Argosy

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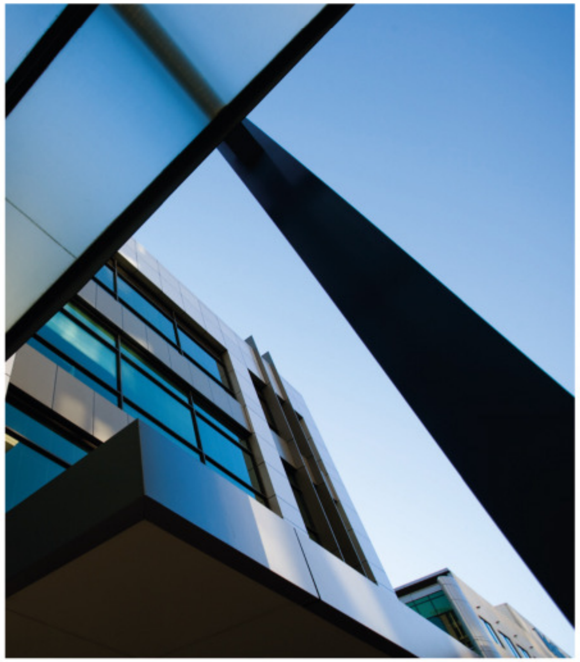
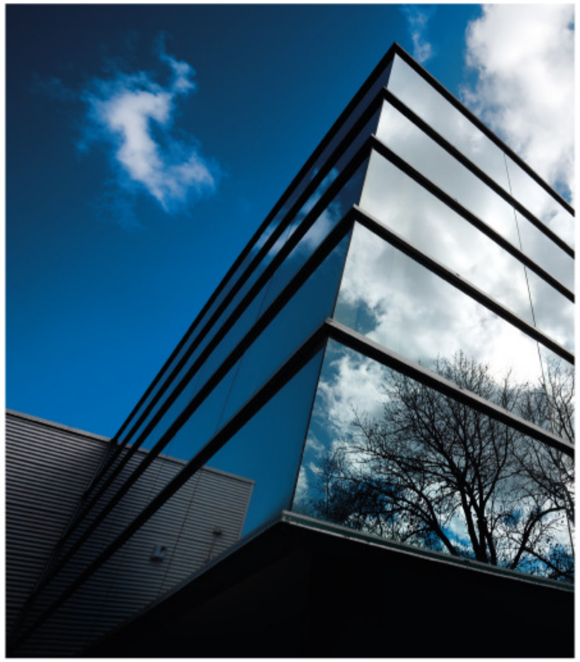
ARGOSY PROPERTY

FULL YEAR RESULTS PRESENTATION 25 MAY 2012





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FY12 HIGHLIGHTS

- Dividend of 6.0 cents per share for the 12 months to 31 March 2012.
- Guidance is for a similar level in 2013.
- Internalisation and corporatisation achieved.
- Bank facility restructured.
- Total portfolio value of $905 million.
- Average property value $13.9 million.
- Stable property valuations (increase of 0.4%).
- Weighted average lease term at year end 4.8 years.
- Net property income $71.2 million which was 1.5% down on FY 2011.

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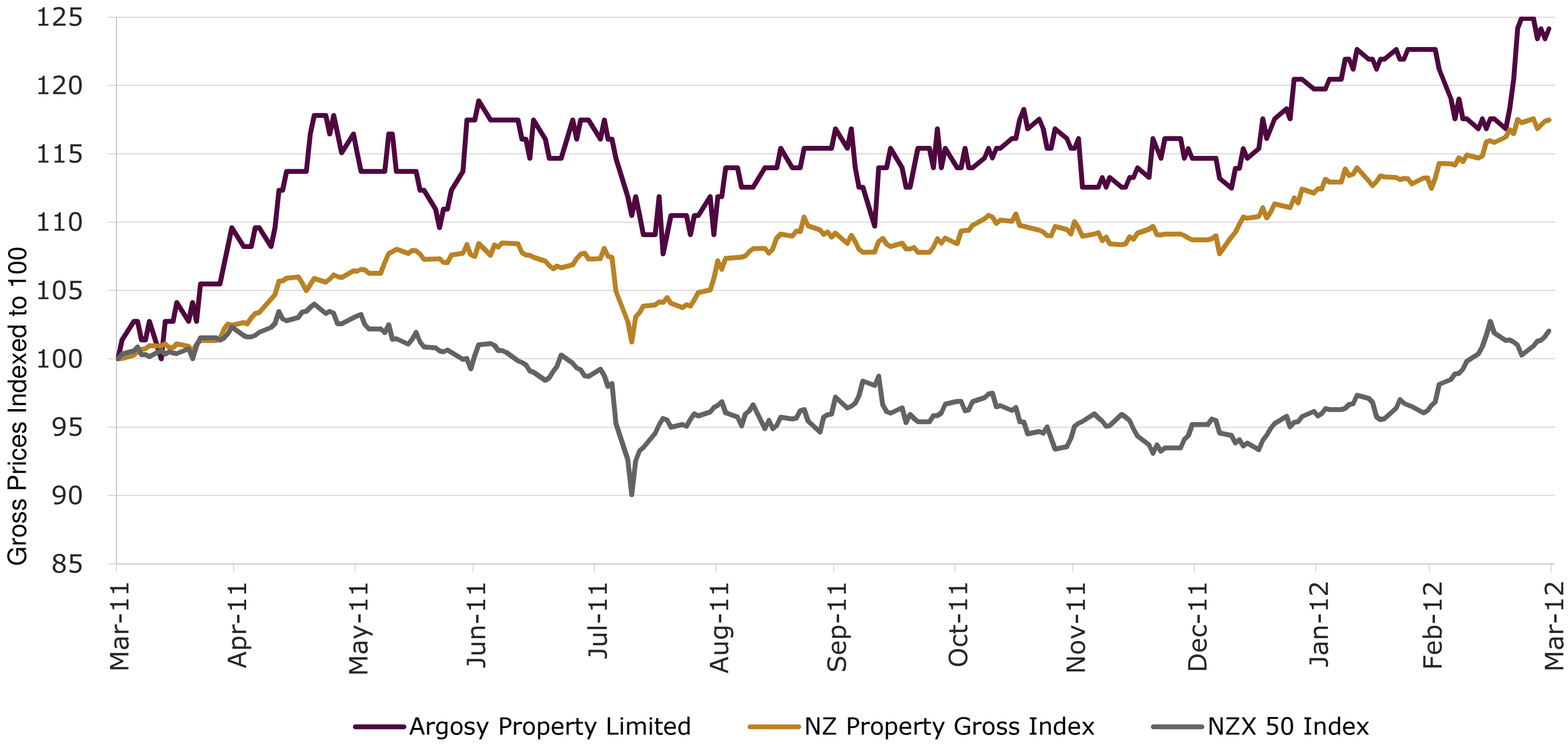
SHARE PRICE PERFORMANCE



Note* On 1 March 2012 Argosy Units ceased to be quoted and were delisted from the market having been transferred 1:1 for ordinary shares following corporatisation of Argosy Property Trust to Argosy Property Limited.

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Financial Overview

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FINANCIAL PERFORMANCE

	FY12	FY11
Net rental income	$71.2m	$72.3m
Other income	$9.9m	$0.0m
Interest expense	$(30.8m)	$(29.5m)
Loss on derivatives	$(12.5m)	$(7.7m)
Administration expenses	$(6.5m)	$(7.8m)
Incentive fee to former manager	$(0.5m)	-
Abnormals and amortisation	$(37.5m)	$(1.3m)
Realised gains/(losses) on disposal	0.0m	0.6m
Revaluation gains/(losses) on investment property	$3.7m	$ 2.1m
Profit/(loss) before tax	$(3.0)m	$28.7m
Taxation credit/(expense)	$4.9m	$(2.0m)
Profit/(loss) for the year	$1.9m	$26.7m
Basic and diluted earnings per share (cents)	0.35	4.85

DISTRIBUTABLE INCOME

	FY12	FY11
Profit/(loss) before income tax	$(3.0m)	$28.7m
Adjust for:		
Revaluation (gains)/losses on investment property	$(3.7m)	$(2.1m)
Investment disposal gains	$0.0m	$(0.6m)
Derivatives fair value adjustment	$12.5m	$7.6m
Internalisation	$22.2m	
Corporatisation	$0.8m	
Christchurch impairment and insurance proceeds	$(1.5)	
Amortisation of management contract	$6.1	$1.3m
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 (weighted)	553.3m	543.3m
Gross distributable income per share (cents)	6.03	6.43c
Net distributable income per share (cents)	6.03	6.17c

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FINANCIAL POSITION

	FY12	FY11	Change
Securities on issue	558.5m	549.2m	1.7%
Shareholders funds (less intangible assets)	$488.4	$505.7m	(3.4%)
Net tangible asset backing per share (cents)	87.5c	92.1c	4.6c

Investment properties	$905.2m	$960.1m	(5.7%)
Other assets	$24.1m	$15.1m	
Total assets	$929.3m	$975.2m	(4.8%)
Bank debt (excluding capitalised borrowing costs)	$384.6m	$412.4m	(6.7%)
Debt-to-total-assets ratio	41.4%	42.3%	

The receipt of estimated insurance proceeds of $10m would reduce the debt-to-total asset ratio to 40.8%

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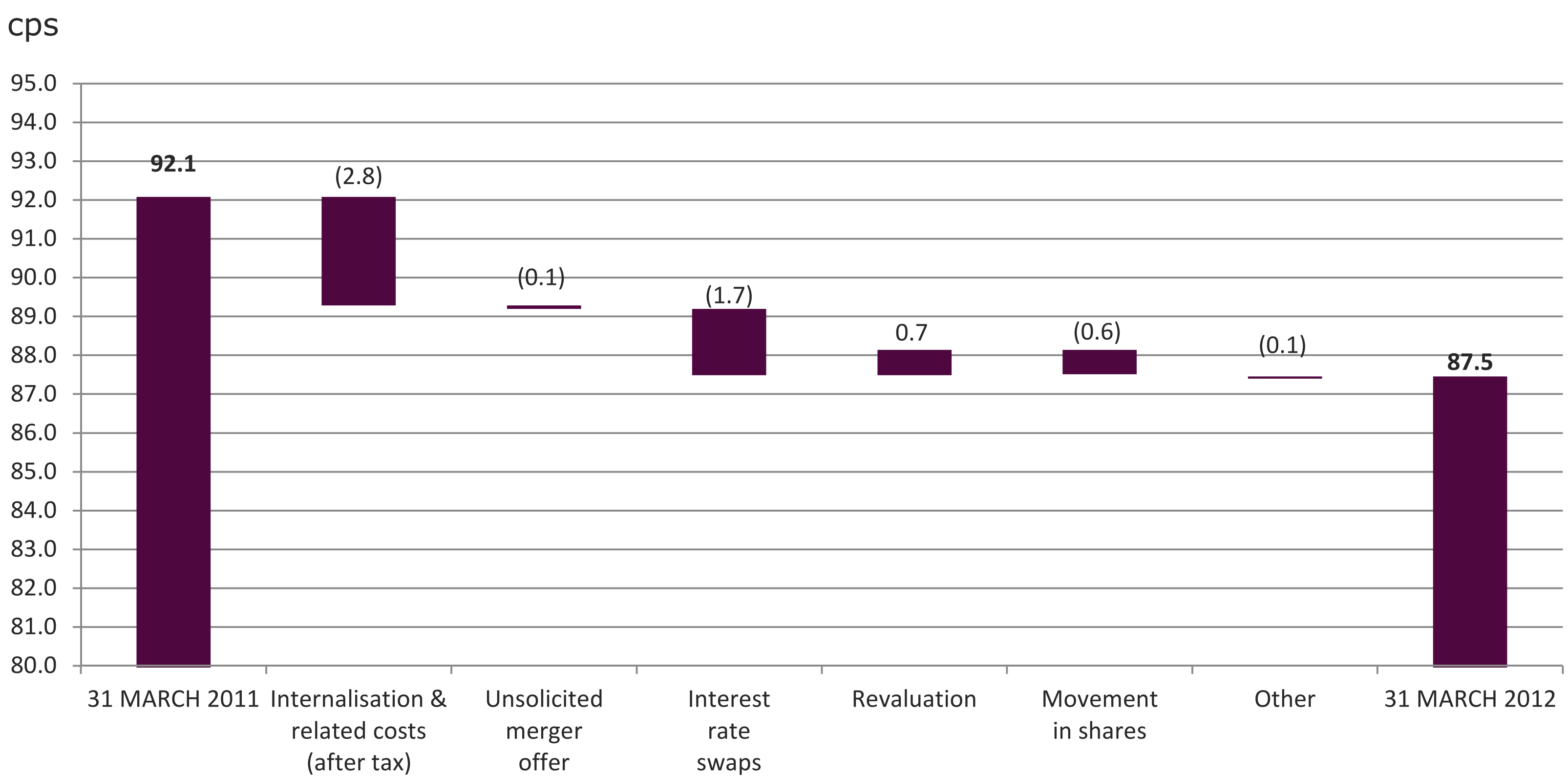
MOVEMENT IN NTA PER SHARE



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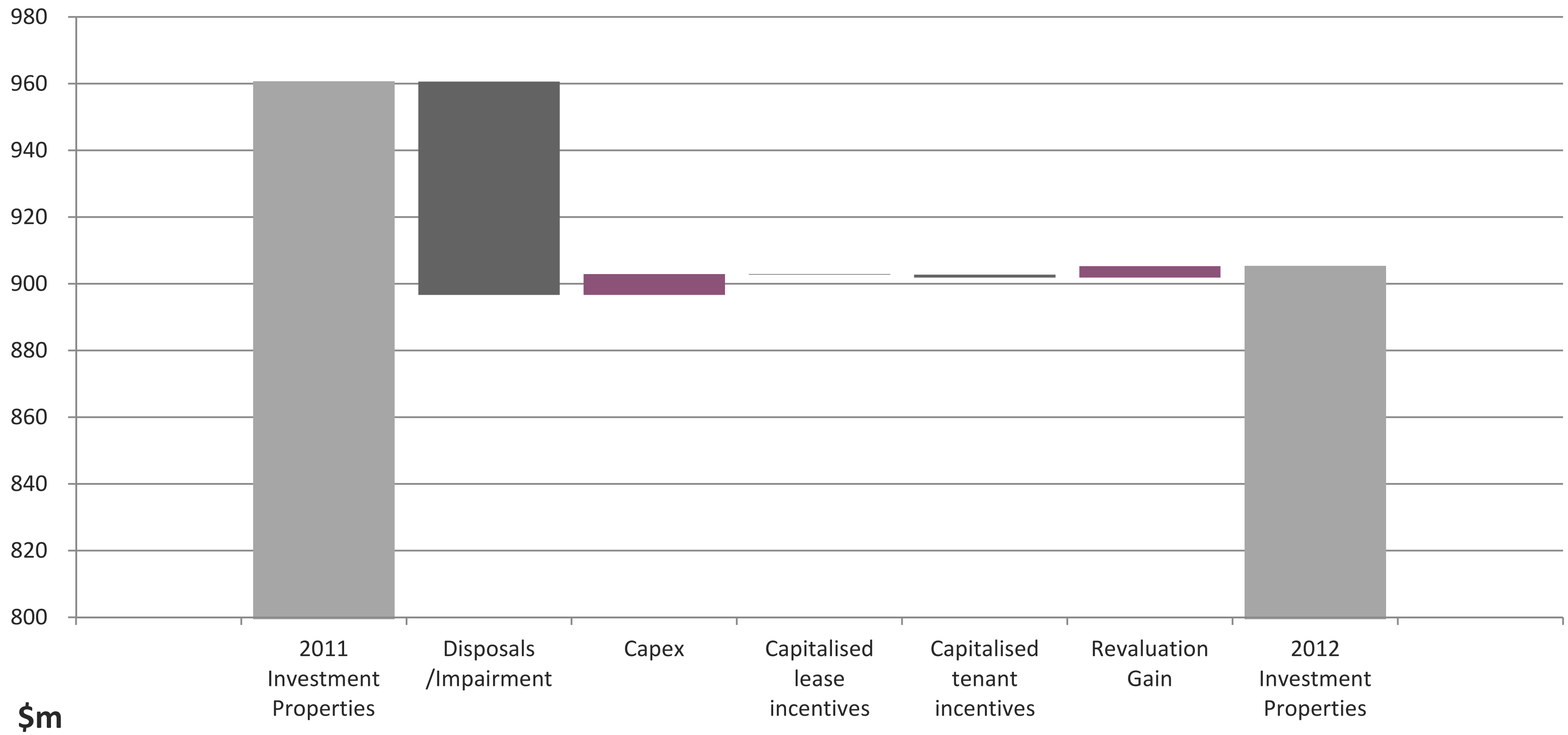
INVESTMENT PROPERTIES



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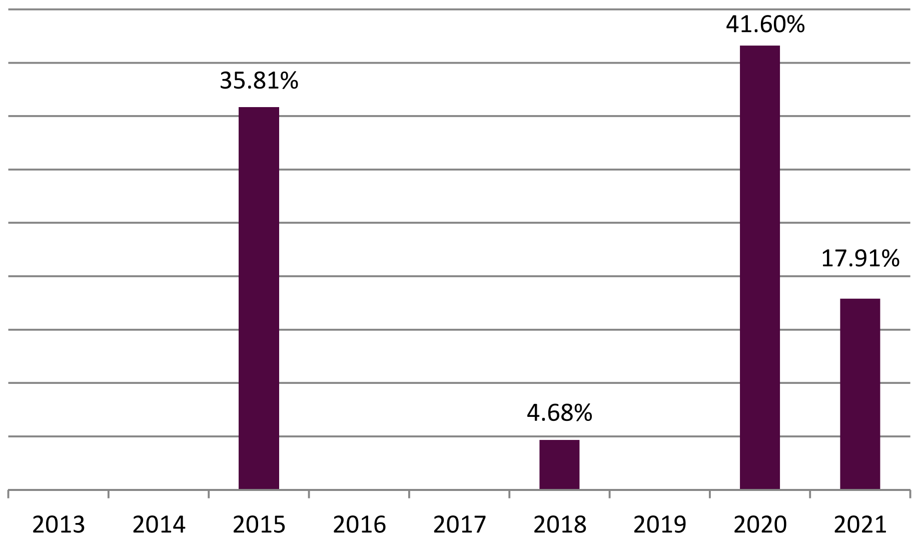
INTEREST RATE MANAGEMENT

As at 31 March 2012

- Fixed rate debt comprised 94.4% of total debt as at 31 March 2012.
- The average interest rate paid (including margins and line fees) in FY12 was 7.20% (compared with 7.57% in FY11).
- The duration of the hedge portfolio is 5.93 years



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COVENANTS

Loan to valuation ratio – based on:	FY12	FY11
Fair market value of properties (incl. held for sale)	$905.2m	$960.6m
Total borrowings	$384.6m	$412.4m
Not to exceed 50% (until June 2012 then 45%)	42.5%	42.9%
Interest cover ratio – based on:		
Net interest expense (FY11 – 9 months)	$30.1m	$22.1m
Operating surplus	$62.5m	$47.5m
Equal or exceed 1.8:1 (until September 2012 then 2.0:1)	2.07x	2.15x

A $10 million insurance receipt would reduce the LVR ratio to 41.4%

Portfolio Overview

LEASING ENVIRONMENT

- We see a more cautious property market with lower levels of occupier activity and a longer decision making process. However, the leasing environment continues to improve in most sectors with vacancy rates continuing to drop across all sectors.
- Effective market rents, taking into account reductions in incentives, are stabilising to improving and lower projected levels of occupier demand should be offset to some degree by new supply being below historic averages over the next few years.
- Auckland's commercial property market indicators should improve during 2012 with positive (although weak) net absorption.
- Wellington commercial occupation will be impacted by Government fiscal restraints. Securing The Department of Internal Affairs and Te Puni Kokiri on six-plus year renewals has removed the most significant lease expiry risks for Argosy in the Wellington market.

LEASING ENVIRONMENT (CONT.)

- The retail sector continues to face challenges but activity levels for the 2012 calendar year are expected to improve and tenant Christmas and Boxing Day sales were strong. Annual retail sales to December 2011 were 8% up on last year and 2.2% for the quarter - market expectations were materially lower at 1.2% for the December quarter.
- The industrial sector has shown some growth in recent times but this appears to have flattened in line with the new supply projected for this sector. The Auckland market has solid net absorption levels and investor demand for well leased property is strong.

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PORTFOLIO ISSUES FOR FOCUS

- 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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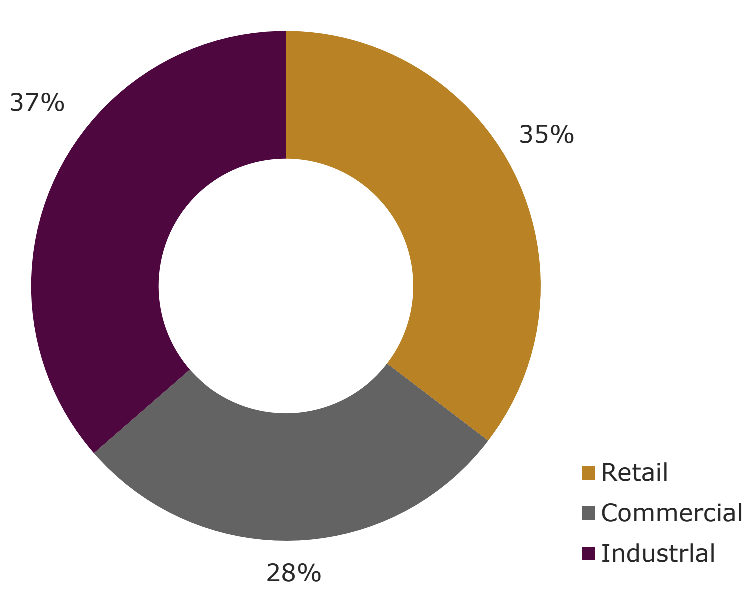
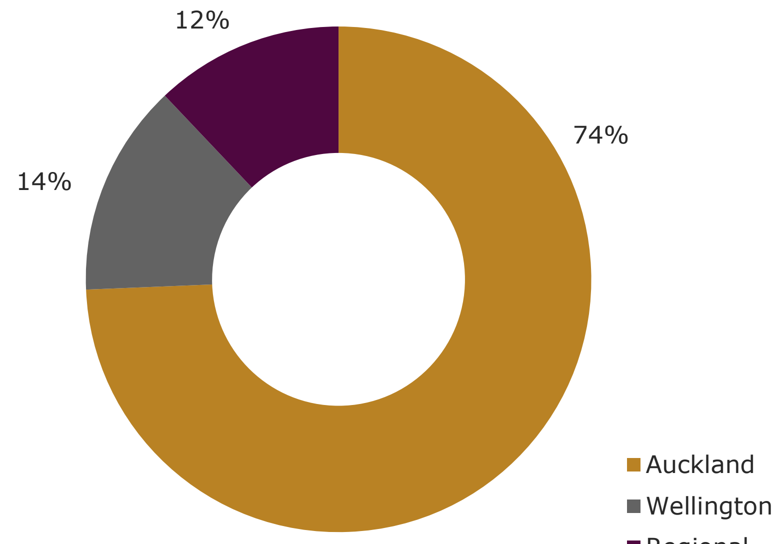
STRATEGY

- The core strategic focus remains on risk mitigation, capital management and portfolio positioning for the future.
- Risk mitigation is achieved through a quality diversified portfolio and active management of tenant relationships. The largest tenant in the portfolio remains the Department of Internal Affairs (less than 4% of gross property rental).
- We will also continue to carefully monitor regional assets.
- Key areas for focus for the property team are increasing occupancy levels, ensuring Argosy is well positioned to gain rental increases when they become available, focusing on tenant’s requirements and trends, securing growth potential with existing assets and preserving diversification.

PORTFOLIO MIX





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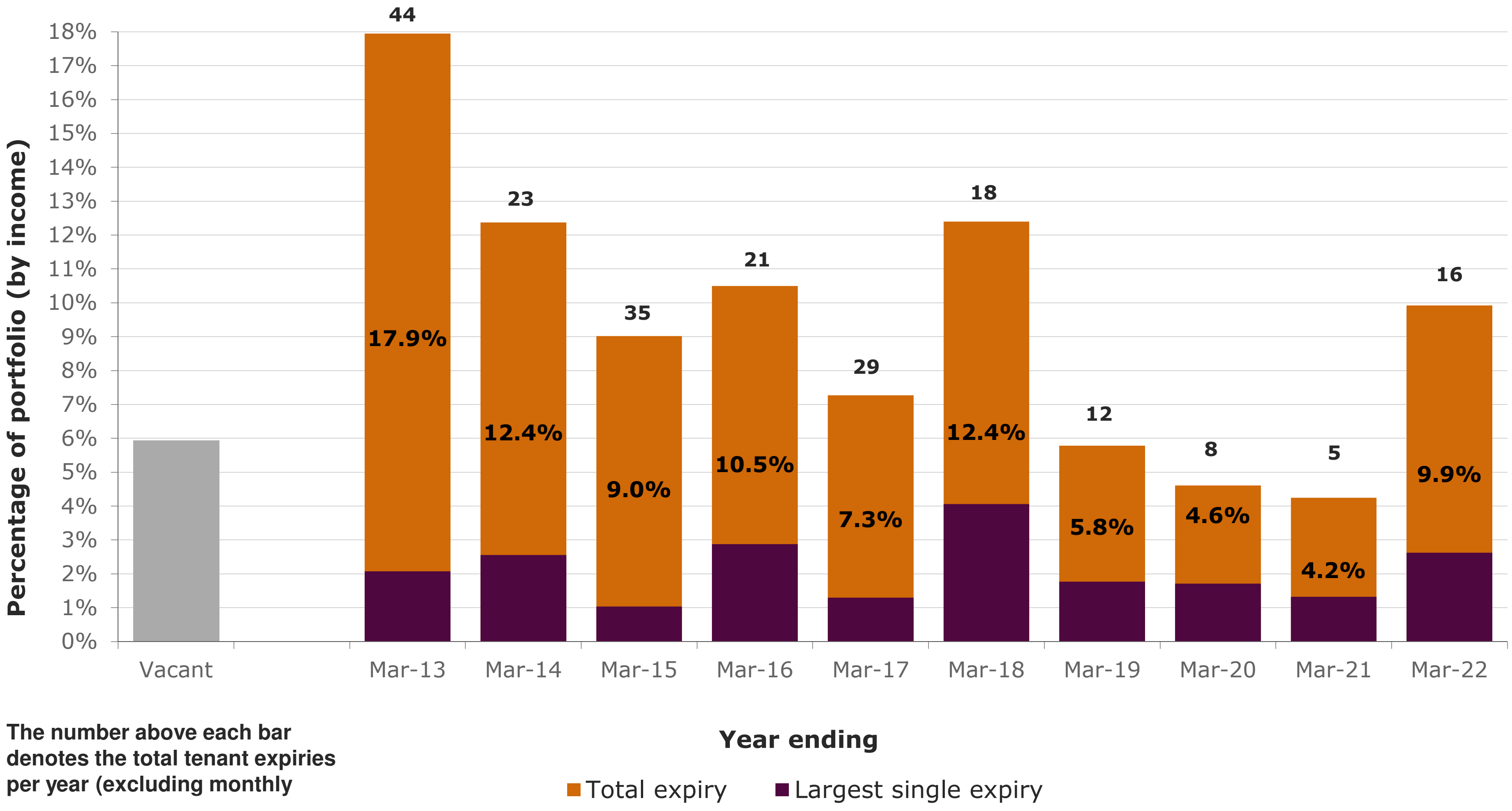
LEASE MATURITY



The number above each bar denotes the total tenant expiries per year (excluding monthly

MANAWATU BUSINESS PARK

- Steady progress is being made at Manawatu Business Park (MBP) and the asset remains sound.
- Subdivision works are almost complete and titles should be obtained for the remaining lots by the middle of 2012.
- A final price adjustment will take place following the completion of subdivision works and the issue of titles. This caters for any potential changes to final costs of the subdivision work.
- One of the outstanding subdivision costs affecting the final price adjustment is the calculation and payment of development levies to the Palmerston North City Council. We are negotiating with the Council over the levies assessed.
- Argosy sold investment properties in the MBP to a value of $8.6 million in April 2011.
- A further $25.4 million of vacant land is under either contract for sale or option, with settlements progressively over the next three years.

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PORTFOLIO POSITIONING FOR THE FUTURE

- 49 new leases last year
- 22 lease renewals or extensions
- Sales of vacant property (Rebel Sports and Porirua)
- Sale of higher risk property (Porirua)

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VALUATIONS

As at 31 March 2012

- Increase in property valuations of $3.7 million
- Portfolio valuation $905 million
- Wellington properties impacted by insurance increases.
- Passing yield after revaluations 8.02%
- Market yield after revaluations 8.24%
- Christchurch property impaired to $4.05m.

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VALUATIONS (CONT.)

	Book value 31/3/12, pre revaluation ($000)	Valuation 31/3/12 ($000)	Difference ($000)	Revaluation %
Industrial	328,812,868	329,533,957	721,089	0.22%
Commercial	253,899,690	255,250,000	1,350,310	0.53%
Retail	318,878,750	320,465,000	1,586,250	0.49%
TOTAL*	**901,591,308**	**905,248,957**	**3,657,659**	**0.40%**

	Yield on contract	Yield on market
Industrial	7.25%	7.71%
Commercial	9.03%	9.34%
Retail	8.00%	7.90%
TOTAL	**8.02%**	**8.24%**

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

May 2012

Thank You