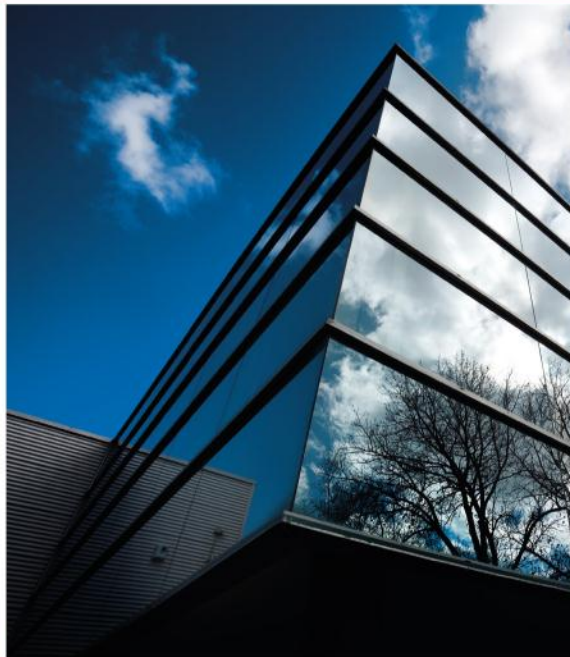
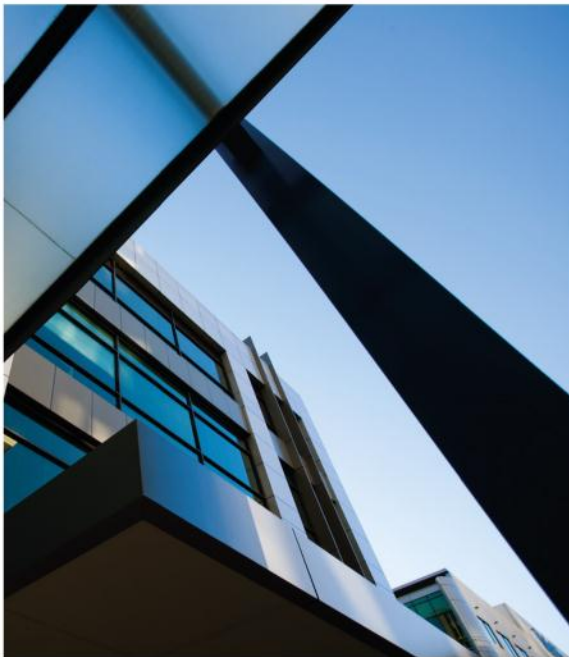




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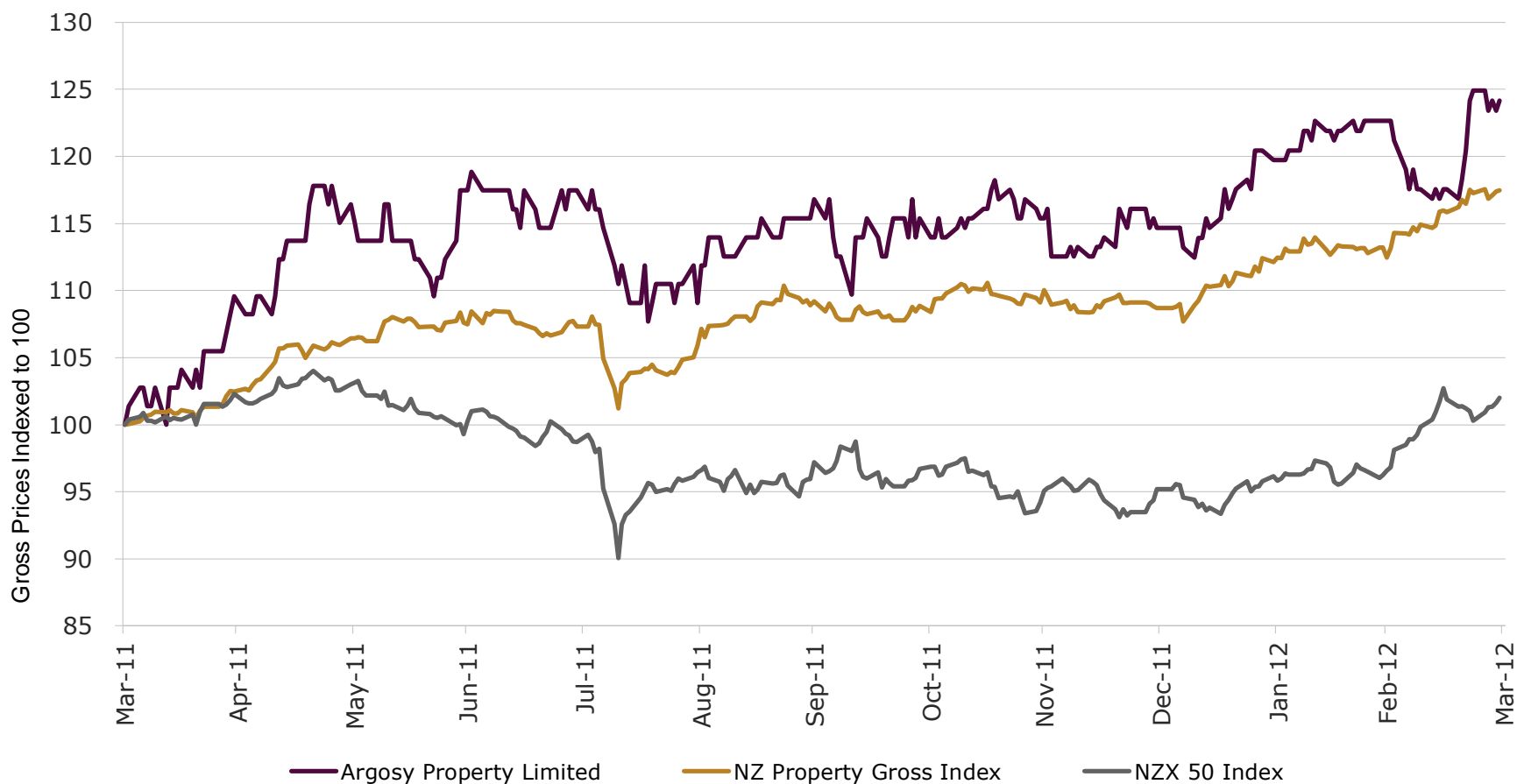
CEO Presentation 28 August 2012



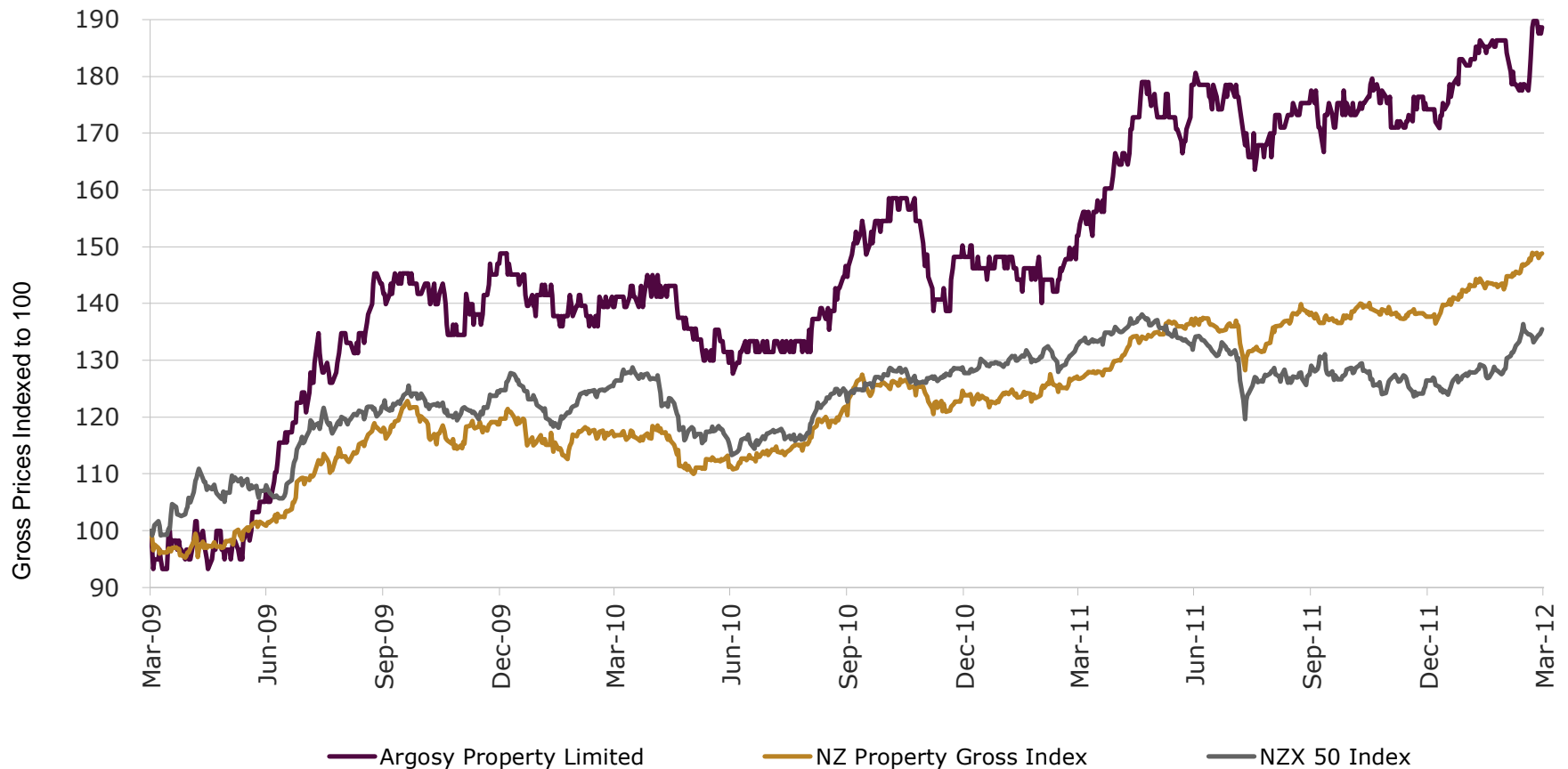
HIGHLIGHTS

- ▶ Share price performance in excess of NZX50 and Property Index
 - ▶ Increase in property values for second successive year
 - ▶ Internalisation savings achieved
 - ▶ Corporatisation achieved
 - ▶ Distribution of 6.0 cents per unit for the 12 months to 31 March 2012
 - ▶ Weighted average lease term at year end 4.77 years
 - ▶ Property portfolio value of \$905 million with average property value \$13.9 million
 - ▶ Bank facility restructured on improved terms
-

SHARE PRICE PERFORMANCE (ONE YEAR)



SHARE PRICE PERFORMANCE (THREE YEAR)





Financial Overview



INTERNALISATION SAVINGS – 7 MONTHS TO 31 MARCH 2012

Forecast to achieve reduction in operational costs of \$2.2 million for 7 months (\$3.8 million per annum).

Actual results:

	\$Millions
<i>Savings since internalisation</i>	
Forecast fees payable to Former Manager (\$658,000 per month)	4.6
<i>Less direct costs since internalisation</i>	(2.1)
Total savings since internalisation	<u>2.5</u>

FINANCIAL POSITION

	FY12	FY11
Securities on issue	558.5m	549.2m
Shareholders' funds (less intangible assets)	\$488.4m	\$505.7m
Net tangible asset backing per share (cents)	87.5	92.1

Investment properties	\$905.2m	\$960.1m
Other assets	\$24.1m	\$15.1m
Total assets	\$929.3m	\$975.2m
Bank debt (excluding borrowing costs)	\$384.6m	\$412.4m
Debt-to-total-assets ratio	41.4%	42.3%

FINANCIAL PERFORMANCE

	FY12	FY11
Net rental income	\$71.2m	\$72.3m
Revaluation gains/(losses) on investment property	\$ 3.7m	\$ 2.1m
Profit/(loss) before tax	\$(3.0m)	\$28.7m

DISTRIBUTABLE INCOME

	FY12	FY11
Profit/(loss) before income tax	\$(3.0m)	\$28.7m
Adjustments	\$36.4m	\$6.2m
Gross distributable income	\$ 33.4m	\$ 34.9m
Tax paid	\$0.0m	\$ (1.4m)
Net distributable income	\$ 33.4m	\$ 33.5m
Number of shares on issue	553.3m	543.3m
Gross distributable income per share (cents)	6.03	6.43
Net distributable income per share (cents)	6.03	6.17

DEBT FACILITY

- ▶ Restructured facility with existing lenders
 - ▶ Increase in limit from \$450m to \$500m
 - ▶ Two even tranches of \$250m
 - ▶ First tranche expires on 30 June 2015 and the second on 30 June 2017
 - ▶ Immediate margin and line fee reductions on both tranches averaging 25bps (after upfront fees) saving \$1.125 million p.a.
-

COVENANTS

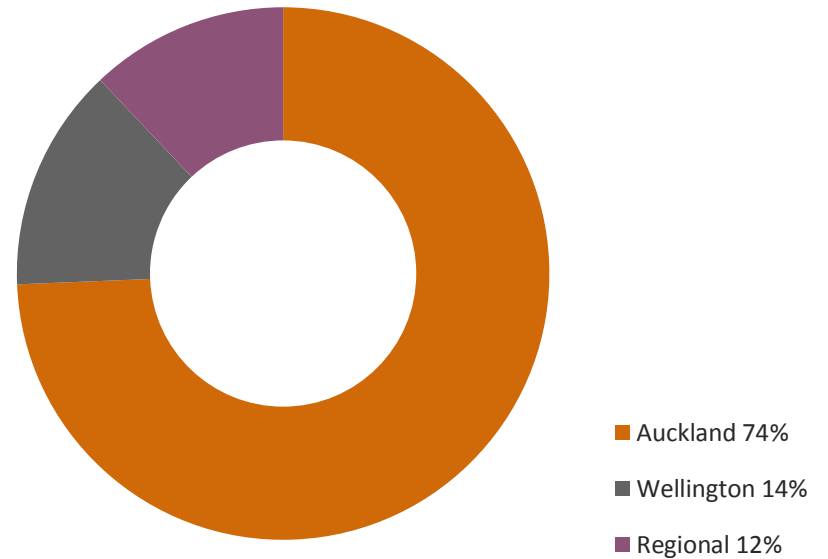
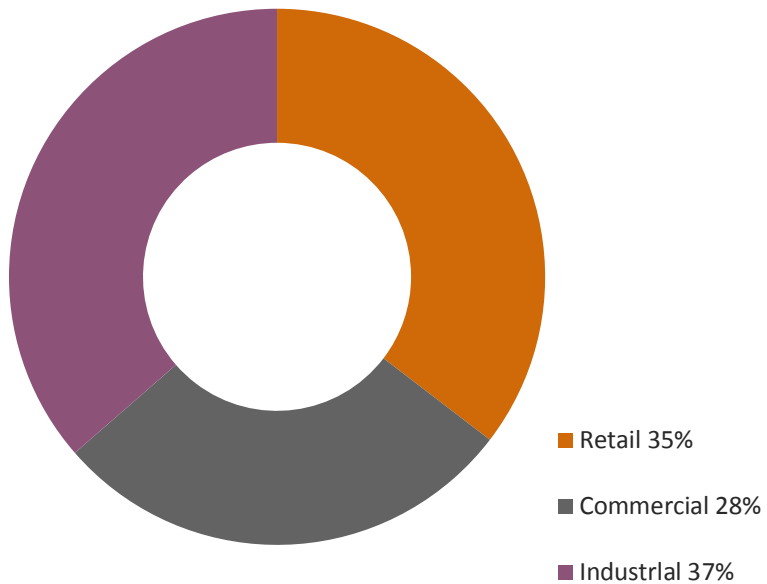
	FY12	FY11
Loan to valuation ratio:		
Not to exceed 50%	42.5%	42.9%
WALT:		
Must exceed 3 Years	4.8	4.9
Interest cover ratio:		
Equal or exceed 1.8:1 (until September 2012, then 2.0:1)	2.07x	2.15x



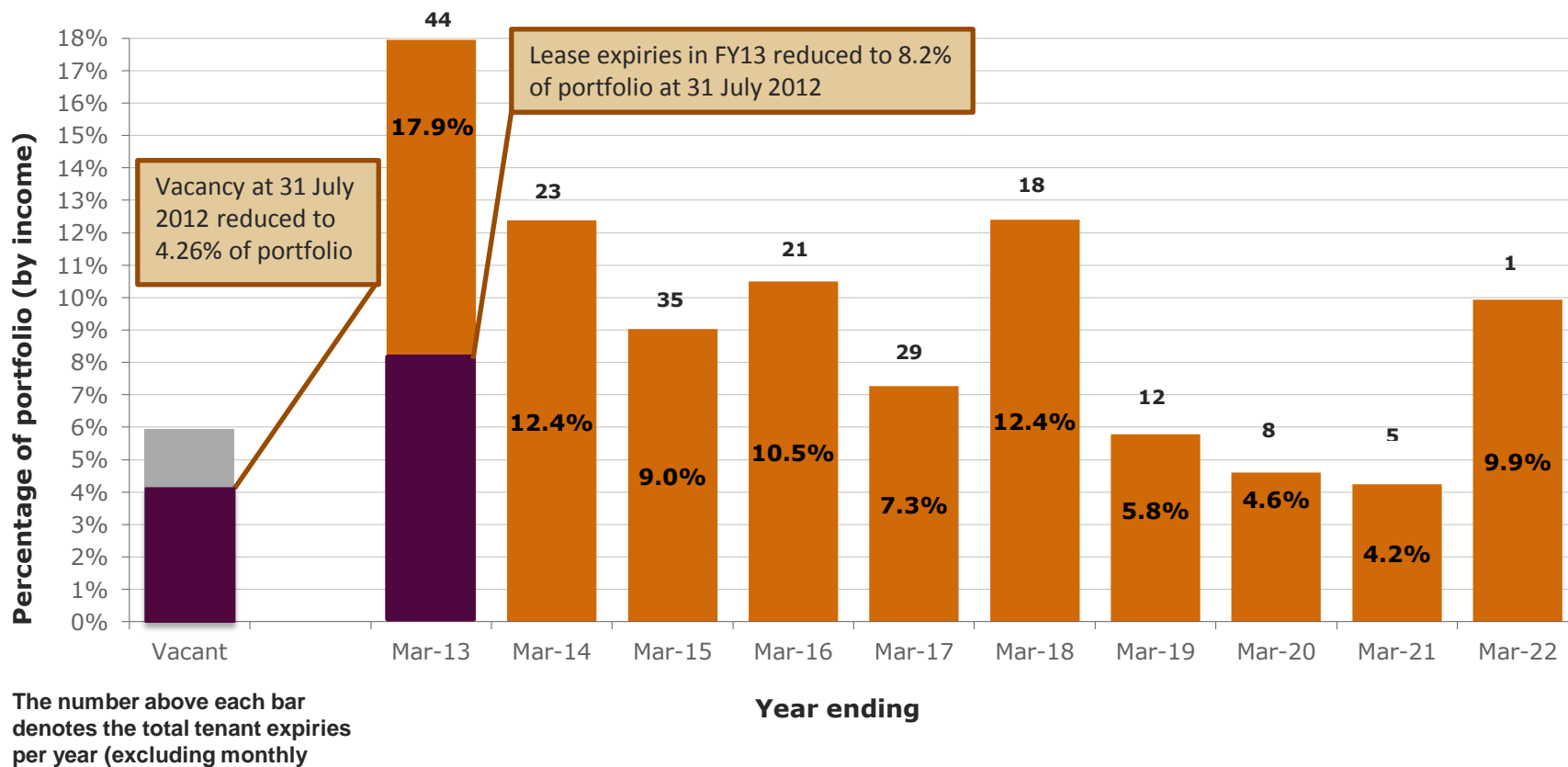
Portfolio Overview



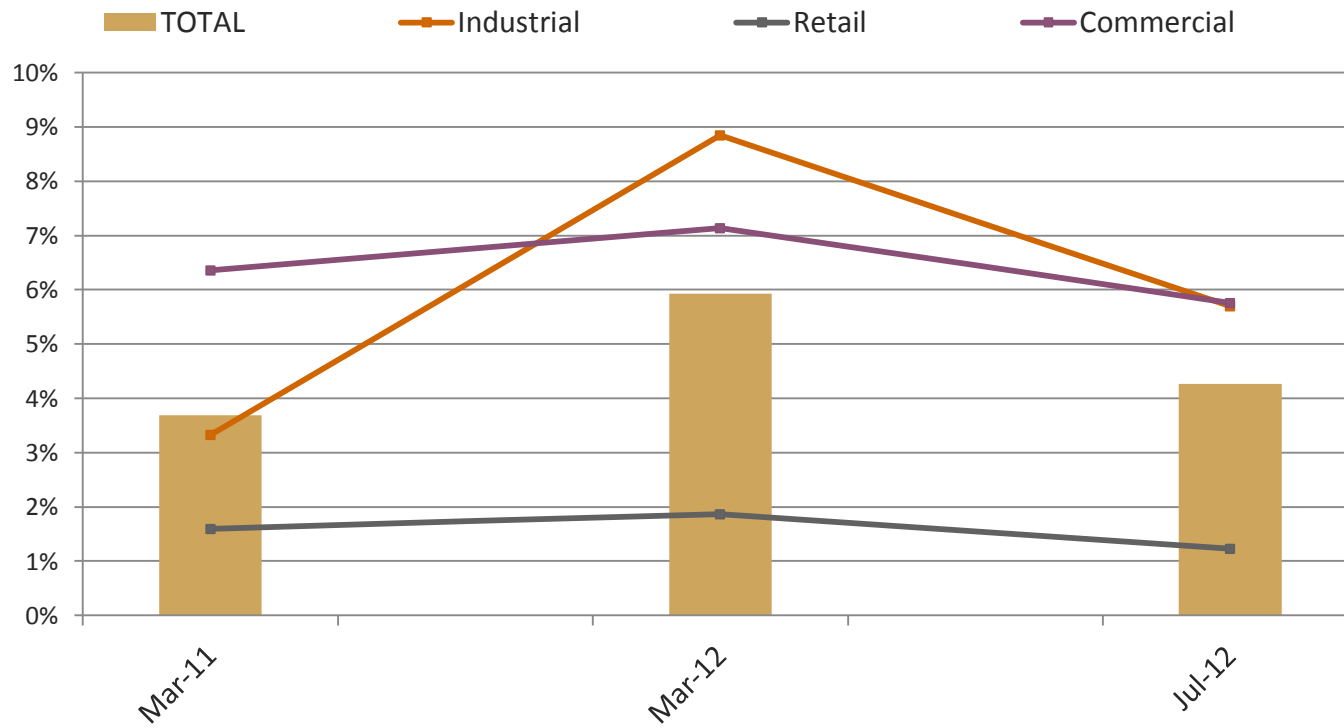
DIVERSIFICATION



LEASE MATURITY



VACANCY



COMMERCIAL/OFFICE



NUMBER OF BUILDINGS

16

MARKET VALUE OF ASSETS (\$M)

\$255.25

VACANCY FACTOR (BY RENT)

7.14%

WALT (YEARS)

3.53

PASSING YIELD

9.03%

VALUATION CHANGE

0.53%

RETAIL



NUMBER OF BUILDINGS

12

MARKET VALUE OF ASSETS (\$M)

\$320.47

VACANCY FACTOR (BY RENT)

1.87%

WALT (YEARS)

5.85

PASSING YIELD

8.00%

VALUATION CHANGE

0.49%

INDUSTRIAL



NUMBER OF BUILDINGS

37

MARKET VALUE OF ASSETS (\$M)

\$329.53

VACANCY FACTOR (BY RENT)

8.84%

WALT (YEARS)

4.80

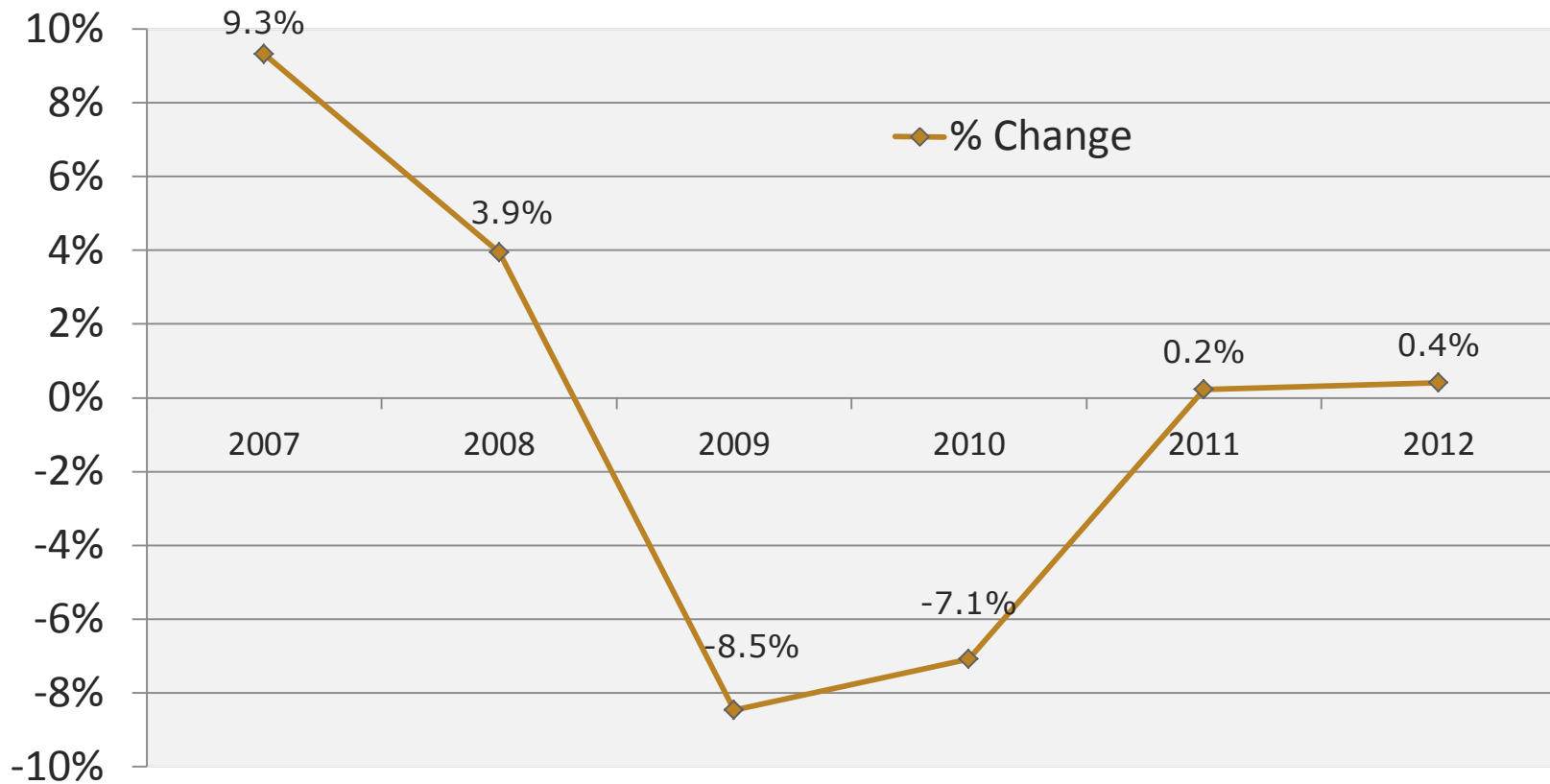
PASSING YIELD

7.25%

VALUATION CHANGE

0.22%

PORTFOLIO VALUATION CHANGES



KEY FOCUS AREAS

- ▶ As outlined at last years Annual Meeting, the Board and Management continue to look for opportunities that will be accretive to shareholders.
 - ▶ Occupancy remains a key focus as values are fundamentally affected by weighted average lease term and projected incentive levels.
 - ▶ Rental reviews – ensuring that the Company is well positioned to gain rental increases when these become available.
 - ▶ Stock selection - increased focus on new phase of tenant requirements and trends.
 - ▶ Growth potential - investigation and securing of growth potential with existing assets.
 - ▶ Asset allocation – sector weighting to preserve diversification but allow tactical weighting to growth areas.
-

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

August 2012

Argosy

Thank You

