

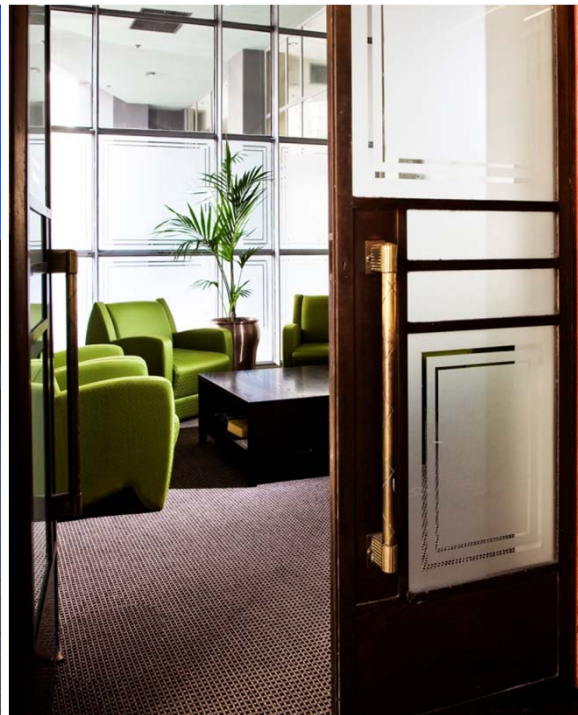
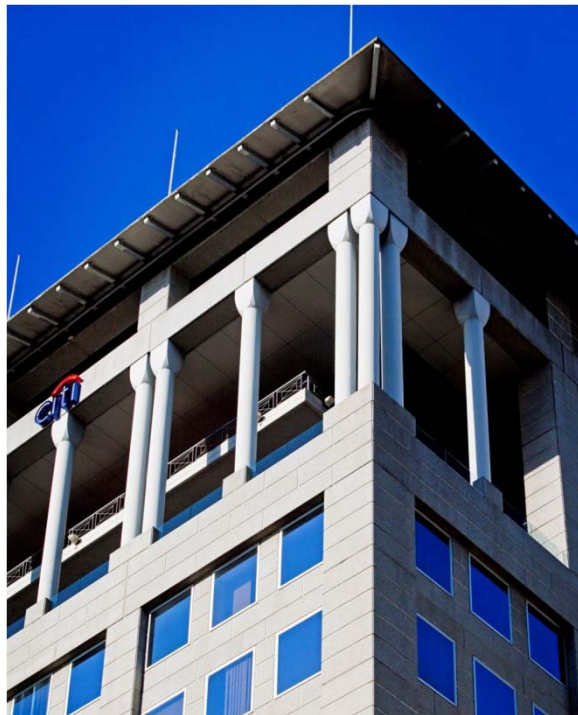


► Property Trust

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HALF YEAR RESULTS

29 NOVEMBER 2010



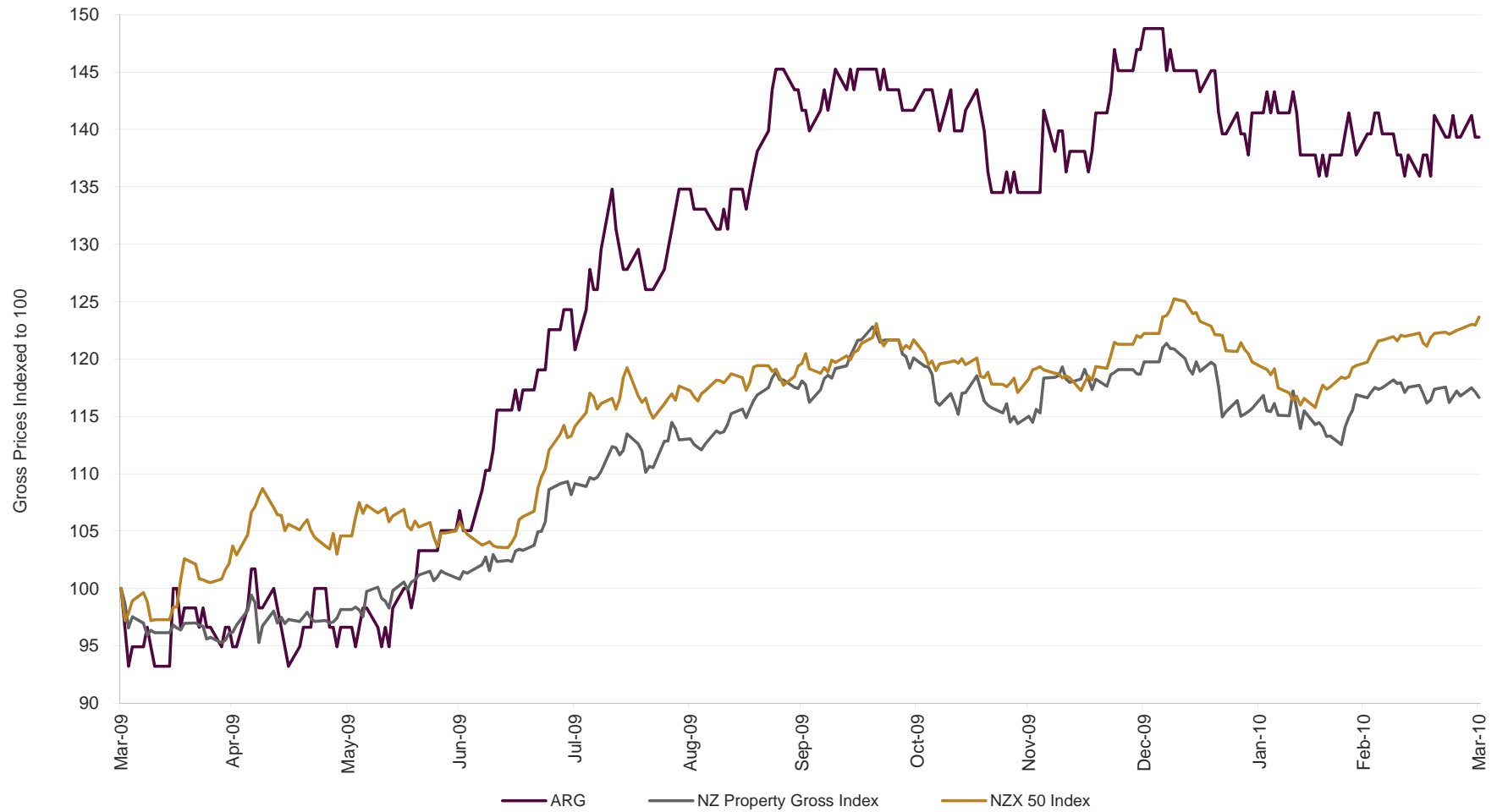
HIGHLIGHTS

- ▶ New independent brand in place
 - ▶ Guidance to annual dividend of 7cpu
 - ▶ Weighted average lease term increased to 5.3yrs
 - ▶ Occupancy at 95.7%
 - ▶ 40 lease transactions during the period
 - ▶ Rental arrears at a 12 month low
 - ▶ Solid unit price performance relative to property index and NZX50
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ING/ARGOSY/ANZ/ONEPATH

- ▶ Just who are we?
 - ▶ ING(NZ) was 50% owned by ANZ
 - ▶ ANZ now owns 100% of the business
 - ▶ ING name in New Zealand is to go this year
 - ▶ ING (NZ) was re-branded OnePath
 - ▶ ING Property Trust became Argosy Property Trust, reflecting the specialist nature of our business
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UNIT PRICE PERFORMANCE



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PORTFOLIO OVERVIEW

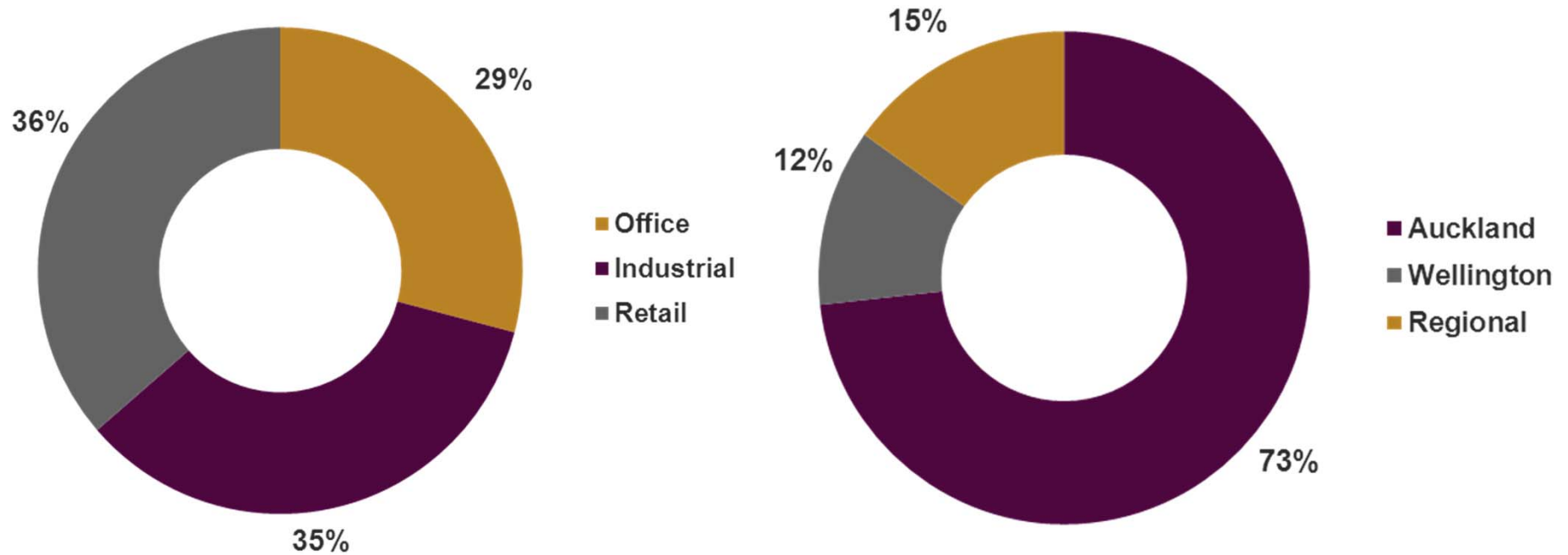


SUMMARY STATISTICS

As at 30 September 2010

Book value of properties	\$946,540,000
Number of properties	81
Average value of properties	\$11,685,679
Vacancy by area	4.87%
Vacancy by rental	4.28%
Weighted average lease term	5.3%
Number of tenants	280

DIVERSIFICATION BY SECTOR AND LOCATION



INDUSTRIAL

- ▶ Sector has performed with relative stability during GFC
 - ▶ Export led recovery is expected to give fairly strong net absorption for the next three years
 - ▶ BUT vacancy level is significant due to increased design build activity
 - ▶ Potential for obsolescence is high
 - ▶ Auckland is a focus for manufacturing, but warehousing and distribution has hubs elsewhere too
 - ▶ The Trust has a joint venture in Palmerston North – agreement reached on taking full ownership, settlement 30 November 2010. Sales confirmed for \$26.4m with settlement at various periods up to mid 2013
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COMMERCIAL OFFICES

- ▶ A big issue in this sector is vacancy and pending vacancy in both Auckland and Wellington
 - ▶ Increased supply when net absorption has been negative
 - ▶ Has been a level of excess capacity in the market
 - ▶ Additional level of supply is proposed in the future
 - ▶ Watch on employment figures for a guide on the absorption levels as the country struggles to recovery
 - ▶ ARG exposure is primarily fringe offices
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RETAIL

- ▶ It has been a hard road and many have fallen
 - ▶ Landlords have needed to work with some tenants to restructure leases
 - ▶ Landlords will have traded for lease term and for future growth
 - ▶ Those who haven't may be over rented and short on lease term
 - ▶ Retail has virtually no excess capacity and the market will turn very quickly
 - ▶ ARG exposure is largely in bulk retail centres
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STRATEGY



STRATEGY

- Risk mitigation
 - Capital management / debt reduction
 - Portfolio positioning for the future
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VALUATIONS

- ▶ No evidence of significant movement in values
 - ▶ Following assessment of markets and property details no interim valuations were commissioned
 - ▶ Revaluations will be completed by 31 March 2011 for year-end results as normal
 - ▶ Capitalisation rate and rate of return largely flat
 - ▶ Management consider values to be conservative
 - ▶ Sales will be focused on normal asset management activity for the remainder of FY11
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THE ENVIRONMENT



POSITIONING THE PORTFOLIO FOR THE FUTURE

- ▶ 40 lease transactions
 - ▶ 16 lease renewals and extensions
 - ▶ 24 new leases
 - ▶ Sales of vacant property
 - ▶ Sale of higher risk property
 - ▶ New 6-year leases for both of the Trust's major Wellington Office towers from Te Puni Kokiri and the Department of Internal Affairs.
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FINANCIAL OVERVIEW



FINANCIAL PERFORMANCE

	HY11	HY10	Change
Net rental income	\$ 35.6m	\$ 40.9m	(13%)
Interest expense	\$ 13.5m	\$ 13.5m	0%
Loss on derivatives	\$ 9.7m	\$ 7.3m	
Revaluation losses – on investment property	-	\$ 13.6m	
– on construction	-	\$ 1.5m	
Operating surplus (pre disposals and revaluations)	\$ 31.4m	\$ 34.4m	(8.7%)
(Loss)/profit before income tax	\$ 8.7m	(\$ 1.1m)	\$ 9.8m
Current taxation	\$ 1.5m	\$ 0.9m	\$ 0.6m
Deferred taxation	\$ 100.1m	\$ 3.5m	
(Loss)/profit for the period	(\$ 93.0m)	(\$ 5.6m)	\$ (87.4m)
Post tax earnings per units (cents)	(16.57)	(1.06)	
Total comprehensive (loss)/profit for the period	(\$ 90.6m)	\$ 2.2m	(\$ 92.8m)
Total comprehensive (loss)/profit for the period – Minority Interest	(\$ 3.3m)	-	n/a

DISTRIBUTABLE INCOME

	HY11	HY10
Profit before finance income/(expenses) and other gains/(losses)	\$31.4m	\$34.4m
Add back/(deduct):		
Interest income	\$0.4m	\$0.3m
Interest expense	\$(13.5m)	\$(13.5m)
Amortisation of management contract	\$0.7m	\$0.7m
Gross distributable income	\$19.0m	\$21.9m
Current Tax	\$(1.5m)	\$(0.9m)
Net distributable income	\$17.5m	\$21.0m
Number of units on issue	544.3	534.2
Gross distributable income per unit (cents)	3.48c	4.13c
Net distributable income per unit (cents)	3.22c	3.95c

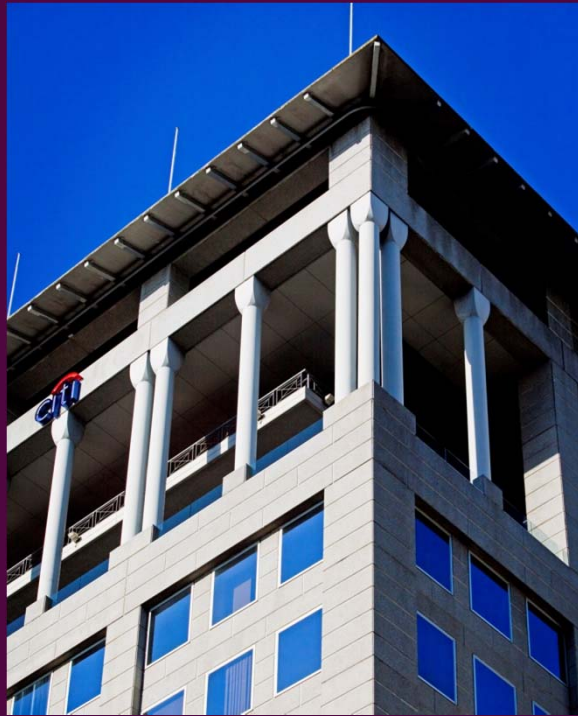
FINANCIAL POSITION

	HY11	HY10	Change
Securities on issue	544.3m	534.2m	
Unitholders' funds (includes minority interest)	\$405.0m	\$561.7m	
Net asset backing per unit (cents)	74.4c	105.8c	
Adjusted net asset backing per unit (cents)	93.4c	105.8c	
Total property value	\$956.3m	\$1,006.9m	
Bank debt	\$408.3m	\$404.9m	
Debt-to-total-assets ratio	41.8%	39.6%	

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THANK YOU



DISCLAIMER

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

29 November 2010
