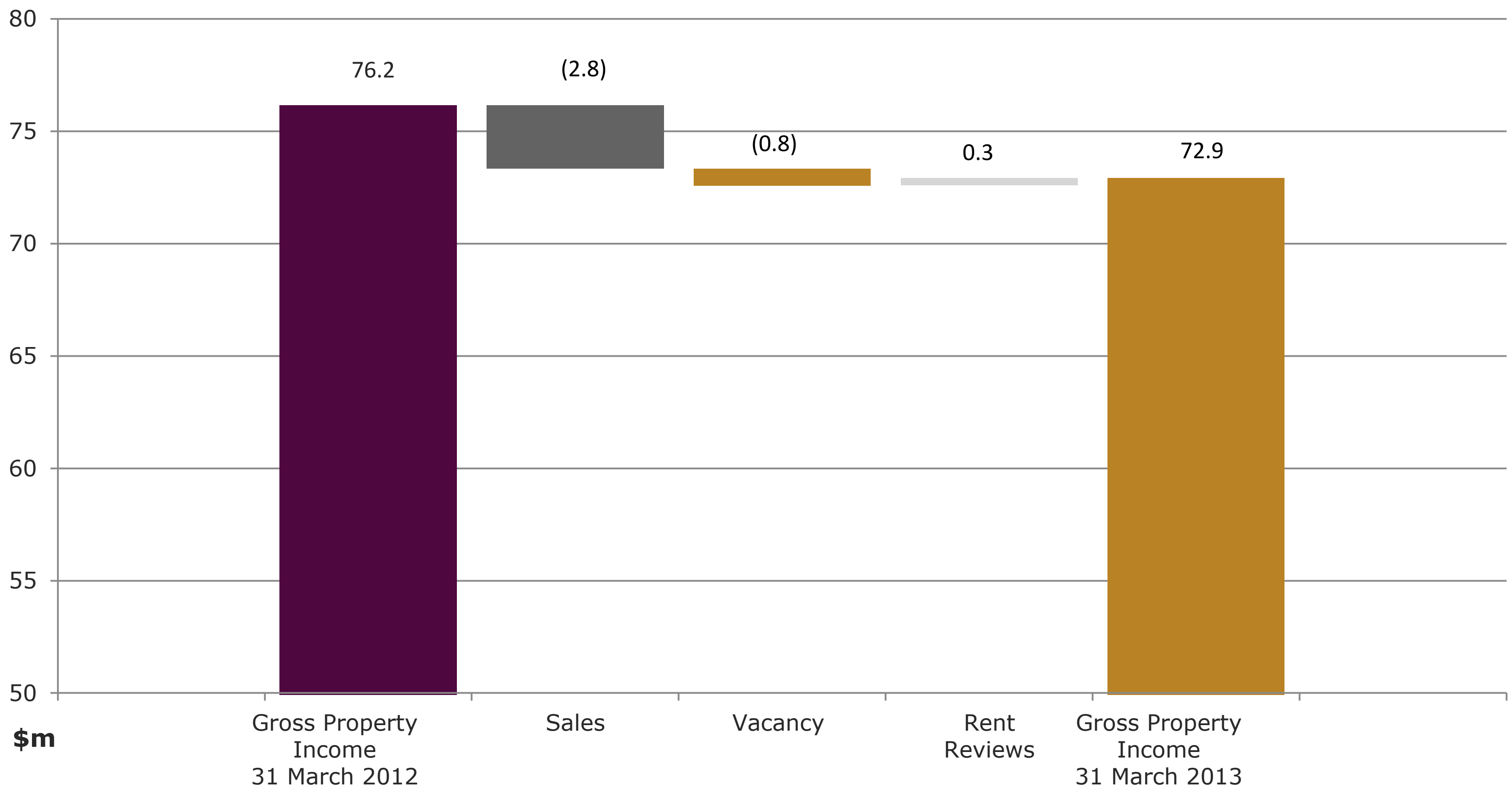
- Distributable income increased to 6.90 cents per share.
- Occupancy increased to 96.2%.
- Weighted average lease term (“WALT”) increased to 5.24 years.
- Debt to total assets, as at 31 March 2013, lowered to 33.1%, allowing for growth.
- Guidance to FY 14 dividend of 6.0 cps, payable quarterly.
- Acquisition of New Zealand Post building in Wellington.
- Conditional acquisition of 15 Stout St building in Wellington.
- Oversubscribed capital raise of $100m.
- Bank facility restructured on significantly improved terms.

Financial Overview

Income reconciliation



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Financial performance

	FY13	FY12
Net property income	$69.9m	$71.2m
Other income	$0.0m	$9.9m
Interest expense	$(23.7m)	$(31.1m)
Loss on derivatives	$(8.4m)	$(12.4m)
Administration expenses	$(5.8m)	$(7.0m)
Abnormals	$(0.9m)	$(29.0m)
Revaluation gains	$9.3m	$3.7m
Realised gains/(losses) on disposal	$(1.8m)	$0.0m
Impairment of Christchurch property	$0.0m	$(8.5m)
Finance income	$0.1m	$0.2m
Profit/(loss) before tax	$38.7m	$(3.0m)
Taxation credit/(expense)	$0.5m	$4.9m
Profit/(loss) for the period	$39.2m	$1.9m
Basic and diluted earnings per share (cents)	6.69	0.35

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Distributable income

	FY13	FY12
Profit/(loss) before income tax	$38.7m	$(3.0m)
Adjust for:		
Revaluation gains	($9.4m)	$(3.7m)
Investment disposal losses/(gains)	$1.8m	$0.1m
Derivatives fair value adjustment	$8.4m	$12.4m
Abnormals	$0.9m	$29.0m
Christchurch impairment and insurance proceeds	$0.0m	($1.4m)
Gross distributable income	$40.4m	$33.4m
Tax paid	$0.0m	$0.0m
Net distributable income	$40.4m	$33.4m
Number of shares on issue (weighted)	585.1m	553.3m
Gross distributable income per share (cents)	6.90	6.03
Net distributable income per share (cents)	6.90	6.03

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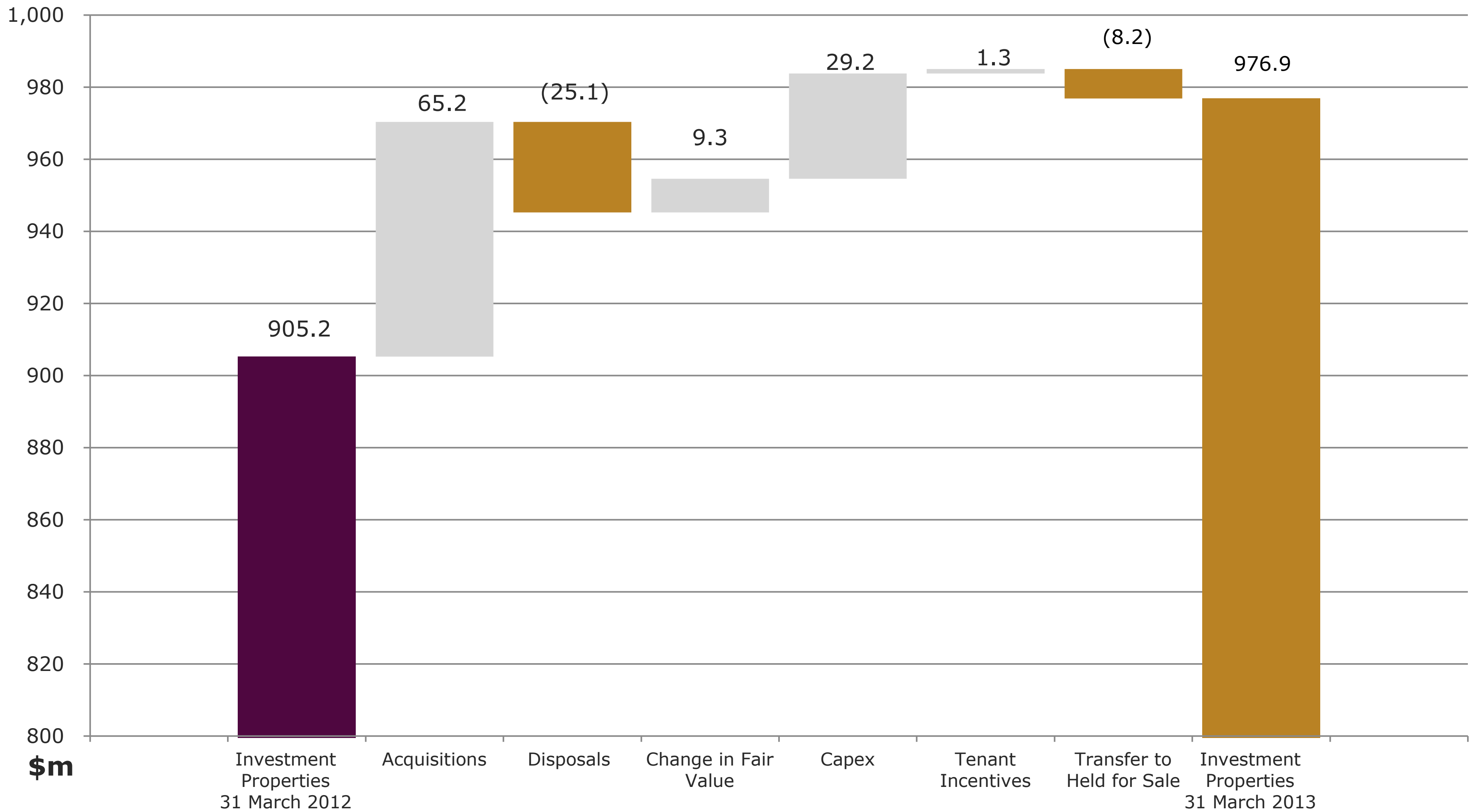
Investment properties



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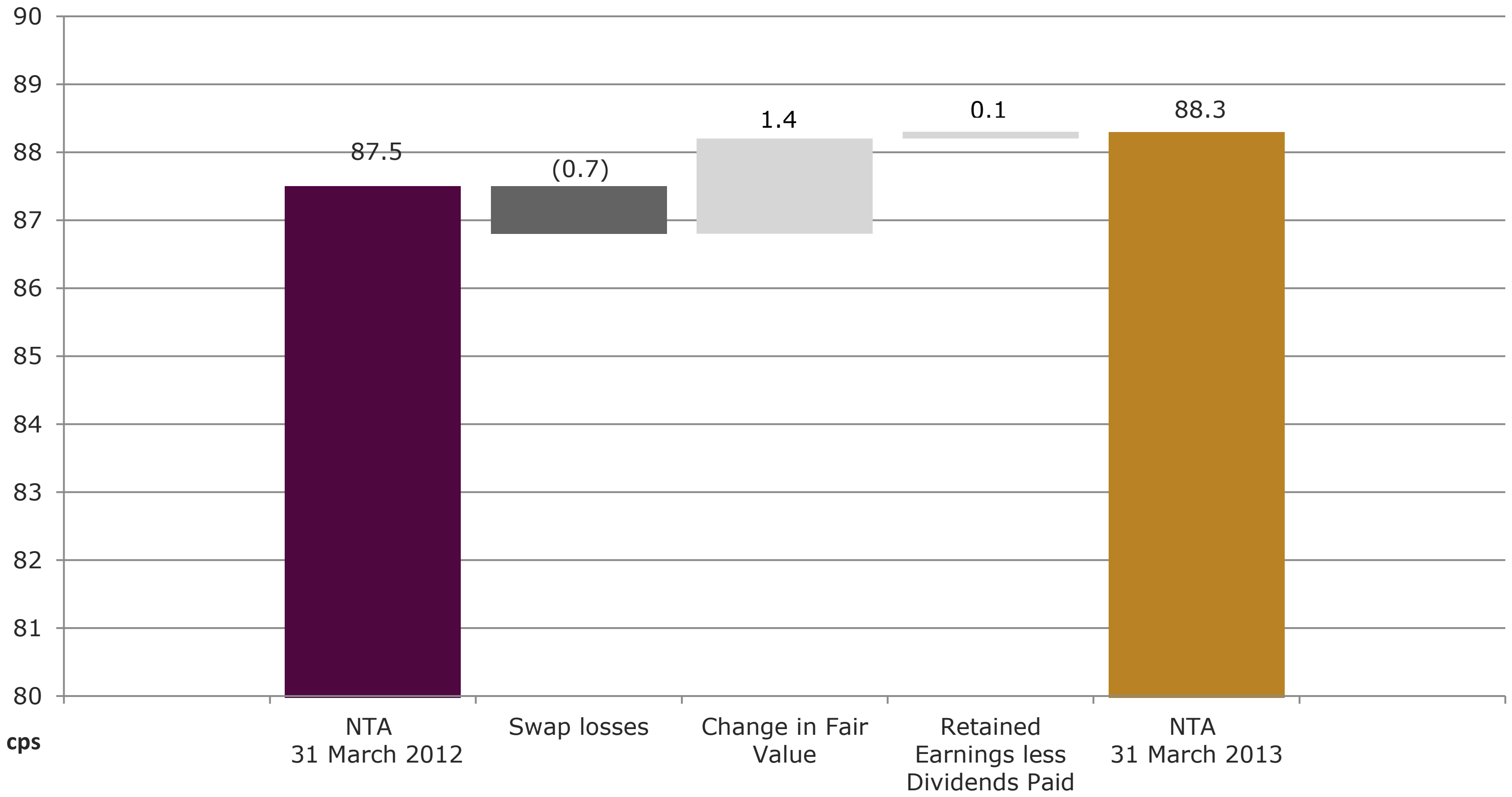
Financial position

	FY13	FY12
Shareholders funds (less intangible assets)	$601.3m	$488.4m
Shares on issue	$680.9m	$558.5m
Net tangible asset backing per share (cents)	88.3c	87.5c
Investment properties	$976.9m	$905.2m
Other assets	$15.9m	$24.1m
Total assets	$992.8m	$929.3m
Bank debt (excluding capitalised borrowing costs)	$328.7m	$384.6m
Debt-to-total assets ratio	33.1%	41.4%

Movement in NTA per share



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Portfolio Overview

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Leasing environment

In general, the leasing environment has improved over the past year:

- Net absorption has been positive in the industrial and commercial sectors in Auckland, where the majority of Argosy’s portfolio is located, and vacancy rates have fallen, particularly in office space outside the CBD.
- Occupancy enquiry from potential tenants has been more positive than previously (and has been particularly strong in the first four months of 2013 following the holiday period).
- The retail sector continues to have challenges; however the total volume of retail sales rose 3.7% in the year to December 2012.

Leasing

- The asset management team is actively managing current leases to ensure that retention rates are high.
- Occupancy (by rental) has improved to 96.2% from 94.1% at 31 March 2012. Occupancy remains a key focus.
- Outstanding lease expiries for the period to 31 March 2014 are 7.2%.
- During the period, 65 lease transactions were completed, including 30 new leases and 35 lease renewals and extensions.
- The weighted average lease term improved to 5.24 years from 4.77 years at 31 March 2012.

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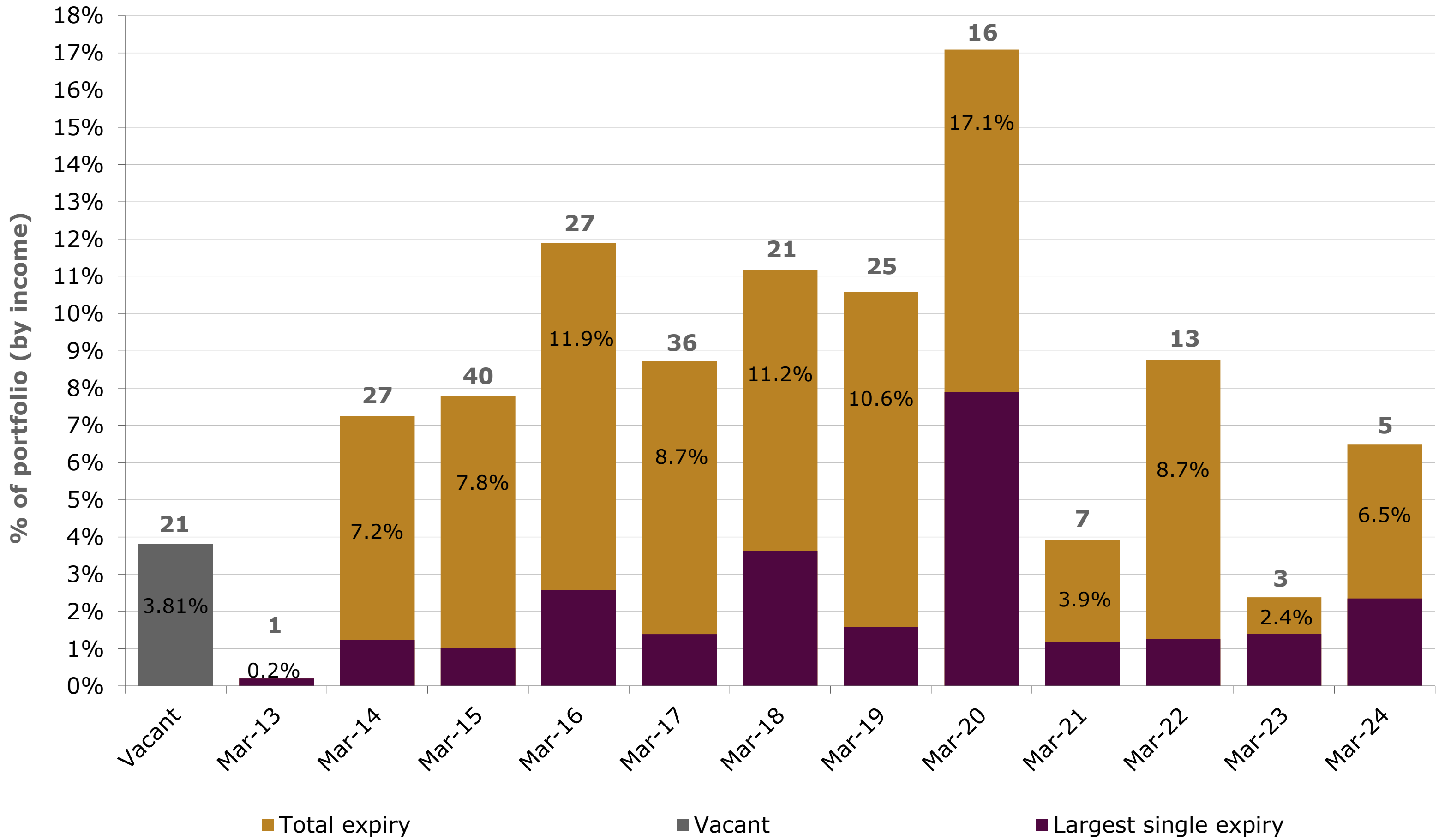
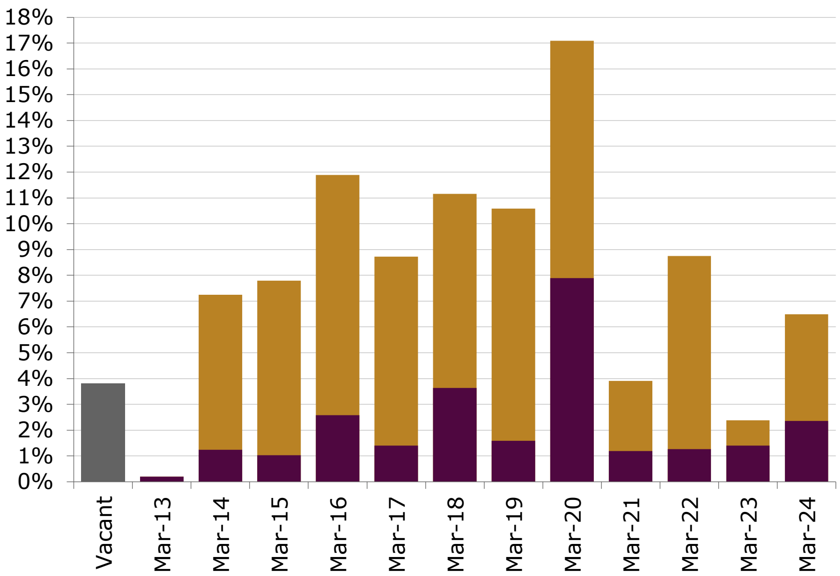
Lease maturity

31 March 2013

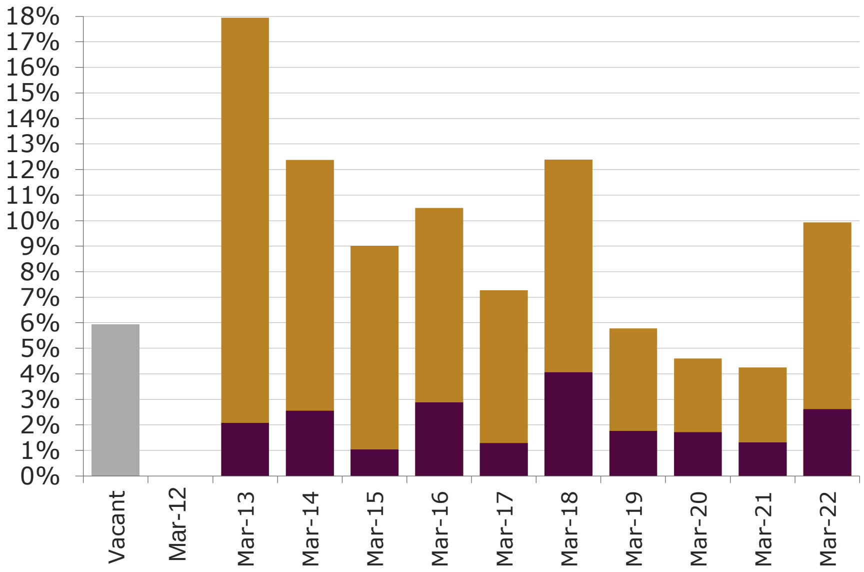


Lease maturity compared to prior period

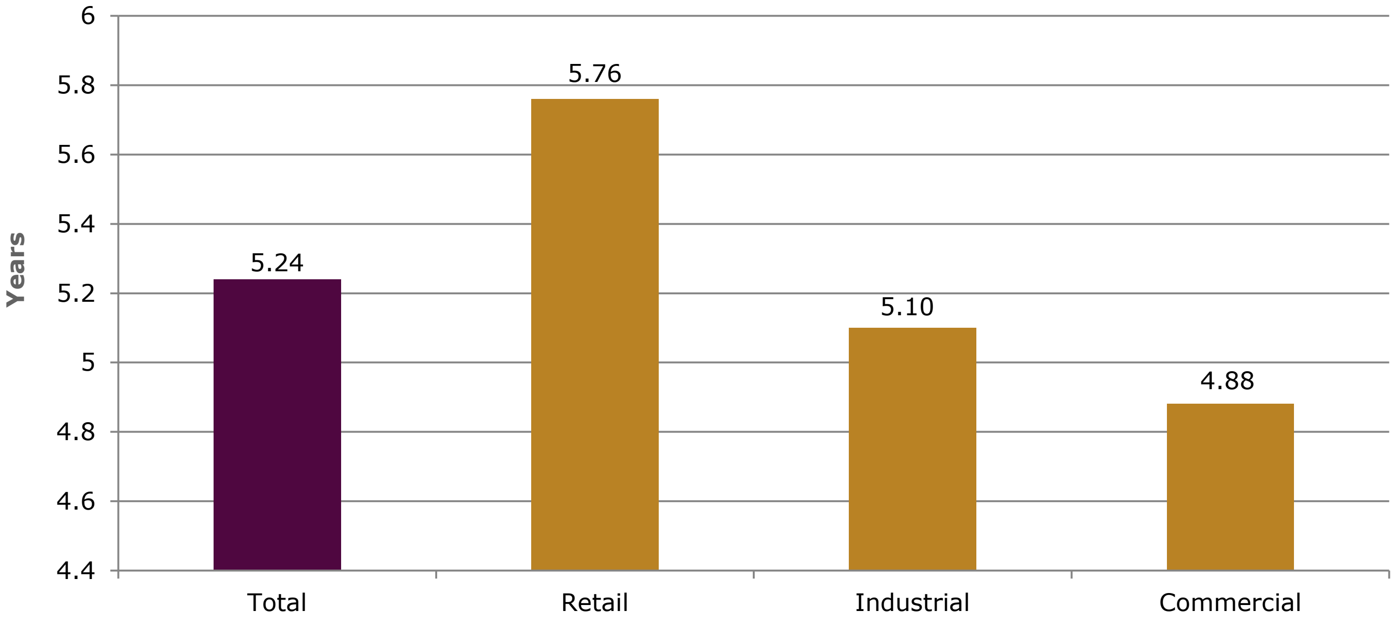
31 March 2013



31 March 2012

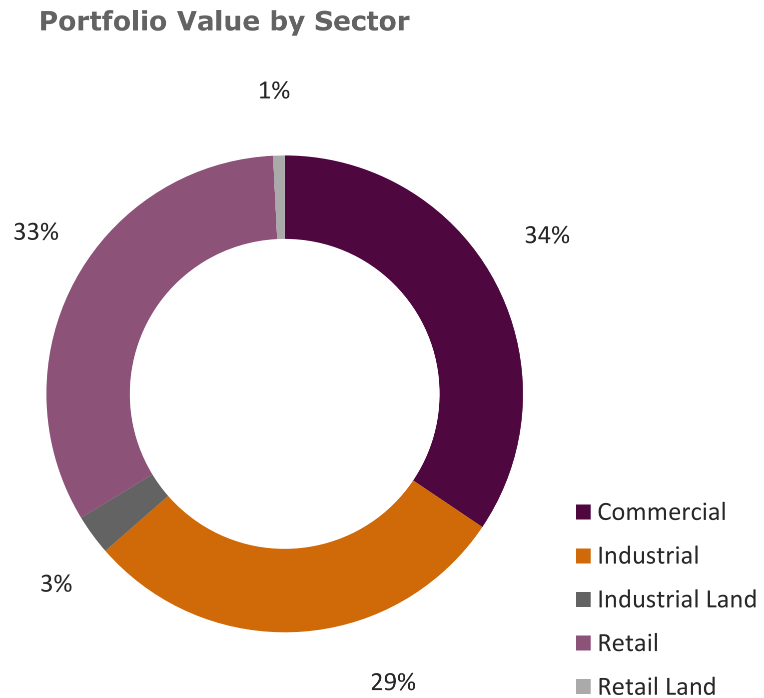


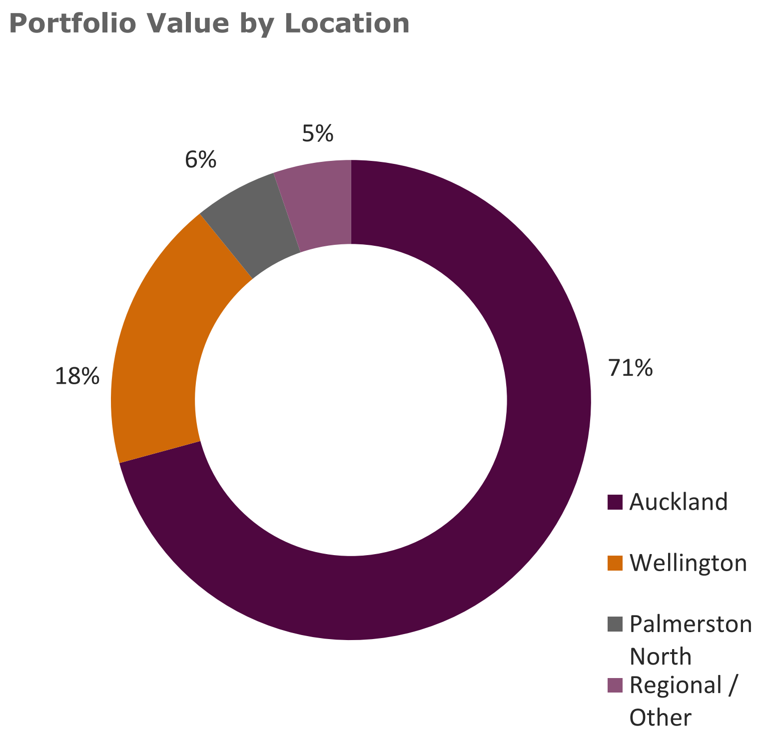
WALT holding by sector



Portfolio mix

As at 31 March 2013





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Acquisitions

- The acquisition of the NZ Post building settled on 28 March 2013. The initial acquisition cost was $60 million with further estimated upgrade expenditures of $40 million.
- The documentation for the acquisition and redevelopment of the 15 Stout St, Wellington property has now been completed, subject only to final approval of the documentation by the Crown (as tenant). Settlement of the acquisition will occur following the Crown's final approval. The initial acquisition cost for the Stout St building is $33 million with further estimated upgrade expenditures of $47 million.
- The Company also acquired a small property at 252 Dairy Flat Highway, Albany in February for $4.8 million. The tenant of this building is Albany Toyota.

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Risk mitigation

- The largest tenant in the portfolio is New Zealand Post (less than 8% of gross property rental).
- We will continue to carefully monitor regional asset performance.
- Initial evaluation assessments by structural engineers have been undertaken for 24 properties (including the New Zealand Post and Stout St buildings).
- The only issue relates to the façade at Stewart Dawson Corner in Wellington and the Company has elected to complete a structural upgrade of the building, in addition to the required works, in the next financial year at an estimated combined cost of $1 million.

Valuations

- Increase in property valuations of $9.3 million (1% on book value immediately prior to revaluation).
- Portfolio valued at $977 million.
- Passing yield after revaluations 7.96%.
- Market yield after revaluations 8.22%.
- Market evidence since revaluation suggests further improvement.

Valuations

	Book value 31/3/13, pre revaluation ($000)	Valuation 31/3/13 ($000)	Difference ($000)	Revaluation %
Industrial	320,780,000	311,381,000	-9,399,000	-2.94%
Commercial	324,691,000	336,341,000	11,650,000	3.58%
Retail	322,047,000	329,140,000	7,093,000	2.20%
TOTAL	**967,518,000**	**976,862,000**	**9,344,000**	**0.97%**

	Yield on contract	Yield on market
Industrial	7.46%	7.95%
Commercial	8.40%	8.56%
Retail	7.98%	8.11%
TOTAL	**7.96%**	**8.22%**

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Strategic Review

Strategic review

- Following the successful completion of the internalisation and corporatisation processes, the Board and management have conducted a strategic review to reaffirm the company's mission, values, strategy and portfolio.
- This strategic review process clarified, confirmed and in some cases reshaped the company's strategy including sector exposures and acquisition criteria.
- The process also involved a review of individual properties by sector and location.

Portfolio investment strategy

Argosy is *and will remain* invested in a portfolio that is diversified by primary sector, grade, location and tenant mix. The portfolio will be in the primary Auckland and Wellington markets with modest tenant-driven exposure to provincial markets.

Argosy's portfolio consists of ***"Core"*** and ***"Value Add"*** properties. Core properties are well constructed, well located assets which are intended to be long-term investments (>10 years). Core properties will make up 75-85% of the portfolio by value.

The key features of Core properties are:

- Strong long term demand (well located and generic);
- A preferred leasing profile that provides for rental growth of at least CPI;
- Excellent seismic integrity with minimal maintenance capital expenditure required.

Portfolio investment strategy

Value Add properties are assets which, through skilled asset management, can increase future earnings and provide capital growth. Value Add properties will already be well-located with the potential for strong long term tenant demand.

These properties are available for near to medium term repositioning or development with the view to moving into the Core category.

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Portfolio investment policy

Argosy's Investment Policy defines what properties we will seek to own, i.e. it sets the boundaries within which we will operate and invest. Argosy has developed an acquisition checklist with its overall strategy in mind – and every potential acquisition (and portfolio asset) can be measured against that checklist.

Where will we buy?	
Industrial 35-45%, Commercial 35-45%, Retail 15-25%	✓
Focus on good quality Secondary Office (A- to C+), Secondary Industrial and Large Format Retail	✓
Concentrated in Auckland (65-75%) and Wellington (20-30%). Provincial or South Island tenant-driven only (<10%)	✓
Target *Value Add* properties where we can leverage internal expertise within overall Core/Value Add targets	✓
Target contiguous properties with potential	✓
Target "off-market" acquisitions and avoid competitive processes	✓
No leasehold	✖
No international properties	✖

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Portfolio investment policy

Value parameters	
Greater than $10 million unless strategically imperative ($6 million for Industrial)	✓
No more than 10% of overall portfolio value	✖

Due diligence	
Apply Argosy due diligence checklist	✓
Seismic integrity ≥ 70% (unless this represents a Value Add opportunity)	✓

Development	
Developments only for tenants who provide strategic value to Argosy	✓
Joint ventures will only be undertaken where the counterparty is of sufficient financial standing to carry their share of risk.	✓
No 3rd party management of external portfolios	✖

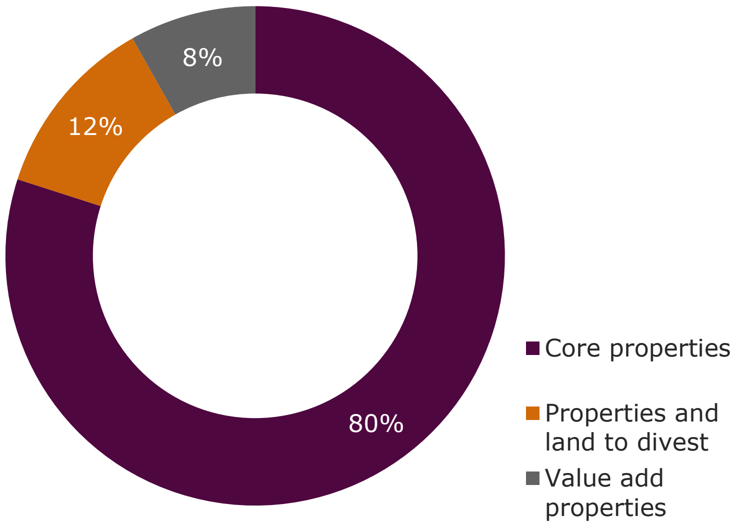
Portfolio investment policy

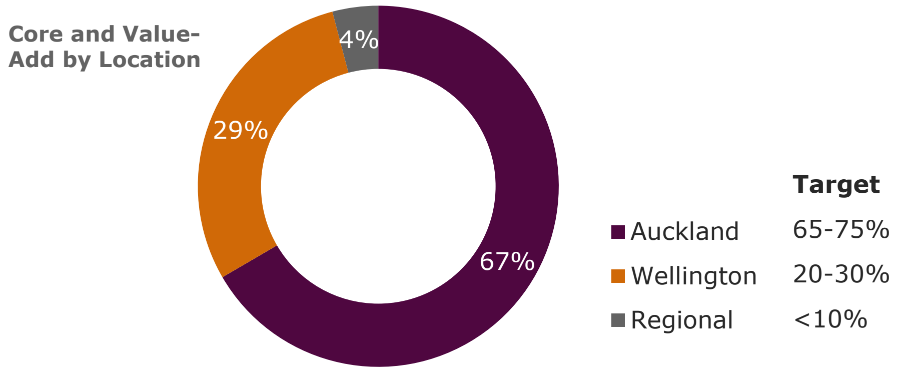
Additional Considerations

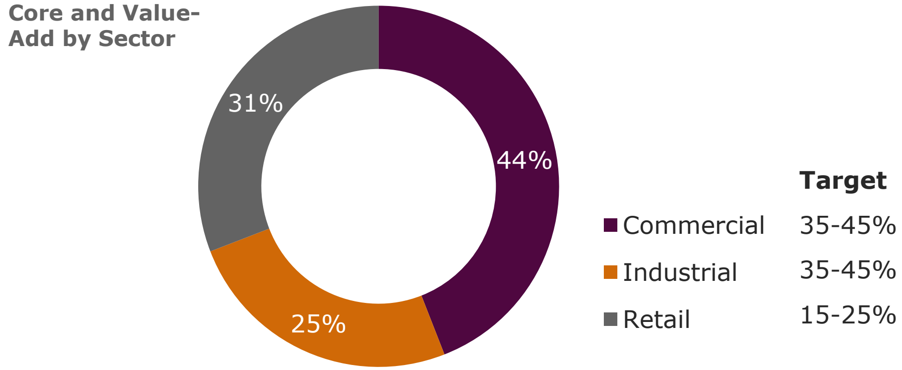
- In some cases a portfolio of assets may be considered. The strategy for the acquired portfolio must be consistent with the overall Argosy investment strategy (i.e. the majority by value of the properties are either Core or offer potential to move to Core in the medium term).
- In certain circumstances, exceptions to the Investment Policy may be considered where an acquisition is made to meet the requirements of a valued tenant.

Current v target portfolio mix

Core properties represent 80% of the portfolio after the Wellington acquisitions, and Value Add 8%. Approximately 12% of the portfolio (including land) requires divestment as market conditions allow.







Capital Management

Capital management

- The Board’s policy is for debt to total assets to be between 35 to 40% in the medium term.
- Valuations have been stable/improving over the last 3 years and market activity suggests there is a reduced risk of declines in the future.
- Divestment of vacant land and under-yielding assets will continue to be a key strategy for the company. Good progress has been made with sales of vacant land at Manawatu Business Park and at Albany.

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Bank covenants

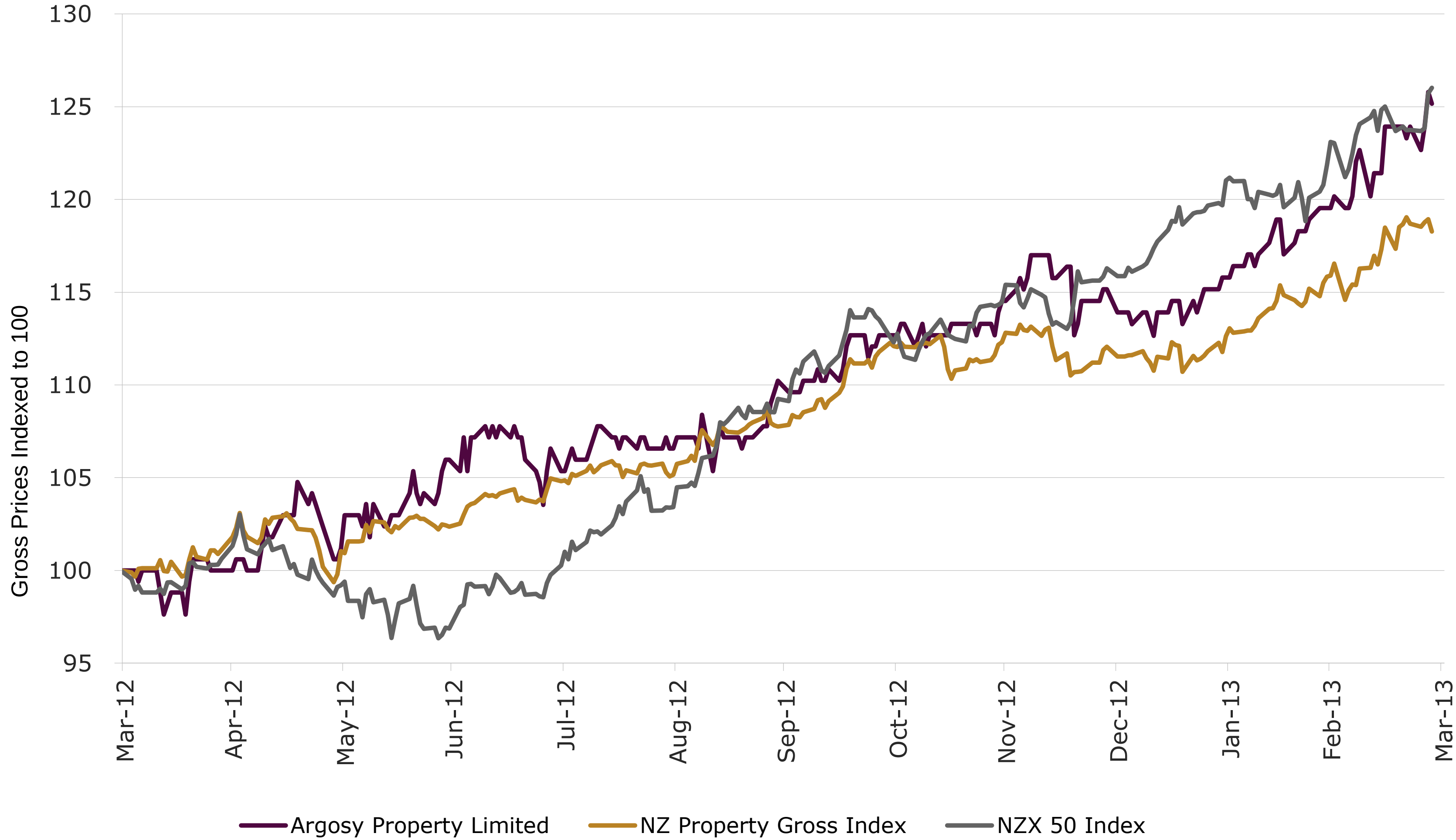
	FY13	FY12
Loan to valuation ratio (LVR) – based on:		
Total borrowings	$328.7m	$384.6m
Fair market value of properties	$983.6m	$905.2m
Not to exceed 50%	33.4%	42.5%
Interest cover ratio – based on EBIT/Interest and Financing Costs:		
Must exceed 2:00x	2.33x	2.07x

Interest rate management

- Fixed rate debt comprised 86% of total debt as at 31 March 2013.
- The weighted average interest rate (including margin and line fees) as at 31 March 2013 was 7.22% (31 March 2012: 7.2%).
- The duration of the hedge portfolio is 5.85 years.
- Subsequent to balance date, Argosy has further restructured and extended its syndicated bank facility. The expiry of the first tranche is now 30 June 2016 and the second tranche on 30 June 2018.
- Argosy will also receive further margin and line fee savings averaging 14 basis points per annum (after including upfront fees). For the first time the facility also provides for a 45/55 line fee, margin split. This will result in further savings for the Company.

Outlook

Share price performance – one year



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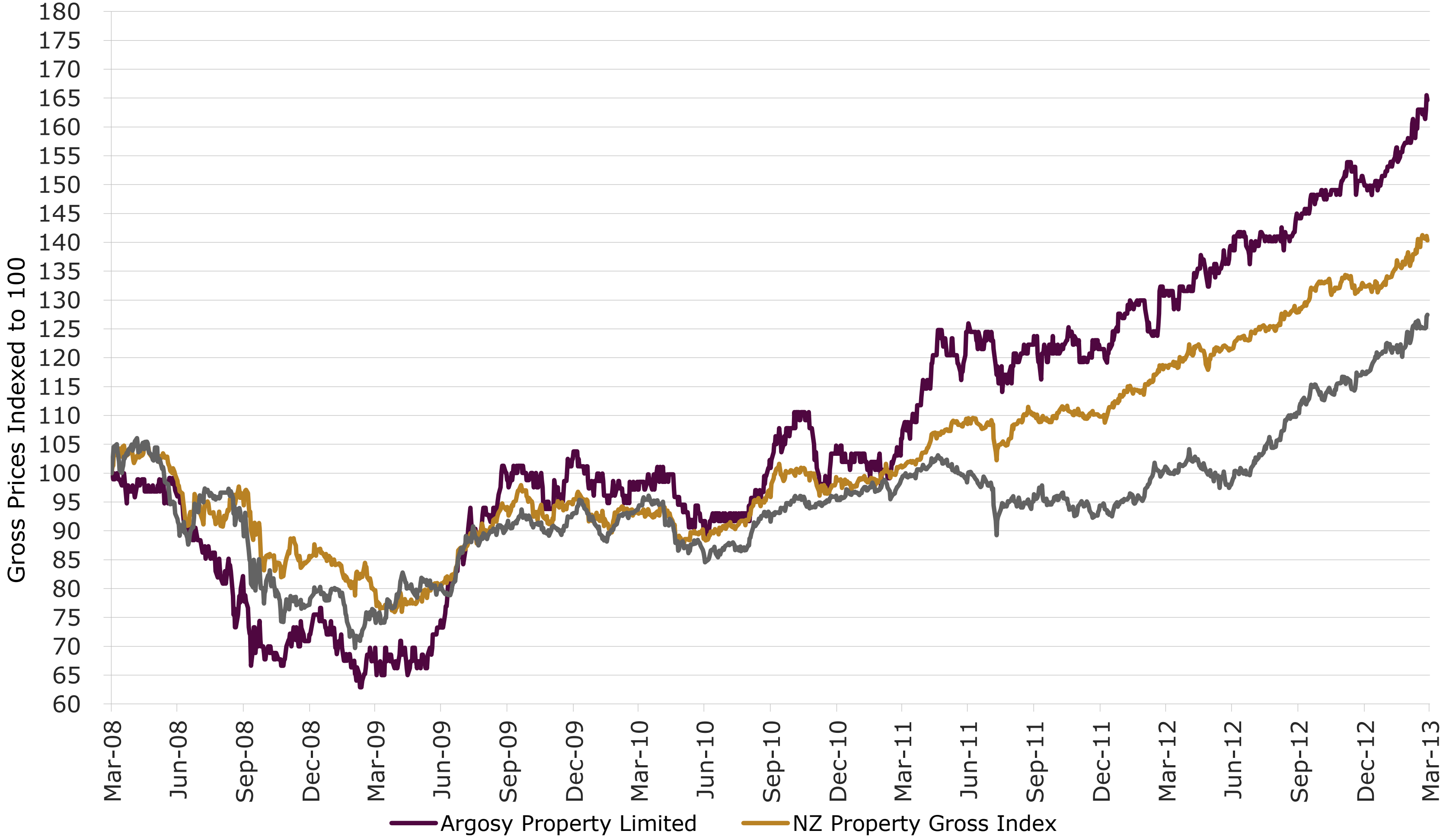
Share price performance - five years



Concluding comments

- Argosy has made real progress in FY13.
- Ongoing operational areas of focus for the asset management team are:
  - focusing on tenant’s requirements and improving retention rates;
  - increasing occupancy levels further;
  - developing growth potential with existing assets; and
  - preserving diversification.
- Along with the continued focus on leasing, the Board will continue to actively monitor the market and will actively pursue growth opportunities where these are accretive to shareholders.

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All values are expressed in New Zealand currency unless otherwise stated.

May 2013

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Thank You