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 at the Royal New Zealand Yacht Squadron here again.

I'd like to record that the Notice of the Meeting was duly given on 28 July 2015 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 right are directors … Peter Brook, Mark Cross, Andrew Evans, 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 302,976,970 shares and these have been audited by Deloitte.

There are 804,055,968 shares on issue.

RESULTS FOR THE YEAR TO 31 MARCH 2015

The 2015 financial year has been another successful one for Argosy. Through a combination of strategic asset management and prudent capital management, Argosy has continued to deliver on its strategy and produced another strong operating result.

Operating results have improved with increases in both net property income and gross distributable income. Portfolio metrics have been maintained at historically high levels with occupancy by rental at 99.2% and the weighted average lease term at 5.54 years, while the leasing profile continues to be well managed.

Total Shareholder Return was 34.5% for the 12 months to 31 March 2015 and ranked among the top three New Zealand listed property vehicles over the period. Argosy outperformed both the NZ Gross Property Index and the NZX 50 Gross Index over the same time period.

In May we reported net property income of $90.9 million, an increase of 10.5% on the prior year and gross distributable income of $56.3 million, an increase of 13.6% over the prior period. The main driver of growth in 2015 was the extra income generated from acquisitions over the last two years as well as the commencement of the lease at 15-21 Stout Street, Wellington from July 2014.

Net distributable income decreased to $48.0 million from $50 million in the prior year as Argosy has returned to a tax paying position for the first time since the 2011 financial year.

ACQUISITIONS AND DIVESTMENTS

The property investment market is strong and there remains a large volume of capital seeking investment opportunities in an environment of limited supply and low interest rates. The office and industrial portfolios remain a focus for the Company and are key parts of Argosy's strategy.

During the year we were successful in acquiring five industrial properties in Lower Hutt for $59 million. The five properties were purchased at an initial passing yield of 8.18% and had a combined weighted average lease term of 5.19 years. This strategic acquisition has given Argosy its first presence in the Wellington industrial market which hasn't reached the price levels of the Auckland market but still has good prospects of growth ahead.

Subsequent to the financial year end, Argosy acquired a vacant lot at 15 Unity Drive, Albany, Auckland for $3.1 million with a four year holding return of 6.75%.

Another of Argosy's key strategies continues to be to divest vacant land and under-yielding assets in the near-term and Argosy has continued to make steady progress on this strategy during the 2015 financial year.

In August 2014, Argosy announced the sale of the Waitakere Mega Centre in Henderson, Auckland, for $45.8 million. The sale settled in March 2015 and has helped Argosy reduce its retail holdings to 24% of the portfolio at year end, in line with strategy. Subsequent to the financial year end, Argosy sold the property at 1 Allens Road, East Tamaki, Auckland for $3.3 million, which represented a 10.7% premium to its book value, as well as 5,733 square metres of vacant land at the Manawatu Business Park for

$563,000. Argosy has also entered into two contracts, both conditional only on title, to sell a further 5,000 square metres of vacant land at the Manawatu Business Park and the building at 7 El Prado Drive, also in Palmerston North. We also announced the disposals of the Porirua Mega Centre for $11.5 million, with settlement to take place in October 2015, and 65 Upper Queen Street, Auckland, for $6.5 million, due to settle in December 2015.

Following these sales, 5% of the portfolio is considered neither Core nor Value Add and will be divested in the future as market conditions allow.

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 2016 financial year of 1.50 cents per share with imputation credits attached of 0.4360 cents per share. This will be paid on 23 September 2015 with a record date of 9 September 2015. 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 dividend of 6 cents per share is expected to continue for the year to 31 March 2016. It is expected that this will be marginally below net distributable income per share. While projections beyond that date are heavily dependent on the market and legislative environment, based on current conditions, it is expected that the dividend will increase from the 2017 financial year.

LEVERAGE

As at 31 March 2015, Argosy's total assets were $1.313 billion, while debt, excluding capitalised borrowing costs was $497.0 million. The debt to total assets ratio was 37.8%.

Argosy's capital structure policy is to retain the debt to total assets ratio between 35 to 40% in the medium term. This is considered to be the optimal capital structure for Argosy to enable the Company to maximise its earnings yield through the property cycle.

BANK FACILITY

The Company restructured and extended its syndicated bank facility in June 2014 and then again in February 2015. The expiry of the first tranche of $275 million is now 30 November 2017 and the second tranche of $275 million is 30 November 2019.

As a result of these restructures, Argosy is receiving margin and line fee savings, after including upfront fees, of $0.9 million per annum.

PORTFOLIO INVESTMENT STRATEGY

Our portfolio investment strategy remains unchanged. 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 i.e. >10 years. Core properties will make up 75 to 85% of the portfolio by value.

Core properties enjoy strong long term demand, are well located with a leasing profile that provides for rental growth of at least CPI and good structural 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 already 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.

LOOKING AHEAD

As we progress into the 2016 financial year, the New Zealand economy is facing headwinds, especially with falling global diary prices. However, the outlook for the property market remains positive with good levels of enquiry for quality space. The low interest rate and inflation environment is expected for the foreseeable future. The outlook for the New Zealand property market is similarly positive with rental growth being achieved along with good levels of enquiry for space.

The Company has a well-diversified portfolio of good quality and well located properties and a clear investment strategy that enables us to make the most of current economic conditions.

The management team will continue to focus on the leasing fundamentals as well as positioning the portfolio for the future. Along with the continued focus on leasing, Management and the Board will continue to actively monitor the market and will pursue growth opportunities where these are consistent with the Company's investment strategy.

The Board would like to thank all shareholders for their ongoing 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….

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