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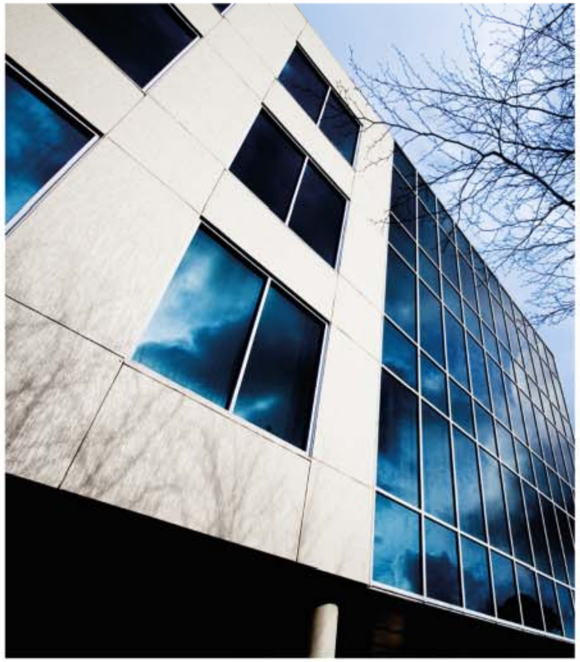
HALF YEAR RESULTS

23 NOVEMBER 2011



THE LAST SIX MONTHS

A time of significant change for the Trust

- Setting a platform for significant cost savings and other unitholder benefits.

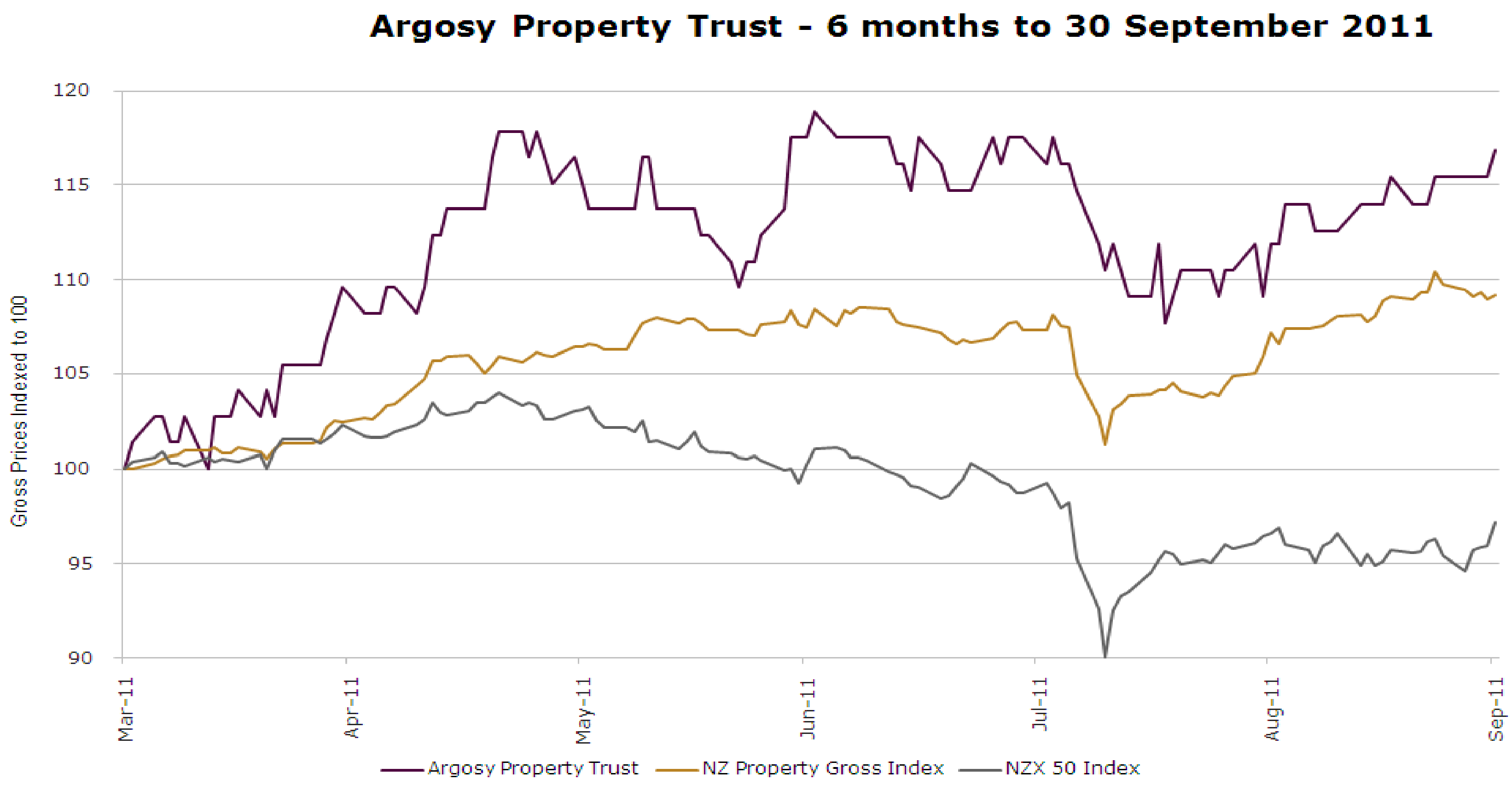
We continued to deliver on our promises

- To be a low-risk investment with a portfolio of New Zealand properties diversified by location, sector and tenants
- To deliver steady dividend yields and the potential for long-term capital growth

HIGHLIGHTS

- 6 cpu – Guidance to annual distribution which is less than forecast distributable income
- Internalisation achieved, with immediate cost savings to follow
- Corporatisation proposal to be presented to unitholders in early 2012
- Bank facility restructured on improved terms
- Net property income maintained despite asset sales and lower occupancy
- 38 lease transactions completed
- 37 rent reviews ($12.5m) up 3.75%
- Weighted average lease term steady at 4.84 years (31 March 2011: 4.92 years)

PERFORMANCE



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Financial Overview

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FINANCIAL PERFORMANCE

	HY12	HY11	Change
Net income	$35.6m	$35.6m	-
Finance income	$0.1m	$0.4m	($0.3m)
Interest expense	($15.9m)	($13.4m)	($2.5m)
Loss on derivatives	($11.4m)	($9.7m)	($1.7m)
Other expenses	($4.1m)	($3.5m)	($0.6m)
Profit before income tax from normal operating activities	$4.3m	$9.4m	($5.1m)
Management rights buyout	($20.0m)	-	($20.0m)
Management rights buyout – associated costs	($1.6m)	-	($1.6m)
Amortisation of management contract cancellation costs	($6.0m)	($0.7m)	($5.3m)
Costs related unsolicited merger proposal	($0.5m)	-	($0.5m)
(Loss)/profit before income tax	($23.8m)	$8.7m	($32.5m)
Current taxation credit/(expense)	$3.5m	($1.5m)	$5.0m
Deferred taxation	$0.3m	($1.2m)	$ 1.5m
(Loss)/profit for the period	($20.0m)	$6.0m	($26.0m)
Post tax earnings per units (cents)	(3.62)	1.11	
Total comprehensive (loss)/profit for the period	($19.3m)	$ 5.1m	($24.4m)

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DISTRIBUTABLE INCOME

	HY12	HY11
(Loss)/profit before income tax	($23.8m)	$8.7m
Add back/(deduct):		
Investment disposal gains	($0.1m)	-
Loss on derivatives	$11.4m	$9.7m
Amortisation of management contract	$6.0m	$ 0.6m
Management rights buyout	$20.0m	-
Management rights buyout – associated costs	$1.6m	-
Costs related to unsolicited merger proposal	$0.5m	-
Gross distributable income	**$15.6m**	**$19.0m**
Tax paid	-	($1.4m)
Net distributable income	**$15.6m**	**$17.6m**
Number of units on issue	554.5m	544.3m
Gross distributable income per unit (cents)	2.81c	3.49c
Net distributable income per unit (cents)	2.81c	3.23c

Gross distributable income impacted primarily by higher interest expense and incentive payment.

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FINANCIAL POSITION

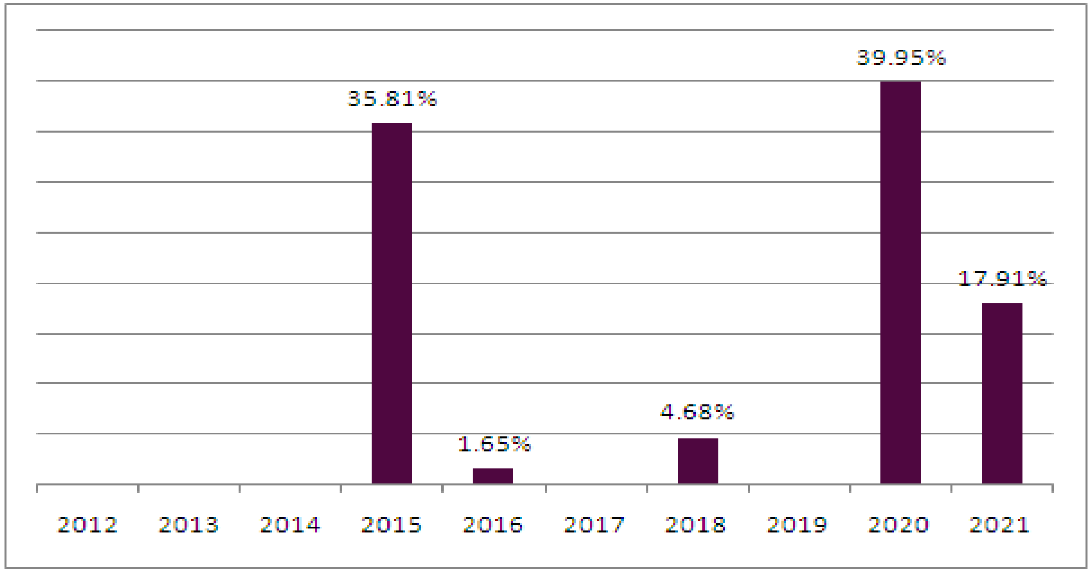
	September 2011	March 2011	Change
Securities on issue	554.5m	549.2m	(5.3m)
Unitholders' funds	$478.7m	$511.7m	($33m)
Net asset backing per unit (cents)	86.3c	93.2c	(6.9c)

Investment properties	$924.9m	$948.7m	($23.8m)
Properties held for sale	$6.9m	$11.9m	($5.0m)
Total assets	$948.5m	$975.2m	($26.7m)
Bank debt	$410.6m	$410.9m	$0.3m
Debt-to-total-assets ratio	43.3%	42.1%	(1.2%)

INTEREST RATE MANAGEMENT

- The Trust current interest rate hedge is 90% of debt
- Margin and line fee savings of 30bps under new facility from 31 August.
- Three blend and extend transactions saving $1.09 million from prior rates.
- 130 million in new swaps from December roll at between 2.89% and 2.95%
- The current weighted average interest cost of the swap portfolio is now 5.24%, pre margin and line fees (6.99% at 31 March 2011) after blend and extend transactions and new swaps

Hedge expiry by year



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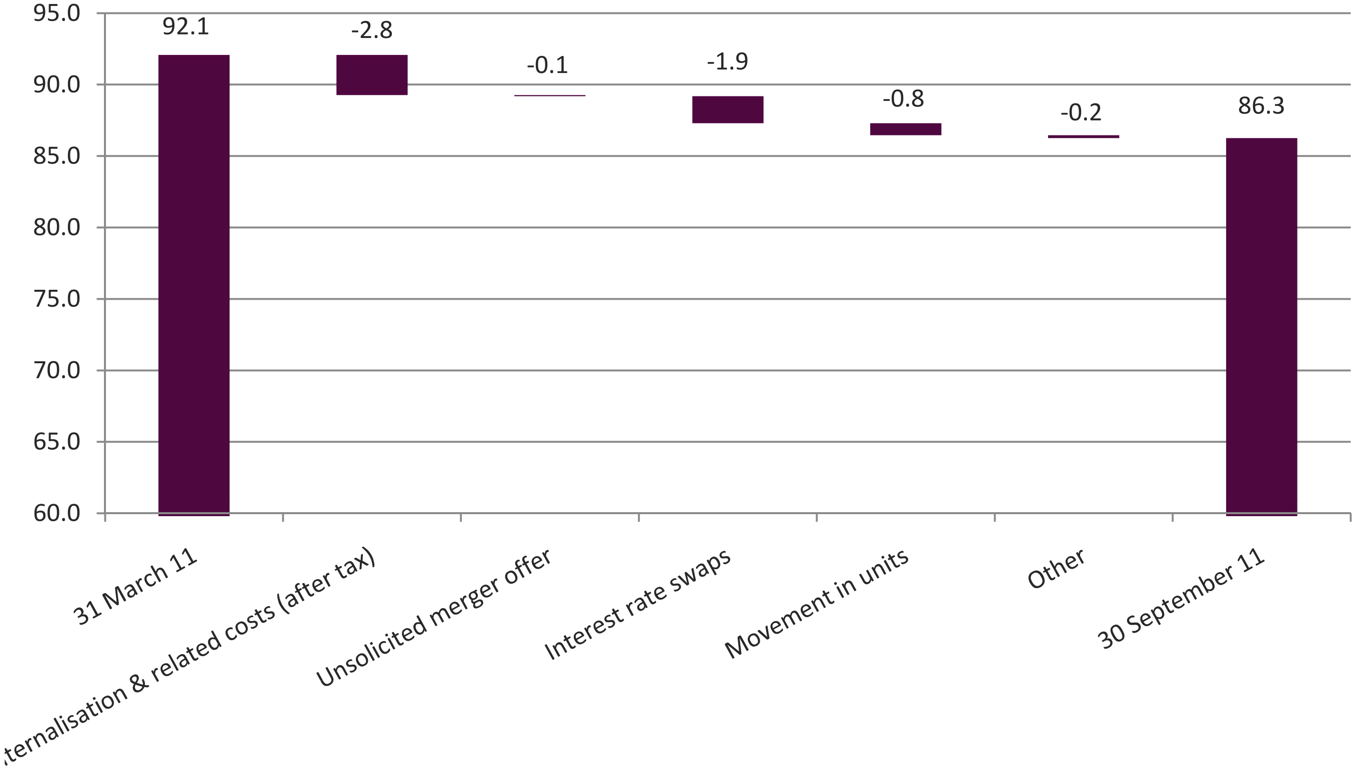
BANK COVENANTS

	HY12	FY11
Loan to valuation ratio		
Fair market value of properties (incl. held for sale)	$ 931.8m	$ 960.6m
Total borrowings	$ 413.5m	$ 412.4m
Not to exceed 50%	44.4%	42.9%
Interest cover ratio - equal or exceed 1.80 times (March 2011: 2.00 times)	2.01x	2.15 x
Weighted Average Lease Term – greater or equal to 3.00 years (March 2011: 3.50 years)	4.84 years	4.92 years

NET TANGIBLE ASSETS



NTA at 31 March 2011 excludes opening management fee buyout intangible.

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Portfolio Overview

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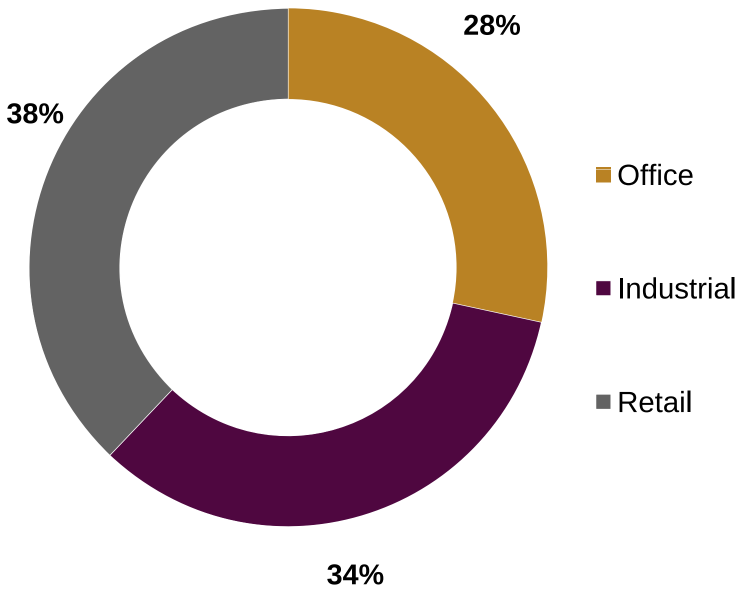
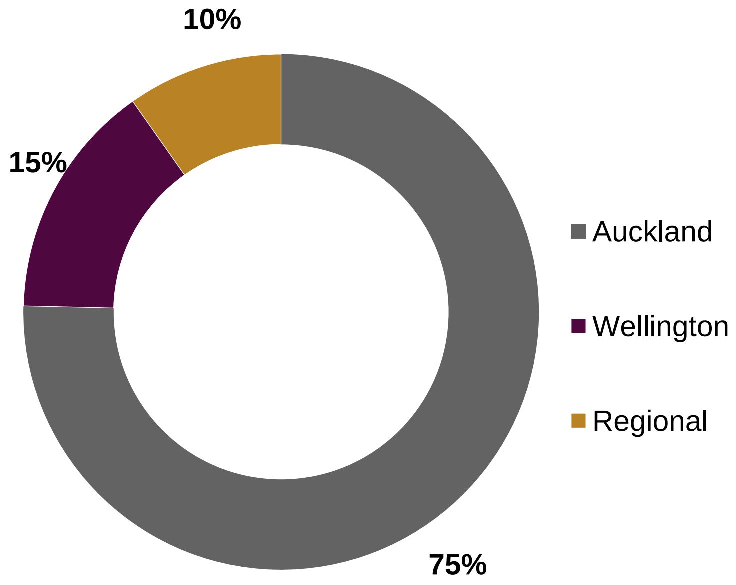
SUMMARY STATISTICS

As at 30 September 2011	
Book value of properties	$931.8m
Number of properties	72
Average value of properties	$12.94m
Vacancy by area (occupancy 93.9%)	6.12%
Vacancy by rental	5.37%
Weighted average lease term	4.84%
Number of tenants	250

DIVERSIFICATION BY SECTOR AND LOCATION





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INDUSTRIAL

- Sector continues to exhibit solid enquiry levels
- Tenant incentive expectations remain relatively high
- Solid net absorption levels are expected to make good quality industrial space more limited in the next 12 months
- Full control over the Manawatu Business Park Development with the development expected to be completed in the first half of 2012

COMMERCIAL

- Commercial office continues to be dominate by increased vacancy levels
- Tenants remain aware of excess capacity
- Encouraging enquiries for space in the last few months
- ARG exposure is primarily fringe offices
- Two major refurbishments in Wellington CBD in TPK and TSB buildings, with new leases to primary tenants in both cases (Department of Internal Affairs and Te Puni Kokiri – Ministry of Maori Development)

RETAIL

- Retail environment remains extremely challenging
- CBRE report predicts improved activity and rental rates in 2012 and the market may turn quickly
- Worked with some tenants to restructure leases but this position is with a lower base for future performance
- Strong risk to any recovery as a result of global economic concerns and prospective tenants are in no hurry to conclude transactions
- Albany Block E development remains challenging

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Strategy

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STRATEGY

- Risk mitigation
- Debt reduction (medium term target of under 40% debt to total assets ratio)
- Portfolio positioning for the future

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 2012 for year-end results as normal
- Capitalisation rate and rate of return largely flat
- Management consider values to be reasonable
- Sales focused on normal asset management activity for the remainder of FY12

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POSITIONING THE PORTFOLIO FOR THE FUTURE

- 38 lease transactions
- 14 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

INTERNALISATION – PROGRESS UPDATE

- Transaction completed on 30 August
- 15 staff transferred on 31 August. 2 new staff hired since including CFO/Company Secretary
- Move to 39 Market Place in December (Trust building)
- IT systems outsourced
- Significant savings achieved through internalisation

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Thank You

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

22 November 2011