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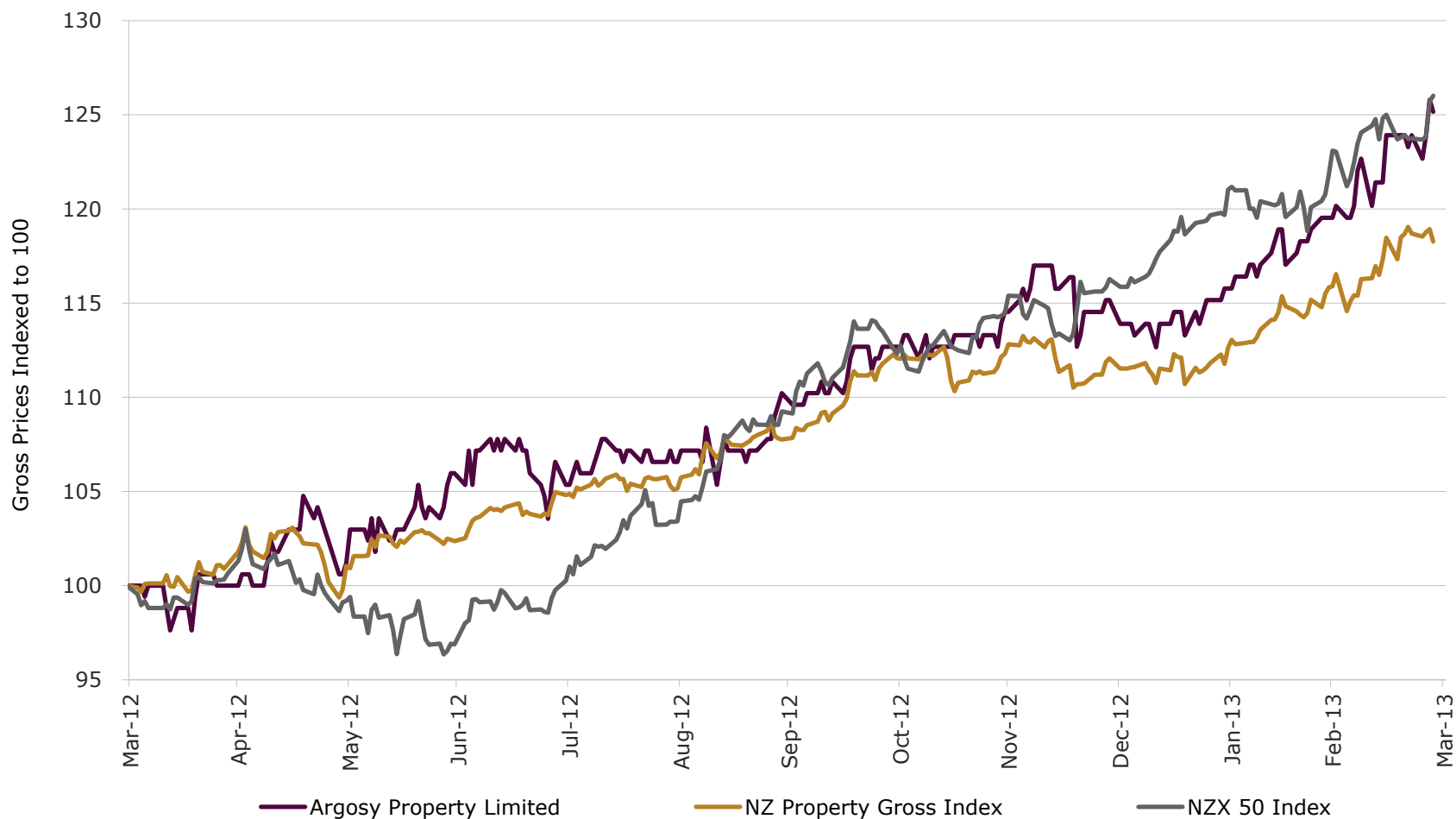
ARGOSY PROPERTY LIMITED

CEO Presentation 27 August 2013

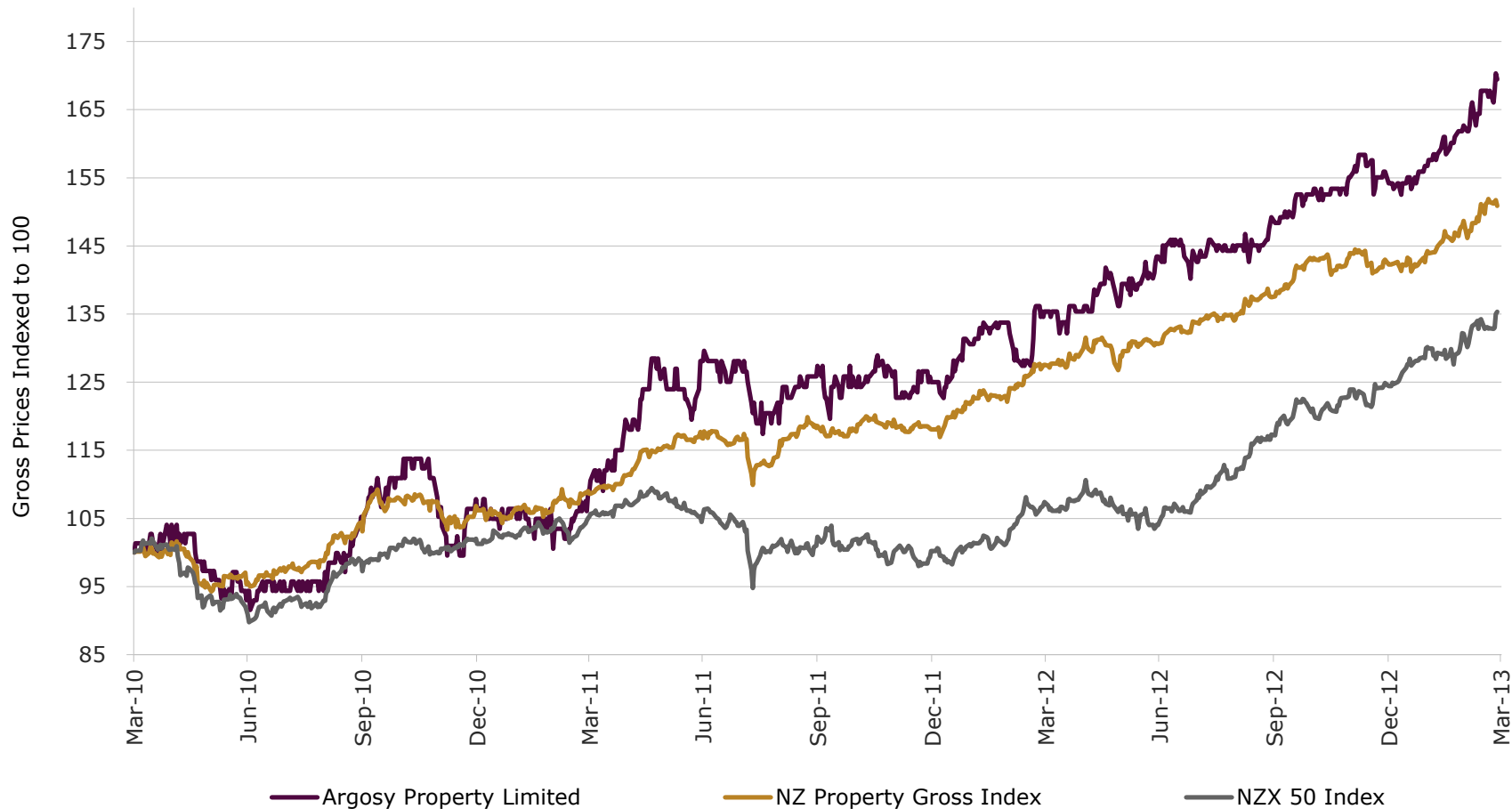


- ▶ Share price performance in excess of NZ Property Gross Index
 - ▶ Increase in property values for third successive year
 - ▶ Successful Placement and Share Purchase Plan raising \$100m
 - ▶ Successful rights issue raising \$87m
 - ▶ Dividend of 6.0 cents per share for the 12 months to 31 March 2013
 - ▶ Weighted average lease term at year end increased to 5.24 from 4.77 years, now 6.23 years at 31 July.
 - ▶ Significant improvement in lease expiry profile
 - ▶ Acquisition of \$280m of property (following upgrade works). \$215m after 31 March 2013, \$65m in 2013 financial year
 - ▶ Sales of \$32m including \$16.8m of vacant land (including held for sale at balance date)
 - ▶ Property portfolio value of \$977 million with average property value \$15.5 million. Property portfolio is \$1.09b at 31 July.
 - ▶ Bank facility restructured on improved terms – again – saving an estimated \$1.7m p.a.
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One year



Three year





FINANCIAL OVERVIEW



Financial performance

	FY13	FY12
Shares on issue	680.9m	558.5m
Shareholders' funds (less intangible assets)	\$601.3m	\$488.4m
Net tangible asset backing per share (cents)	88.3	87.5
Investment properties	\$976.9m	\$905.2m
Other assets	\$15.9m	\$24.1m
Total assets	\$992.8m	\$929.3m
Bank debt (excluding borrowing costs)	\$328.7m	\$384.6m
Debt-to-total-assets ratio	33.1%	41.4%

Financial performance

	FY13	FY12
Net rental income	\$69.9m	\$71.2m
Revaluation gains/(losses) on investment property	\$ 9.3m	\$ 3.7m
Profit/(loss) before tax	\$38.7m	\$(3.0m)

Distributable income

	FY13	FY12
Profit/(loss) before income tax	\$38.7m	\$(3.0m)
Adjustments	\$1.7m	\$36.4m
Gross distributable income	\$ 40.4m	\$ 33.4m
Tax paid	\$0.0m	\$0.0m
Net distributable income	\$ 40.4m	\$ 33.4m
Weighted average number of shares on issue	585.1m	553.3m
Gross distributable income per share (cents)	6.90	6.03
Net distributable income per share (cents)	6.90	6.03

Well clear of banking covenants

	FY13	FY12
Loan to valuation ratio:		
Not to exceed 50%	33.4%	42.5%
WALT:		
Must exceed 3 Years	5.24	4.77
Interest cover ratio:		
Equal or exceed 2.00x	2.33x	2.07x

Savings since Internalisation

		\$Million
Purchase of management contract & related costs		21.7
Less tax		(6.1)
Total internalisation costs after tax		<u>15.6</u>
Estimated savings to 31 March 2013 (after tax)		
	FY12 (seven months)	1.8
	FY13*	4.0
		<u>5.8</u>

* *Includes estimated incentive payments*

After 1 year & 7 months, approximately 37% of the internalisation costs have been recovered

Estimated saving in operational costs at time of internalisation was \$3.8 million per annum before tax or \$2.7m per annum after tax.



STRATEGY



Argosy is *and will remain* invested in a portfolio that is diversified by primary sector, grade, location and tenant mix. The portfolio will be in the primary Auckland and Wellington markets with modest tenant-driven exposure to provincial markets.

Argosy's portfolio consists of "**Core**" and "**Value Add**" properties. Core properties are well constructed, well located assets which are intended to be long-term investments (>10 years). Core properties will make up 75-85% of the portfolio by value.

The key features of Core properties are:

- ▶ Strong long term demand (well located and generic);
 - ▶ A preferred leasing profile that provides for rental growth of at least CPI;
 - ▶ Excellent structural integrity with minimal maintenance capital expenditure required.
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Argosy's Investment Policy defines what properties we will seek to own, i.e. it sets the boundaries within which we will operate and invest. Argosy has developed an acquisition checklist with its overall strategy in mind – and every potential acquisition (and portfolio asset) can be measured against that checklist.

Where will we buy?	
Industrial 35-45%, Commercial 35-45%, Retail 15-25%	✓
Focus on good quality Secondary Office (A- to C+), Secondary Industrial and Large Format Retail	✓
Concentrated in Auckland (65-75%) and Wellington (20-30%). Provincial or South Island tenant-driven only (<10%)	✓
Target <i>Value Add</i> properties where we can leverage internal expertise within overall Core/Value Add targets	✓
Target contiguous properties with potential	✓
Target “off-market” acquisitions and avoid competitive processes	✓
No leasehold	✓
No international properties	✓

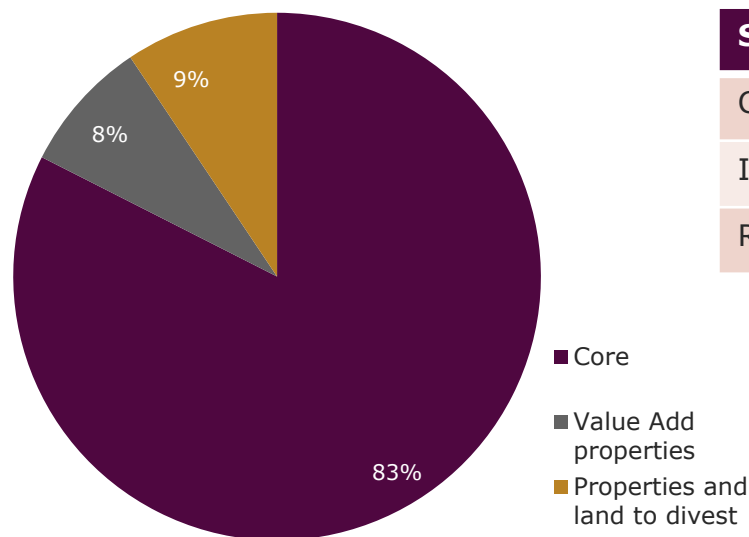
Value parameters	
Greater than \$10 million unless strategically imperative (\$6 million for Industrial)	✓
No more than 10% of overall portfolio value	✓
Due diligence	
Apply Argosy due diligence checklist	✓
Seismic integrity $\geq 70\%$ (unless this represents a Value Add opportunity)	✓
Development	
Developments only for tenants who provide strategic value to Argosy	✓
Joint ventures will only be undertaken where the counterparty is of sufficient financial standing to carry their share of risk	✓
No 3 rd party management of external portfolios	✓

Additional considerations

- ▶ In some cases a portfolio of assets may be considered. The strategy for the acquired portfolio must be consistent with the overall Argosy investment strategy (i.e. the majority by value of the properties are either Core or offer potential to move to Core in the medium term).
 - ▶ In certain circumstances, exceptions to the Investment Policy may be considered where an acquisition is made to meet the requirements of a valued tenant.
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Core properties will represent 83% of the portfolio after the acquisition of the Vector Centre and the NZ Post and Stout St development capex is included, and Value Add 8%.

Approximately 9% of the portfolio (including land) will be divested as market conditions allow.



Sector	Current*	Target	
Commercial	42%	35-45%	✓
Industrial	29%	35-45%	↑
Retail	29%	15-25%	↓

* Core and value add properties after the acquisition of the Vector Centre and the NZ Post and Stout St development capex is included

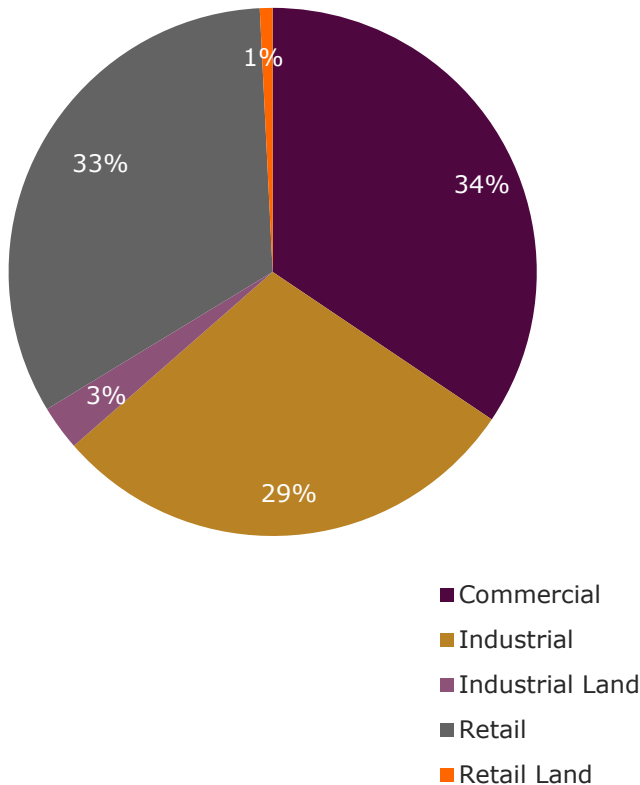


PORTFOLIO OVERVIEW

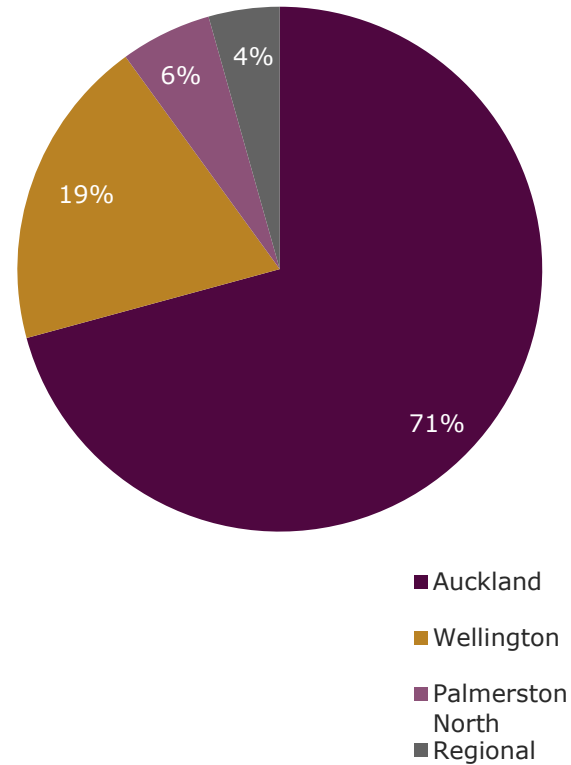


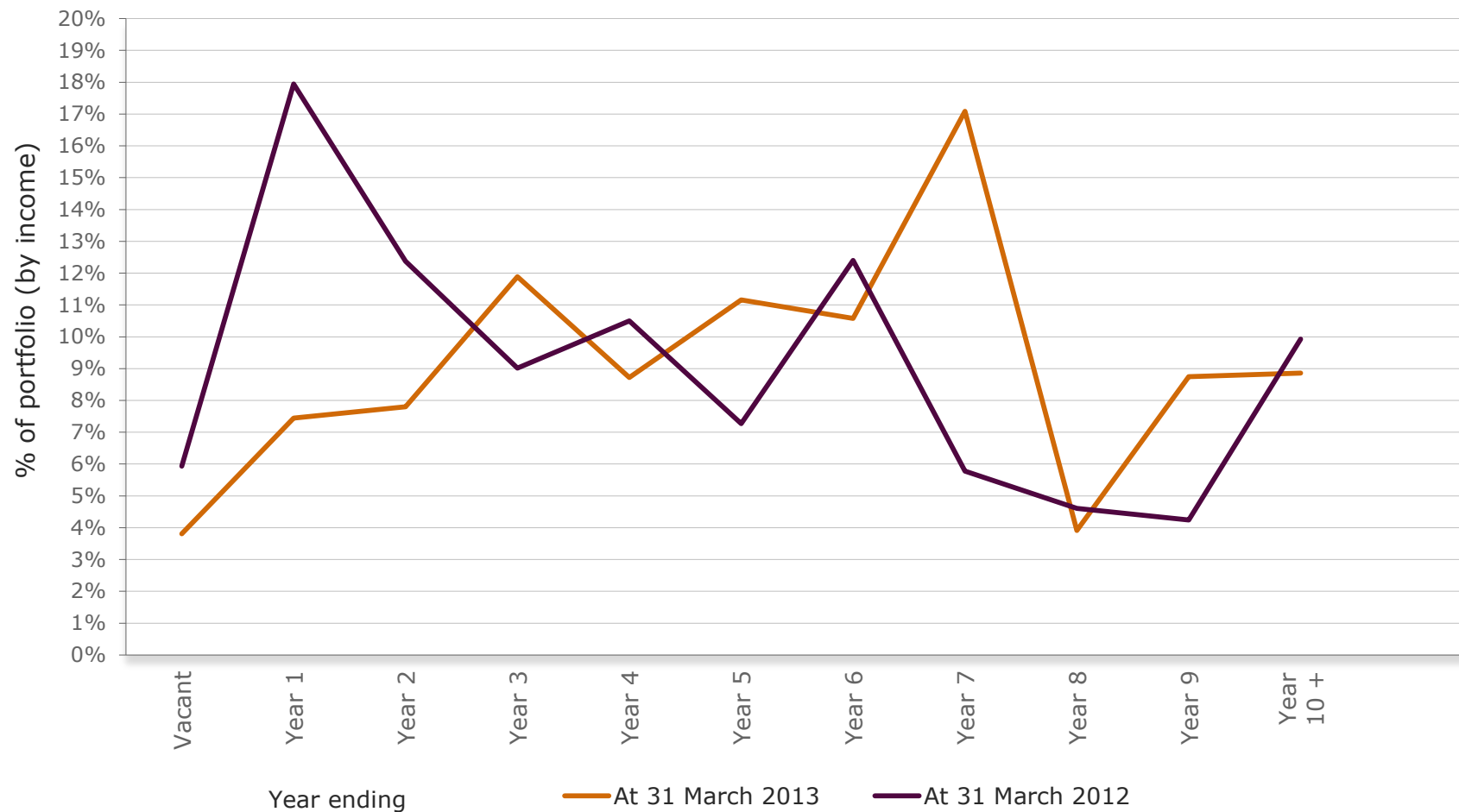
Diversification (as 31 March 2013)

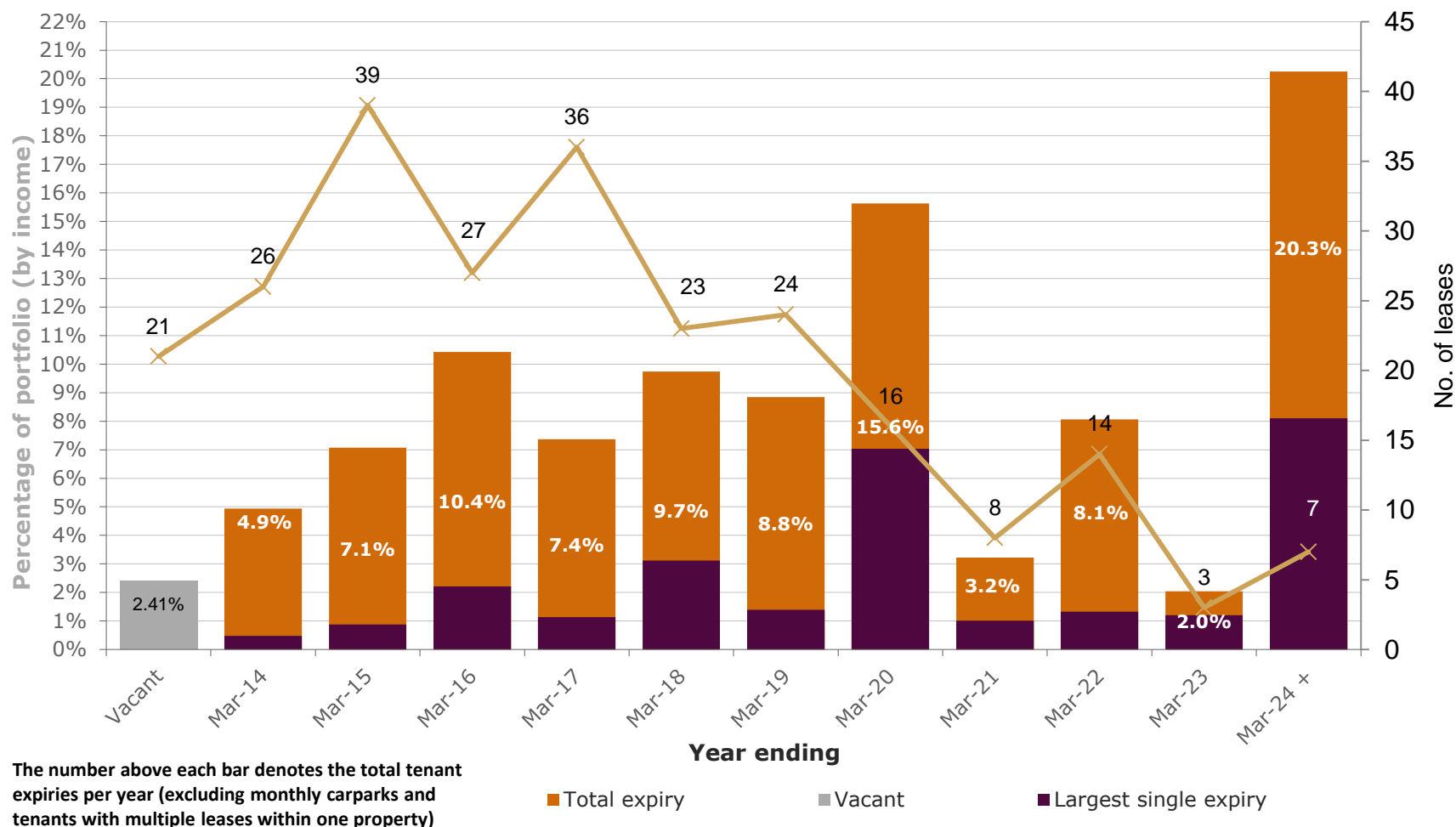
Portfolio Value by Sector



Portfolio Value by Region







Tenant	Building	NLA (sqm)	Current Rent	Expiry date
Pagani Clothing Limited	8-14 Willis St, Wellington	691.18	\$ 468,142	14/09/2013
Linfox	32 Bell Avenue	5,272.00	\$ 407,005	31/03/2014
Noel Leeming Group Limited	Albany Mega Centre	1,465.30	\$ 382,843	31/03/2014
2 Degrees Mobile	65 Upper Queen St	1,309.06	\$ 307,392	30/06/2013
Kimbyr Investments Ltd	Albany Mega Centre	748.40	\$ 268,457	30/06/2013
Peter Lahood Limited	25 Nugent St, Grafton	1,090.54	\$ 250,000	13/12/2013
OnePath (NZ) Limited	8-14 Willis St, Wellington	646.06	\$ 233,248	30/09/2013
Lighting Direct Ltd	7 Wagener Place, St Lukes	647.50	\$ 214,984	30/10/2013
Franklin Plumbers & Builders Supplies Ld	99-107 Khyber Pass, Newmarket	873.78	\$ 214,500	23/11/2013
Super Cheap Auto (NZ) PTY Ltd	320 Ti Rakau Drive, East Tamaki	611.40	\$ 181,048	1/10/2013



NUMBER OF BUILDINGS

17

MARKET VALUE OF ASSETS (\$M)

\$336.34

VACANCY FACTOR (BY RENT)

3.5%

WALT (YEARS)

4.88

PASSING YIELD

8.40%

VALUATION CHANGE

3.59%



NUMBER OF BUILDINGS

13

MARKET VALUE OF ASSETS (\$M)

\$321.49

VACANCY FACTOR (BY RENT)

1.5%

WALT (YEARS)

5.76

PASSING YIELD

8.16%

VALUATION CHANGE

2.66%



NUMBER OF BUILDINGS

32

MARKET VALUE OF ASSETS (\$M)

\$284.53

VACANCY FACTOR (BY RENT)

6.6%

WALT (YEARS)

5.1

PASSING YIELD

8.17%

VALUATION CHANGE

0.62%

- ▶ Investment strategy – ensuring consistency with strategy and application of acquisition criteria.
 - ▶ Leasing remains a key focus as values are fundamentally affected by weighted average lease term and projected incentive levels.
 - ▶ Ensuring that Argosy is well positioned to gain rental increases when these become available.
 - ▶ Growth potential - investigation and securing of growth potential with existing assets.
 - ▶ As outlined at last years Annual Meeting, the Board and Management will continue to look for opportunities to acquire and dispose of assets that will be accretive to shareholders.
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All values are expressed in New Zealand currency unless otherwise stated.

August 2013

Argosy

THANK YOU

