



Property Trust

29 July 2011

NZX Announcement

DNZ LEGAL ACTION DISMISSED

The Independent Directors of Argosy Property Management Limited, Trevor Scott and Peter Brook, are pleased to advise that the High Court has dismissed DNZ's claim that the Independent Directors ought to have convened an earlier meeting of Unitholders, than the annual meeting proposed to be held in late August (with a reserve date of early September) to consider DNZ's resolutions.

This means that Unitholders will be able to avoid the cost and inconvenience of a separate Unitholder meeting, with the internalisation proposal and other requisitioned resolutions to be considered, debated and voted on at one meeting.

DNZ had sought to impugn the independence of both the Independent Directors and of Grant Samuel. In rejecting these assertions His Honour Justice Asher said:

"... the decision made by Argosy and supported by the Guardian Trust to not call a special meeting and rather to put the resolutions at the annual general meeting has not been shown to be capricious.... Indeed, I go further and observe that it is an understandable decision in the circumstances."

His Honour said further: "I do not accept there is a basis for [DNZ's] submission that the manager is in a conflict of interest position... There is nothing in the evidence that impugns the independence of the independent directors, or indeed the Guardian Trust". The Judge also concluded that there was no basis for DNZ's criticism of Grant Samuel's independence.

The Independent Directors regret that Unitholders have been put to the expense of dealing with DNZ's court action and will look to recover such costs as they are able from DNZ.

Trevor Scott and Peter Brook
Independent Directors

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