

2 February 2012

To Unit Holders of the Argosy Property Trust (the "Trust")

On 30 August 2011, unit holders approved a proposal to internalise the management of the Trust. At the time the board of the Manager (Argosy Property Management Limited) also announced that it would consider whether or not to corporatise the Trust and would put forward a proposal no later than the 2012 annual meeting.

The Manager has now moved to develop a corporatisation proposal (the "Proposal") and has convened a meeting to be held on 21 February 2012 to consider the Proposal. There are two resolutions to be considered at the meeting. These resolutions and their effects are fully described in the Notice of the Meeting and the Explanatory Memorandum. Unit holders should consider carefully all information provided, in particular Appendix 2, as it sets out a comparison of the rights of unit holders under the Unit Trust structure and of shareholders in respect of a Company structure.

Essentially if resolutions are passed with the requisite majorities, eligible unit holders will have approved the issue to them of one share in a new company (to be listed on NZSX), in exchange for the redemption of each unit in the Trust. The new company would hold the assets formerly held by the Trust. Non-eligible investors (unit holders with addresses in a jurisdiction other than Australia and New Zealand) will receive a cash payment, being an amount per unit equal to the volume weighted average price of units on the NZSX over the five days on which trading in units actually occurs on the NZSX most recently before 28 February 2012 (being, the record date for the Proposal). If passed, all unit holders, including non-eligible ones, will be bound by the resolutions whether or not they have voted.

As Trustee of the Trust, it is not our role to have a view on the Proposal. As it fundamentally changes the structure of the Trust, it is for unit holders to decide whether to support the Proposal. If unit holders support the Proposal and the resolutions are passed, unit holders are directing the Trustee to act to implement it.

If the resolutions to be considered at the meeting are not passed with the requisite majorities, the Proposal will not proceed and the Trust will continue in existence under the terms of the Trust Deed in its current form.

Whether or not to approve the Proposal is a matter for individual unit holders. This is an important decision for unit holders and we recommend unit holders consider this carefully and consult with their professional advisers before considering how to vote.

We also urge unit holders to attend the meeting in person or if unable to do so complete the proxy form **and** tick the box to record the way you would like your vote to be cast. If you elect the Chairperson as your proxy and do not tick the box to record which way you would like the Chairperson to vote, the Chairperson will vote in favour of the Proposal.

As referred to in the Notice of the Meeting and the Explanatory Memorandum, the Trustee has not taken an active part in formulating, developing or implementing the Proposal.

Yours faithfully



B D Connor
General Manager Corporate Client Services