CHAIRMAN'S ADDRESS

INTRODUCTION

Good afternoon Ladies and Gentlemen. My name is Mike Smith and I'm the Chairman of Argosy Property Limited. I'd like to welcome you all to the annual meeting of shareholders of Argosy. It is a pleasure to be able to have the meeting in Wellington this year and very appropriate given our recent acquisitions of two Wellington landmark buildings. It's also pleasing to note that all our Wellington properties have held up well following the recent earthquakes, with only very minor damage recorded.

I'd like to record that the Notice of the Meeting was duly given on 9 August, 2013 and as there are at least 5 shareholders here today, there is a quorum present. Accordingly, I declare the meeting open.

I would like to introduce the other directors and Executives who are seated next to me…..

To my left are directors … Trevor Scott, Peter Brook, Andrew Evans, Mark Cross, Chris Hunter and Jeff Morrison. Seated next to them is the Chief Executive, Peter Mence and the Chief Financial Officer, Dave Fraser. We also have several other members of the Executive team here today.

I would also like to welcome our auditors, Deloitte, our solicitors, Harmos Horton Lusk, our Registrar, Computershare and our tax advisors, KPMG, to the meeting.

The agenda for this morning's meeting will be as follows:

- I will deliver a short address and that will be followed by a presentation on Argosy's performance by our Chief Executive, Peter Mence.
- Following the presentations, questions from Shareholders will be taken.
- We will then move to the formal resolutions of the Meeting.
- And finally we will then attend to any general business.

At the conclusion of the meeting, please join us for refreshments and the Directors and Executives will be available to discuss any queries you may have.

PROXIES

Proxies have been received in respect of 363,660,541 shares and these have been audited by Deloitte.

There are 781,249,969 shares on issue.

RESULTS FOR THE YEAR TO 31 MARCH 2013

It is pleasing to report that the momentum generated by internalisation and corporatisation in the prior period has continued this year. As well as the savings achieved from these changes, the strong focus on leasing has improved occupancy, increased the weighted average lease term and significantly improved the Company's leasing profile.

In May this year Argosy Property Limited announced an audited net distributable income of $40.4 million, which is an increase of 21% on the prior period.

Net property income for the year was $69.9 million, a decrease of 1.9% on the prior period primarily due to the flow-through impact of the sale of 15 properties in the previous financial year. The profit before tax, after allowing for the non-cash impact of interest rate swaps, was $38.7 million compared to a loss of ($3.0 million) for the previous period. Peter will cover this in more detail in his presentation.

ACQUISITIONS AND CAPITAL RAISINGS

In December 2012, Argosy announced the acquisitions of the New Zealand Post Building in Waterloo Quay, Wellington and 15 Stout Street, also in Wellington. The New Zealand Post acquisition was settled in March and the 15 Stout St acquisition was settled last month. In order to provide the Company with sufficient funds to settle and develop the acquisitions, Argosy successfully raised $100 million of additional capital, comprising $80 million by way of a Placement to institutional and other qualified investors and $20 million under a Share Purchase Plan. Both the Placement and Share Purchase Plan were oversubscribed, at a premium to net tangible assets, which was a significant endorsement by shareholders of both the acquisitions themselves and Argosy's overall business strategy.

Subsequent to Balance Date, Argosy has acquired two more significant buildings. The Progressive Enterprises main Auckland distribution centre was acquired off-market in June for $74 million. On acquisition this building has an initial passing yield of 8.2% and a WALT of 11.2 years. The property increases the portfolio's weighting towards Auckland Industrial and has been designated as a Core property. In May, Argosy announced the unconditional acquisition of another Core property, the Vector Centre in Newmarket. This off-market acquisition has an initial passing yield of 8% and will settle in September. These recent acquisitions add attractive earning streams to Argosy and fit well with our investment criteria and overall strategy.

In July, Argosy announced a 1 for 7 pro rata renounceable offer of new shares to existing shareholders, to raise $86.9 million. The offer closed on the 2nd of August and shares were allotted on the 9th of August. The funds raised have been used to repay bank debt incurred by Argosy to complete the most recent acquisitions and, together with Argosy's ongoing divestment programme, will provide the Company with the balance sheet flexibility to pursue property acquisitions that fit within Argosy's investment criteria.

FULL-YEAR DIVIDEND AND FIRST QUARTER ANNOUNCEMENT

The full-year dividend paid of 6.0 cents per share was in line with guidance and the Board's current dividend policy.

I can confirm that the directors have approved today a first quarter dividend for the 2014 financial year of 1.50 cents per share. This will be paid on 25 September 2013 with a record date of 11 September 2013. A discount of 1% will be applied to the share price for participants in the Dividend Reinvestment Plan.

The Board is pleased to confirm that, based on current projections for the portfolio, a distribution of 6 cents per share, paid fully from distributable income, is expected to continue for the year to 31 March 2014. Although future net distributable income will be impacted by increased taxation payments in the 2015 year, it is expected that the dividend will be maintained at 6 cents per share in the year to 31 March 2015, by applying carry-forward undistributed income from the previous two years.

While projections beyond that date are heavily dependent on the market and legislative environment, based on current information it is anticipated that the current 6 cents per share dividend will be a minimum level for the years following the 2015 financial year.

SHARE PRICE PERFORMANCE

Argosy's share price performance exceeded the NZX Gross Property Index for the year, which is a pleasing result, and Peter Mence will elaborate on this in more detail in his presentation.

LEVERAGE

As at 31 March 2013, Argosy's total assets were $992.7 million, while debt, following the successful capital raising at the end of 2012, stood at $328.7 million. The debt-to-total assets ratio of 33.1% compares favourably with the 41.4% at 31 March 2012. Argosy maintains strong relationships with its banking partners and remains well within all bank covenants.

The intention of the Board is to maintain the ratio of debt-to-total assets between 35–40% (following the upgrade of the two Wellington acquisitions) in the short to medium term. The debt-total-assets ratio, following the most recent capital raising, and after the settlement of 15 Stout St is currently 31.7%.

BANK FACILITY

In August 2012, Argosy restructured its syndicated bank facility with ANZ Bank New Zealand, Bank of New Zealand and the Hongkong and Shanghai Banking Corporation on improved terms. The facility amount was increased from $450 million to $500 million and is now split into two even tranches of $250 million.

Subsequent to balance date, the Company further restructured and extended its syndicated bank facility. The expiry of the first tranche is now 30 June 2016 and the second tranche is now 30 June 2018. For the first time, the facility also provides for a 45/55 line fee, margin split.

The overall margin and line fee savings from the two restructurings will result in savings of $1.7 million per annum.

GOVERNANCE

At the August 2012 Annual Meeting, Andy Evans was reappointed as an Independent Director and Mark Cross was elected as a Director. Since Balance Date, the Board has also appointed Chris Hunter and Jeff Morrison to the Board.

Chris has many years of senior experience in the property and construction sectors, most recently as Chief Executive Officer of Hawkins Construction Limited. Jeff has had a long and distinguished career as a partner with Russell McVeagh, specialising in property law. We are very pleased and fortunate to be able to add such skills and experience to the Argosy Board.

PORTFOLIO INVESTMENT STRATEGY

Your Board and Management undertook a strategic review of the entire portfolio earlier this year. Argosy is, and will remain, invested in a domestic portfolio that is diversified by primary sector, grade, location and tenant mix.

In the medium term, Argosy's portfolio will consist 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. Core properties enjoy strong long term demand (well-located and generic), a preferred leasing profile that provides for rental growth of at least CPI and good seismic integrity with minimal maintenance capital expenditure required.

Value Add properties are assets which, through skilled asset management, can increase future earnings and provide capital growth. Value Add properties will be well-located with the potential for strong long term tenant demand. These properties are available for near to medium term repositioning or development with the view to moving into the Core category.

Following the strategic review, approximately $104 million of the portfolio (including vacant land) is considered neither Core nor Value Add and these properties will be divested as market conditions allow. Peter will discuss our strategy in more detail in his presentation.

LOOKING AHEAD

The Company's diversified portfolio is well placed with quality properties in strong locations and the outlook is positive. The management team is actively managing current leases to meet the requirements of tenants to ensure that retention rates are high. Along with the continued focus on leasing, the Board will continue to monitor the market and will actively pursue growth opportunities where these are consistent with the Company's investment strategy and accretive to shareholders.

The Board would like to thank all shareholders for their strong support over the last year. We look forward to working for you in the year ahead.

Now I'd like to hand over to our CEO, Peter Mence, who will present an overview of our portfolio performance for the year….

-END-