

AMP NZ
OFFICE
TRUST
ANNUAL
REPORT
2004

STAYING AHEAD OF THE GAME



AMP NZ
OFFICE
TRUST

AMP NZ OFFICE TRUST (ANZO) IS NEW ZEALAND'S LARGEST LISTED INVESTOR IN COMMERCIAL OFFICE PROPERTY AND OWNS ONE OF THE COUNTRY'S BEST OFFICE PROPERTY PORTFOLIOS.

A UNIT TRUST CREATED AND LISTED ON THE NEW ZEALAND STOCK EXCHANGE IN 1997, ANZO INVESTS PREDOMINANTLY IN PRIME AND A-GRADE OFFICE PROPERTIES IN MAJOR NEW ZEALAND CITIES.

THE PORTFOLIO COMPRISES 10 OFFICE BUILDINGS WITH A TOTAL GROSS VALUE OF MORE THAN \$760 MILLION. THE TENANT ROLL INCLUDES 99 TENANTS, AMONG THEM MANY OF NEW ZEALAND'S LEADING NATIONAL AND INTERNATIONAL ORGANISATIONS AND GOVERNMENT DEPARTMENTS.

ANZO'S MISSION IS TO CONSISTENTLY DELIVER THE HIGHEST POSSIBLE RETURN TO ITS UNIT-HOLDERS WITHIN A MODERATE RISK PROFILE.

ANZO'S VISION IS TO BE LANDLORD OF CHOICE FOR CBD OFFICE TENANTS. THE OBJECTIVE OF THIS VISION IS TO ATTRACT TENANTS AT THE TOP END OF THE MARKET, THOSE WITH AN APPRECIATION OF THE BENEFITS OF QUALITY SPACE AND THE WILLINGNESS TO PAY PREMIUM RENTS FOR IT. THIS HELPS TO DELIVER RELIABLE, SUSTAINABLE RETURNS TO UNIT-HOLDERS BY DIFFERENTIATING ANZO'S PORTFOLIO FROM OTHER OFFERINGS, AND INCREASING TENANT RECOGNITION OF THE VALUE THAT CAN BE ADDED BY A PROFESSIONAL, WELL-RESOURCED LANDLORD.

ANZO IS NEW ZEALAND'S SECOND-LARGEST LISTED PROPERTY ENTITY BY MARKET CAPITALISATION, AND HAS ALMOST 5000 INVESTORS.

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MAKING THE RIGHT MOVES IN 2004

GROWTH IN INVESTOR RETURNS

- 7.0 CENTS PER UNIT DISTRIBUTION, A 4% GAIN
- EARNINGS PER UNIT UP 16.9%* TO 8.0 CENTS
- NET TANGIBLE ASSETS PER UNIT \$0.91, UP 1%

ACQUISITIONS, REDEVELOPMENT AND REFURBISHMENT PROJECTS

- \$214 MILLION COMMITTED TO NEW INVESTMENTS
- 33% INCREASE IN VALUE OF TOTAL ASSETS
- GREATER WEIGHTING TO THE STRONG WELLINGTON MARKET

STRATEGIC AND CAPITAL MANAGEMENT INITIATIVES

- BROADER APPROACH TO OPPORTUNITIES WITHIN EXISTING INVESTMENT POLICY
- \$62.1 MILLION RETURN OF SURPLUS CAPITAL TO INVESTORS
- \$95.2 MILLION CAPITAL-RAISING
- IMPROVED INTEREST RATE EXPOSURE

ASSET MANAGEMENT SUCCESSES

- MORE THAN 31,300 SQM OF SPACE LEASED
- PORTFOLIO OCCUPANCY 95.6%
- 6.4 YEAR WEIGHTED AVERAGE LEASE TERM (WALT)

AND FOR THE FUTURE

- DISTRIBUTION RESERVE ACCOUNT ESTABLISHED WITH \$4.33 MILLION ACCUMULATED
- PROJECTED 7.2 CENTS PER UNIT DISTRIBUTION FOR THE 2005 FINANCIAL YEAR, A 2.9% INCREASE
- PROJECTED 2.25% ANNUAL GROWTH IN DISTRIBUTIONS FOR THE FORESEEABLE FUTURE.



* Earnings per unit figure for 2004 and comparative figure for 2003 are both calculated using ANZO's net surplus after taxation and before revaluations, divided by units on issue at balance date.

THE YEAR IN REVIEW

SEPTEMBER 03

ANZO unveils its **project at No. 1 and 3 The Terrace** in Wellington, involving the \$7 million full interior refurbishment of No. 1 The Terrace and the \$22-23 million construction of a low-rise annex.

Stage One of the project – the renewal of the lease to existing tenant The Treasury, ANZO's largest single tenant by income – has already been achieved, with The Treasury signing a new 12-year lease.

OCTOBER 03

ANZO reports **six new leases in its Auckland portfolio**, including full floors in IAG House leased to the British Consulate and Mercer.

DECEMBER 03

ANZO welcomes **significant new tenants in Auckland**.

Intellectual property lawyers and patent attorneys A J Park take a 15-year lease for almost two full floors in Quay Tower.

In the ANZ Centre, a nine-year lease to Vero Liability Insurance sets a new benchmark rent for the building.

IAG House major tenant IAG New Zealand Limited expands on to another full floor.

ANZO announces a **series of initiatives to enhance performance**, including:

- A new cornerstone investor and management company partner, Australian-listed Ronin Property Group
- The return of \$62.1 million in surplus capital to investors via a buy-back of ANZO units
- A broader approach to investment opportunities within ANZO's existing investment policy
- Increased frequency of distribution payments to investors from six-monthly to quarterly, and
- The establishment of a distribution reserve account to provide greater consistency of distributions to investors and underpin ANZO's targeted near-term growth in distributions of 2.25% per annum.

ANZO is the **successful tenderer for Pastoral House**, in the first example of the broader investment approach. The purchase price is \$23.95 million and ANZO plans to spend another \$15.5 million on a refurbishment project to lift the property from its current B-grade into the A category, making it one of the top three office buildings within the Government accommodation precinct.

FEBRUARY 04

ANZO secures the **Ministry of Health as the major tenant** for its redevelopment project at No. 3 The Terrace in Wellington.

The Ministry has signed a 12-year lease for three of the four office floors at No. 3 The Terrace, providing the necessary tenant pre-commitment for the project to proceed.

ANZO announces its **interim result**, reporting a 3.57% increase in rental revenues and a 7.69% increase in distributions.

MARCH 04

ANZO completes a one-for-seven pro rata **buyback of units** at a price of \$0.87 per unit. The buyback is intended to result in a more efficient capital structure and enhanced returns for investors.

APRIL 04

Air New Zealand – ANZO's sixth-biggest tenant by income at the time – extends its lease for two years until February 2007.

Air New Zealand occupies the top five levels of Quay Tower and also holds signage rights for the building.

ANZO improves its interest rate exposure, locking into advantageous long-term low rates in advance of an interest rate rise.

MAY 04

ANZO announces that it has **unconditional contracts to purchase two landmark Wellington properties**, Mobil on the Park and the State Insurance Tower (formerly known as the BNZ Centre), for a total of \$145.85 million. The transactions will be funded through additional bank debt and the issue of 95.2 million mandatory convertible notes (MCNs). The acquisitions will shift the geographic weighting of ANZO's portfolio towards the strong Wellington market. The buildings are purchased below independent valuations.

A sequence of events which could potentially have left three levels vacant in Wellington's HP Tower is instead managed by ANZO in a way that **enhances the building's revenues and maintains occupancy at 100%**.

Existing tenant, law firm Bell Gully, extends its lease by nine years and begins a reconfiguration of its offices, reducing its space requirement as a result.

During the refurbishment, Bell Gully occupies some of the space vacated by NZ Milk, a tenant which surrendered its lease to move to Auckland. A new lease to AMP Financial Services, a blue-chip addition to the ANZO tenant list, absorbs the available space.

JUNE 04

ANZO announces its third-quarter results, reporting a 3.20% increase in rental revenue and a distribution of 1.75 cents per unit – in line with forecasts.

JULY 04

ANZO completes its two-for-nine pro rata **issue of 95.2 million MCNs** with a coupon interest rate of 8.5%, which will convert to ordinary units in June 2007.

ANZO **settles the property acquisitions** announced in May.

CHAIRMAN'S REPORT



AMP NZ Office Trust (ANZO) has performed ahead of expectations during the past financial year.

While retaining its focus on prime CBD office property in major New Zealand cities, ANZO is now a much-improved investment proposition – more responsive, more innovative and with a declared commitment to ongoing growth in earnings and investor returns.

The improvement in performance had its beginnings in a management review of ANZO, which was in progress for most of 2003. The objectives were to improve earnings performance, build on ANZO's core strengths, deliver superior earnings growth relative to our peers and to ensure that ANZO's risks remain moderate.

The recommendations put forward by management were endorsed by the board and December 2003 saw the announcement of a series of strategic, capital management and operational initiatives.

The results of these changes have exceeded expectations and ANZO's manager has twice been in the fortunate position of upgrading its earnings forecasts.

Total assets have grown to \$766 million during the financial year, a 33% gain. Earnings per unit are up 16.9%, from 6.85 to 8.01 cents per unit (cpu). ANZO's unit-holders have received a distribution of 7.0 cpu, a 4% increase in comparison to the previous year. In addition, there have been significant contributions to ANZO's distribution reserve account.

ANZO's operating environment has brightened during the year. New Zealand office market conditions are favourable for landlords and ANZO is enjoying a strengthened position within the market.

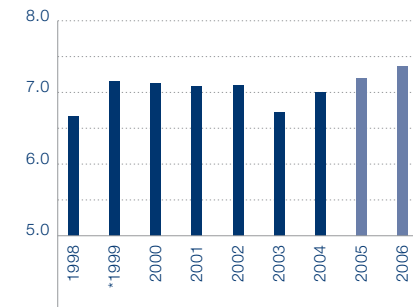
The board is delighted with the steps that have been taken, the performance of ANZO's assets, the progress on its projects, the new acquisitions and the new management arrangements.

The extraordinary level of activity has necessitated a number of one-off communications with our investors. These include the Unit Buy-Back Offer Document of February 2004 and the Investment Statement and Short-Form Prospectus for the mandatory convertible notes (MCNs), dated 31 May 2004.

Some of the information in this annual report re-states or updates parts of those documents. This is required, first and foremost, to give an accurate picture of ANZO's position, and also because we have welcomed close to 800 new investors who have bought MCNs – for them, this will be their first report on ANZO's performance. It is also my first report as chairman of the board of AMP Ronin Management Limited and I am pleased to present ANZO's results for the financial year to 30 June 2004.

We look to the future with confidence.

FULL-YEAR GROSS UNIT-HOLDER
DISTRIBUTIONS (CENTS PER UNIT)



*Excludes special distribution in 1999



OVERVIEW

This has been the biggest year in the history of the AMP NZ Office Trust (ANZO). ANZO initiated and completed an unprecedented number of acquisitions, capital and redevelopment transactions.

A key series of initiatives was announced in December 2003, including:

- The introduction of Australian-listed Ronin Property Group as a new cornerstone investor and partner to AMP Capital Investors in ANZO's new joint venture management company, AMP Ronin Management Limited
- The return of \$62.1 million in surplus capital to investors via a buy-back of ANZO units, which took place in March 2004
- A broader approach to investment opportunities within ANZO's existing investment policy
- Increased frequency of distribution payments to investors from six-monthly to quarterly, and the establishment of a distribution reserve account to provide greater consistency of distributions to investors and underpin ANZO's targeted growth in distributions of 2.25% per annum for the foreseeable future.

The first example of the broader investment approach followed almost immediately – the acquisition of Wellington's Pastoral House for refurbishment.

Along with a change in banker, ANZO took advantage of low interest rates and locked into long-term arrangements which reduce its exposure to interest rate and earnings volatility.

ANZO was then presented with an off-market opportunity to increase its weighting to the strong Wellington market through the purchase of two landmark office towers, the State Insurance Tower and Mobil on the Park, at a price below independent valuation. The acquisitions took the portfolio to 10 properties and improved ANZO's tenant and property diversification. Opportunities to add value to the new properties have already been identified by management.

The transaction was funded by a combination of bank debt and the issue of mandatory convertible notes (MCNs). This issue – ANZO's first capital-raising since listing in 1997 and the largest in the New Zealand property industry since 1998 – was well supported by existing and new investors.

Each of these transactions has created an incremental improvement in earnings and distributions (both current and projected) and a stronger market position; and has taken ANZO another step closer to its vision of being New Zealand's office landlord of choice.

Throughout this demanding time, the team managing ANZO's existing property portfolio has maintained its focus on core tasks. Rents have continued to grow and occupancy has remained high, as has the proportion of tenants which have chosen to stay within ANZO's portfolio. This has resulted in higher net rent, a portfolio occupancy rate of 95.6% and a 6.4 year weighted average lease term (WALT).

The year's initiatives, along with a focus on maximising opportunities within the existing portfolio, have enabled ANZO to increase earnings and distributions, and to make solid contributions to the distribution reserve account.

They have also strengthened the platform from which to continue to deliver earnings growth.

AMP Ronin Management (the Manager) has re-confirmed the projected increase in distributions for the 2005 financial year to 7.2 cents per unit.

INVESTOR RETURNS

The total distribution to unit-holders for the full-year to 30 June 2004 is 7.0 cents per unit. This represents a 4.0% increase on the previous year, or an attractive annual income yield of 8.5% on the average unit price during the financial year. The distribution is in line with the Manager's projection in the Investment Statement and Short-Form Prospectus dated 31 May 2004, relating to ANZO's issue of MCNs.

KEY FINANCIAL STATISTICS FOR THE 2004 YEAR	2004 (\$ million unless otherwise stated)	2003 (\$ million unless otherwise stated)	Change (%)
Rental revenue	\$49.75	\$47.59	4.4%
Total operating revenue	\$66.49	\$59.85	11.1%
Operating surplus after direct expenses	\$48.20	\$47.30	2.0%
Net operating surplus before revaluations	\$34.33	\$34.27	0.0%
Earnings per unit (before revaluations)	8.01 cents	6.85 cents	16.9%
Distribution	\$30.00 (7.00 cpu)	\$16.83 (6.73 cpu)	
Distribution reserve	\$4.33 (1.01 cpu)	-	
Total assets	\$766.02	\$577.80	33.0%
Total liabilities ¹	\$369.80	\$119.95	208.0%
Total equity	\$396.23	\$457.85	(13.0%)
Units on issue (million units)	428.57	500.00	
NTA per unit (after providing for final dividend)	90.70 cents	89.93 cents	0.9%
Gearing ratio at balance date (excluding deferred offer costs) ¹	48%	21%	

FINANCIAL RESULTS

NET SURPLUS

The Net Surplus After Taxation and Before Revaluations was \$34.33 million.

ANZO's Operating Surplus for the year was \$48.2 million, a 2.00% gain on 2003, on the back of higher rents which helped to offset cost increases in some areas.

While the occupancy rate in ANZO's portfolio remained relatively stable, renewed tenant demand and lower vacancy across the Auckland and Wellington office markets was a catalyst for rental growth and ANZO was able to secure higher rents² from rent reviews and new leases.

This growth in rentals of 4.4%, along with a change in the Auckland City Council's rates collection policy³, was responsible for an increase of 11.10% in Total Gross Revenue to \$66.35 million.

Direct expenses, at \$18.29 million, showed a \$5.7 million increase; \$4.6 million of which was due to the Auckland City Council's new rates policy. Leasing fees arising from the volume of leasing activity also contributed, along with higher electricity charges and non-recoverable costs on vacant space and common areas.

Pleasingly, insurance costs for high-quality investment properties have levelled, and after a number of years of significant price rises, we are now expecting premiums to fall in the short-term.

ANZO's strategic and operating activities during the period resulted in several one-off costs, leading to an increase in Indirect Expenses of \$0.84 million.

¹ Due to the recognition of two new buildings, State Insurance Tower and Mobil on the Park, the settlement liability temporarily placed ANZO in breach of its banking covenants. This is purely a timing issue, as \$95.2 million of this liability became MCN debt on 15 July 2004, which does not form part of the gearing ratio. ANZO's bankers, the Bank of New Zealand, were informed of this issue and raised no concerns. Following the MCN issue, ANZO's gearing ratio became 36%.

² The majority of the rental contribution from the three new properties will begin in the new financial year to 30 June 2005. Pastoral House is partly vacant while refurbishment takes place, while the purchases of the State Insurance Tower and Mobil on the Park settled after balance date. The higher rentals recorded in the 2004 financial year are therefore largely an outcome of rental growth and improved occupancy in the existing portfolio (excluding the three new properties). See page 11 for information on rent reviews carried out during the year.

Total interest expenses remained in line with last year. However, after excluding the effect of interest expenses associated with ANZO's original five-year convertible notes (which were issued in 1997 and which converted to units in 2003), like-for-like bank debt interest⁴ charges increased by \$1.20 million to \$8.27 million. This is a direct outcome of additional bank debt incurred to fund the unit buy-back completed in March 2004 and the \$23.95 million acquisition of Pastoral House.

NET SURPLUS AFTER TAXATION AND REVALUATIONS

In accordance with SSAP 17, unrealised revaluation gains or losses are brought to account in reporting the Net Surplus. In 2004, ANZO recorded a write-down (after allowing for capital expenditure, acquisition and disposal costs) in investment properties of \$0.27 million, resulting in an adjusted Net Surplus After Taxation and Revaluations of \$34.06 million.

EARNINGS PER UNIT

Earnings per unit for the year were 8.01 cents, an increase of 16.9% on 2003 due to the effect of higher rents and a reduced number of units on issue following the buy-back in March.

BALANCE SHEET

ANZO's Total Gross Assets rose by 33.0% to \$766.02 million due to:

- The acquisition of three new properties during the year – State Insurance Tower (\$75.3 million), Mobil on the Park (\$70.7 million) and Pastoral House (\$23.95 million)
- A 2.0% or \$11.75 million increase in the valuation of ANZO's existing portfolio (excluding the acquisitions)
- \$3.40 million of work in progress on the No.1 and 3 The Terrace projects
- Leasing fee pre-payments, which were up \$1.80 million to \$3.01 million.

ANZO undertakes property revaluations at the end of each financial year and, after receiving independent advice from registered valuers Colliers International and adding the new properties acquired during the year, the investment portfolio value increased to \$754.04 million (after allowing for disposal costs). The balance to \$766.02 million comprises cash and work in progress on refurbishment and redevelopment projects.

Excluding the newly-acquired properties, the portfolio recorded a conservative \$11.75 million increase in value, spread relatively evenly across the seven properties. Property market fundamentals such as supply and demand remain healthy; however, a cautious approach to valuations was adopted in recognition of underlying risks to interest rate movements and international macro-economic conditions.

GEARING

Due to a requirement to recognise the unconditional contracts to purchase the State Insurance Tower and Mobil on the Park properties at balance date, ANZO's Total Liabilities as at 30 June 2004 were \$369.80 million, equating to a total debt-to-total assets ratio (gearing) of 48.4%. With the consent of ANZO's bank, this gearing level temporarily placed ANZO in excess of its bank lending covenants.

Following settlement on 15 July and on receipt of the proceeds of the \$95.2 million MCN issue, ANZO's gearing returned to 36%, within its self-imposed ceiling of 40% and the projections in the Investment Statement and Short-Form Prospectus relating to the issue of MCNs.

DISTRIBUTION RESERVE ACCOUNT

ANZO's retained earnings account now contains contributions of \$4.33 million. The establishment of this account, part of the package of initiatives announced in December 2003, is an exciting advance that sets ANZO apart from

³ Year-on-year comparisons in ANZO's financial statements this year show the effect of a change in the Auckland City Council's rates collection policy. The change means that all building owners, rather than tenants as was previously the case, are now invoiced directly for council rates. ANZO in turn recovers these costs from tenants and has not incurred any new costs associated with this change.

⁴ Further detail on ANZO's interest rate management can be found under the heading Capital Management on the following page and in the Treasury Strategy section on page 19.

other property investments in New Zealand and is consistent with ANZO's moderate risk profile. The reserves held in the retained earnings account will help to underpin future distribution stability and growth.

CAPITAL MANAGEMENT

ANZO's capital and treasury management strategy is to achieve the lowest possible capital cost while managing interest risk at an acceptable level.

UNIT BUY-BACK

In December 2003, the Manager announced that it intended to return surplus equity capital to investors through an opportunity to redeem one unit for every seven, at a price of \$0.87 per unit. ANZO was successful in acquiring 71.4 million units at a total cost of \$64.5 million⁵, reducing the number of units on issue to 428,571,429.

On completion of the buy-back in March, ANZO's gearing increased from 21.6% to approximately 29.8%. This outcome contributed to a more efficient capital structure and an enhanced return for unit-holders.

ISSUE OF MCNs

In May, ANZO announced that it had unconditional contracts to purchase the State Insurance Tower and Mobil on the Park properties for \$145.85 million. The funding package for the acquisitions included a mix of \$55.0 million in additional bank debt and a two-for-nine pro-rata rights issue of 95.24 million three-year MCNs, carrying a fixed 8.5% interest rate.

The MCN issue was the most efficient, cost-effective method to fund the acquisitions due to ANZO's existing tax and balance sheet position, investor demand and prevailing capital market conditions. The response from investors was strong, with a 93.1% investor take-up despite the absence of discounts, which have often accompanied property industry capital-raising in New Zealand. The MCNs listed on the New Zealand Exchange on 15 July 2004, allotted fully-paid at the issue price of \$1.00.

INTEREST RATE MANAGEMENT

ANZO restructured its interest rate hedges during the year, resulting in the weighted average term to maturity increasing from 1.4 years to 5.0 years.

A full review of ANZO's treasury management is provided on page 19.

ACQUISITIONS AND OTHER CAPITAL PROJECTS

In the 2004 financial year, ANZO committed approximately \$214 million to new acquisitions, building refurbishments and redevelopments. This is ANZO's biggest annual capital commitment since listing in 1997.

Each investment decision has been based on a stringent set of investment criteria, including:

- | | |
|--|--|
| <input type="checkbox"/> Initial and market yield | <input type="checkbox"/> Local tenant demand |
| <input type="checkbox"/> Internal rate of return | <input type="checkbox"/> Lease covenant |
| <input type="checkbox"/> Earnings and distribution accretion | <input type="checkbox"/> Capital expenditure requirements |
| <input type="checkbox"/> Market position | <input type="checkbox"/> Obsolescence risk and |
| <input type="checkbox"/> Prospects for rental growth and valuation performance | <input type="checkbox"/> Opportunities to add value through superior asset management. |

ANZO's portfolio has grown from seven to 10 properties. In Wellington, ANZO owns six of the prime grade office buildings. The Wellington market is showing strong tenant demand, with the Government sector the main driver, and vacancy rates are currently among the lowest in a decade.

ANZO's increased size brings advantages such as improved tenant and property diversification, greater purchasing power and a better ability to meet changing tenant accommodation requirements. The acquisition of the State Insurance Tower and Mobil on the Park has also strengthened ANZO's Top 15 tenant list, which contains an impressive collection of New Zealand's leading businesses (see below).

TOP 15 TENANTS

Tenant	Property	% of Total Rent
The Treasury	No. 1 The Terrace	7.5%
Westpac Banking	PwC Tower/Mobil on the Park	6.8%
PricewaterhouseCoopers	PwC Tower	6.5%
Buddle Findlay	PwC Tower/State Insurance Tower	5.8%
Minter Ellison Rudd Watts	125 The Terrace	5.6%
ANZ Bank	ANZ Centre	3.9%
Mobil Oil New Zealand	Mobil on the Park	3.8%
Bank of New Zealand	State Insurance Tower	3.5%
NRMA NZ Ltd (State Insurance)	State Insurance Tower	3.4%
Air New Zealand	Quay Tower	3.1%
Rendara (Chapman Tripp)	ANZ Centre	3.0%
IAG	IAG House	1.8%
Whitaker (Bell Gully)	HP Tower	1.8%
Russell McVeagh	Mobil on the Park	1.6%
QBE Insurance	Quay Tower	1.4%
Total		59.4%

Source: Manager

NO. 1 & 3 THE TERRACE, WELLINGTON

This project involves the \$7 million full interior refurbishment of No. 1 The Terrace, which is primarily occupied by The Treasury, and the \$22-23 million construction of a low-rise annex on the adjoining site at No. 3 The Terrace.

The annex will link through to No. 1 to create some of the largest CBD floor plates in New Zealand.

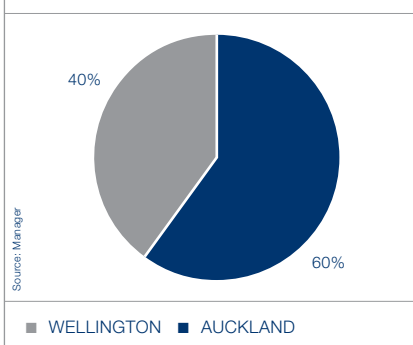
Three of the four office floors in the annex have been pre-leased to the Ministry of Health for a 12-year term.

The refurbishment project at No. 1 is proceeding on time and on budget and will be completed in December 2004.

Resource consent has been granted for the project at No. 3 and the construction contract has been awarded to Fletcher Construction. Work is scheduled to begin on site in November 2004.

Level One and the mezzanine, the balance of the space available to lease, remain under consideration by a number of prospective tenants.

GEOGRAPHIC WEIGHTING BY VALUE



PASTORAL HOUSE, WELLINGTON

Pastoral House was bought by ANZO for refurbishment from its current B-grade into the A category. The purchase price was \$23.95 million and ANZO will invest another \$15.5 million on the refurbishment.

Fletcher Construction is in the process of carrying out interior demolition work and this project is also on budget and on track for completion in the first half of 2005.

Tenant interest has been very strong and some prospective tenants have the potential to take up the majority of the available space.

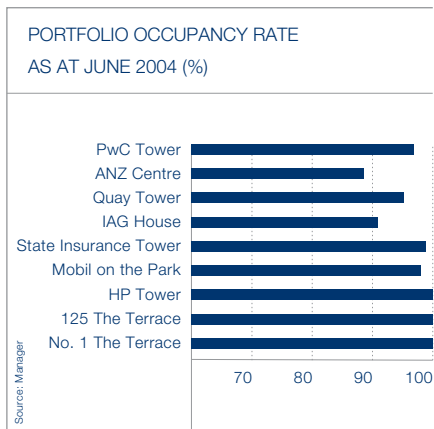
STATE INSURANCE TOWER AND MOBIL ON THE PARK, WELLINGTON

The acquisition of these properties introduced ANZO to a number of new, blue-chip tenants, and opened up a range of possible options for these tenants and others elsewhere in ANZO's portfolio. Rents in the two buildings are generally lower than market rents in comparable properties, offering potential for ANZO to capture growth through rent reviews, lease renewals and new leases.

ANZO's priority with the newly-acquired properties is to apply proven, active asset management strategies that improve rents, reduce expenses, enhance lease covenants and lease terms, improve the overall accommodation environment and improve the market position of each asset. ANZO is already working with prospective tenants interested in currently-vacant space, while rent review and lease renegotiations are underway with several existing tenants.

The State Insurance Tower property was 98.7% occupied at the time of purchase, with a WALT of 4.7 years. Key tenants include State Insurance, the Bank of New Zealand, Buddle Findlay, Aon, DTZ and TMP Worldwide.

Mobil on the Park was 98.0% occupied at the time of purchase, with a WALT of 4.7 years. Key tenants include Mobil, Citibank, Westpac Banking, Vodafone and Russell McVeagh.



PORTFOLIO ACTIVITY

ANZO began the financial year with almost 7000 square metres of vacant space and a further 11,000 sqm subject to lease expiry during the year. By year-end, 23 new leases and lease renewals had been concluded, equating to more than 31,300 sqm of space, 21.3% of the portfolio area or more than \$9.0 million in net annual income. This included leases which were due to expire in 2005 and 2006 and which have been pro-actively addressed in advance of their expiry dates.

Overall portfolio occupancy has remained steady at 95.6% but the new leases and renewals have significantly reduced ANZO's short- and long-term lease expiry risk. A feature of the leasing success has been the high tenant retention rate of more than 90%, demonstrating that tenants' accommodation expectations and requirements are consistently being met and

that they prefer to remain in the ANZO portfolio, if not in their existing buildings.

The leases are also factored into ANZO's WALT which, at 6.4 years, remains one of the longest in the New Zealand property sector.

Over the past two years, ANZO has leased more than 66,000 sqm of space, not only reducing its future lease expiry risk but also giving momentum and confidence to ongoing leasing efforts.

Viewed from another perspective, in any given year between 2005 and 2010, less than 10% of ANZO's rent roll is subject to scheduled lease expiries. This low expiry profile, along with the high tenant retention rate and long WALT, governs the stability of future cashflows.

Five rent reviews took place during the year and these all resulted in increases, with an average gain of 14.6%.

Portfolio over-renting now stands at 5.0%, compared with 8.0% in 2003.

The portfolio now has a total net lettable area of 202,117 sqm, 2079 carparks and 99 tenants.

MARKET ACTIVITY

WELLINGTON

Tenant demand continues to outstrip supply in the prime sector of the Wellington market, creating upward pressure on rents. Government departments and agencies are the main drivers, seeking larger, contiguous floor plates and the productivity gains of higher-quality space.

Recent new office developments have not added significant vacant space to the market. Generally, a considerable proportion of the space in these developments tends to be pre-leased to tenants and they therefore have little effect on vacancy levels.

Locations outside the CBD are not viable options for tenants wanting the benefits of prime CBD office properties, and vacancy rates are expected to remain low over at least the next 12 months.

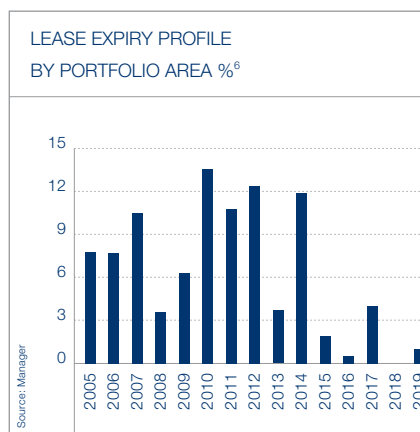
Well-located landmark office assets are generating solid investment demand from both local and offshore investors, resulting in firming yields and increasing valuations.

AUCKLAND

Vacancy in the prime sector has been close to historically-low levels, and strong leasing activity in well-located prime properties has resulted in modest rental growth.

Only one new building is timed to enter the Auckland market by mid-2005. Leasing interest in this property is strong and it is expected to add little vacant supply, thus maintaining the pace of rental growth.

Investment yields across the Auckland CBD have firmed in recent years, reflecting the overall improvement in market conditions, favourable market outlook, a shortage of good-quality buildings and the arrival of offshore investment capital.



⁶ Excludes Pastoral House, which is currently undergoing refurbishment.

INVESTMENT POLICY AND STRATEGY

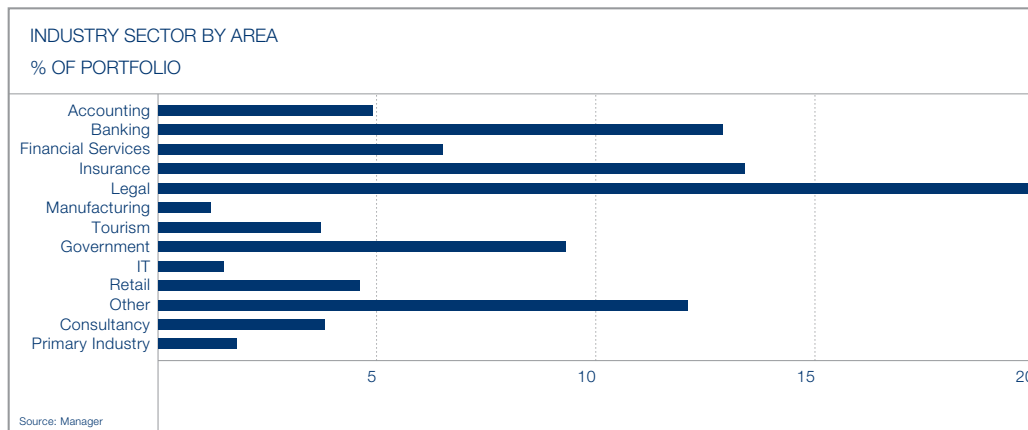
ANZO's investment policy is to invest predominantly in prime CBD properties in major New Zealand cities.

On a selective basis, ANZO may take advantage of other office market investment opportunities in addition to continuing to pursue growth in the prime sector of the office property market. These opportunities will be considered where there is potential for above-average returns, through attributes such as tenant covenant, length of lease, location, redevelopment opportunities, cashflow structure or special market supply-and-demand dynamics.

It is intended that the existing prime properties will continue to form the core of ANZO's portfolio, providing stability and diversification to complement higher-yielding, non-prime investments.

ANZO's principal strategies remain to:

- Actively manage cashflows to grow the earnings and net tangible asset value per unit
- Increase the size of the portfolio to maintain its quality and diversity through development or purchase of prime CBD properties
- Maintain an efficient capital structure
- Maintain superior presentation and performance of ANZO's properties
- Participate in development and joint-venture opportunities consistent with the investment objectives and strategies of ANZO
- Maintain strong tenant relationships and a high tenant retention rate
- Actively manage the tenancies and lease profiles of ANZO's properties to ensure diversity, a weighted average lease term of five years or more, and to add value wherever possible and
- Capitalise on the Manager's local and Australasian investment and property expertise, to assist in formulating and implementing these strategies.



OUTLOOK

The outlook on all fronts is encouraging.

The portfolio has grown significantly during the year and ANZO is competitively stronger as a result. The increased size means ANZO is better placed to capture the rental growth which continues in New Zealand's two main office markets. The prospects for the Auckland and Wellington markets remain positive, with low vacancy rates and relatively modest new supply risks.

A feature of ANZO's past two years has been the intense focus on asset management and "working" the assets to improve rents and reduce lease expiry risks. This activity, and the achievements outlined elsewhere in this report, have already begun to deliver tangible earnings and distribution growth momentum that are expected to continue into the future.

Although ANZO's purchase of the State Insurance Tower and Mobil on the Park settled after balance date, good progress is already being made and these properties are expected to respond well to strong asset management and Wellington's favourable office market conditions.

The refurbishment and redevelopment projects currently underway at Pastoral House and No.1 and 3 The Terrace are exciting as they represent the first examples of ANZO's broader approach to investment opportunities within its existing investment mandate. The ability to deliver high returns from these investments depends on securing excellent leases and managing construction costs effectively. Both aspects are on track: there are promising negotiations with several large commercial and government sector tenants for the remaining space and costs are being well managed.

The achievements of the past year represent a superb foundation for the future. ANZO's Manager has projected a full-year final distribution for 2005 of 7.2 cents per unit and is confident that future distributions will grow at a minimum of 2.25% per annum for the near-term.

Thank you for your continued support.



ROBERT LANG
Executive Manager

PROPERTY PORTFOLIO AUCKLAND



Occupancy 96.9%

WALT 8.2 years

KEY TENANTS:
PricewaterhouseCoopers,
Westpac Banking,
Buddle Findlay

PRICEWATERHOUSECOOPERS TOWER

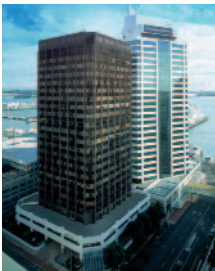
The PricewaterhouseCoopers Tower is one of New Zealand's newest and most advanced commercial office buildings.

Officially opened in June 2002, the tower was developed by ANZO and completed ahead of schedule. It has become the choice of office accommodation for some of the most prominent global businesses represented in New Zealand.

The 29-level tower on Auckland's Quay Street incorporates the latest thinking in office development – from a hotel-style lobby to high-speed lifts and ultra-large column-free floors. The triangular floor plates are among the largest and most efficient in the country.

Its location in Auckland is unrivalled, with the waterfront virtually at its doorstep.

The PricewaterhouseCoopers Tower shares a childcare centre and corporate health club with the adjoining Quay Tower.



Occupancy 95.2%

WALT 5.0 years

KEY TENANTS:
Air New Zealand,
AJ Park,
QBE Insurance,
GlaxoSmithKline

QUAY TOWER

Built in 1980, Quay Tower has excellent views west to Viaduct Harbour and east to the Hauraki Gulf. Its location continues to become stronger with the gravitation of the Auckland CBD towards the waterfront.

The floor plates of 1100 sqm are rectangular and still highly efficient by today's standards, allowing for flexible, high-density layouts in combination with effective airconditioning.

Quay Tower has benefited from a recent capital works project, linking the building physically and visually with the adjoining PricewaterhouseCoopers Tower. The project also included repainting of the exterior façade.



Occupancy 88.6%

WALT 3.7 years

KEY TENANTS:
ANZ Bank,
Chapman Tripp,
NZ Trade & Enterprise
Ellis Gould

ANZ CENTRE

Topped by a unique geodesic dome, the ANZ Centre is one of New Zealand's tallest and most recognisable buildings.

Built in 1990 on a key site in Auckland's Albert Street, it features a distinctive polished Spanish granite façade.

Full-height windows on the 32 levels of office accommodation provide occupants with generous natural light and expansive views of Auckland City and the Waitemata Harbour.

Services are positioned at the rear of the building to allow occupants to maximise the efficient use of space.

Staff of ANZ Centre tenants have access to a foyer espresso bar and a childcare centre in an adjacent building.



Occupancy 90.9%

WALT 5.2 years

KEY TENANTS:
IAG,
Marsh,
Mercers,
British Consulate

IAG HOUSE

Located in the heart of Auckland's Queen St, IAG House was built in 1989 to a striking design, set off with Argentinean Red Dragon granite cladding and a copper-tinted glass façade.

The property comprises 21 levels of office accommodation, two retail levels, and a corporate health club with swimming pool and tennis court.

The rectangular shape of IAG House, together with the positioning of its service core, provides a high level of flexibility of use for its tenants.

A \$3 million capital works project through 2003-04 has included refurbishment of the main foyer, the lift cars and common areas on a number of floors. The building's access control and closed-circuit TV systems were also replaced, and a concierge station installed in the main foyer.



1 PwC Tower

2 Quay Tower

3 ANZ Centre

4 IAG House

PROPERTY PORTFOLIO WELLINGTON



STATE INSURANCE TOWER

Acquired by ANZO during the 2004 financial year.

Completed in 1984, the State Insurance Tower (formerly the BNZ Centre) is one of New Zealand's best-known office buildings.

The 22 office floors enjoy excellent harbour views and natural sunlight from all cardinal points.

The property also offers one level of strip retail, one-and-a-half levels of carparking, and an enclosed subterranean retail level.

Located in the prime commercial office district of the Wellington CBD, the State Insurance Tower is adjacent to Willis Street and Lambton Quay and is a two-minute stroll from Frank Kitts Park and Wellington Harbour.

Occupancy 98.8%

WALT 4.6 years

KEY TENANTS:
State Insurance,
Bank of New Zealand,
Buddle Findlay,
Aon,
DTZ,
TMP Worldwide



MOBIL ON THE PARK

Acquired by ANZO during the 2004 financial year.

The Mobil on the Park building was built as Mobil's New Zealand headquarters in 1998 and has a distinctive presence on Lambton Quay with its integrated architectural styles and green-tinted glazing.

Its 15 office floors have panoramic views of the harbour and inner city and provide tenants with column-free space and efficient floor layouts.

The property is close to the courts, Parliament and Treasury as well as the major trading banks and other financial institutions.

Retail spaces on the Lambton Quay side of the building face the property's park area, ornamented by contemporary water and design features.

Occupancy 98.0%

WALT 4.5 years

KEY TENANTS:
Mobil,
Citibank,
Westpac Banking,
Vodafone,
Russell McVeagh



NO. 1 AND 3 THE TERRACE

This property occupies the prestigious corner location of The Terrace and Bowen Street in Wellington, adjacent to Parliament Buildings, the Beehive and the Reserve Bank.

Built in 1979, the 18-level property comprises 16 levels of office accommodation and three levels of foyer and other areas (including mezzanine).

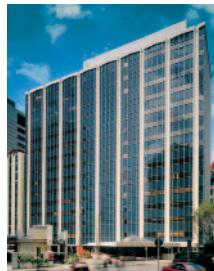
The building is currently undergoing a \$7 million, 15-month refurbishment which is scheduled to be complete by the end of 2004.

A \$22-23 million annex is being developed on the adjoining site at No. 3 The Terrace, linking through to No. 1 to create four office levels with some of the largest CBD office floor plates in the country.

Occupancy 100.0%

WALT 8.6 years

KEY TENANTS:
The Treasury,
Land Information New Zealand



PASTORAL HOUSE

Acquired by ANZO during the 2004 financial year.

An 18-level office tower built in 1977, Pastoral House has wide dual frontages to The Terrace and Lambton Quay and offers easy access to government departments, Parliament and transport hubs.

The property has an excellent aspect, with views to the east over the harbour, while the Lambton Quay frontage enjoys high retail pedestrian flows.

Pastoral House is currently undergoing a major refurbishment to A-grade standard, to be completed in two stages by May 2005.

ANZO is receiving a holding income from a number of tenants during the refurbishment, and has established a leasing campaign targeting government agencies and departments as well as corporates.

Occupancy during
refurbishment project 58.0%
WALT Estimated 9-12 years
when refurbished property is
fully leased



HP TOWER

HP Tower is the office tower component of a 26-level office/hotel complex on a key Wellington location in Featherston Street.

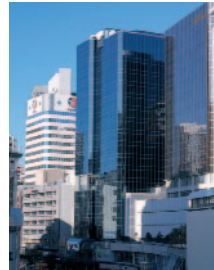
Built in 1989/90, with strong vertical lines and bronze-tinted glass cladding, the complex occupies a waterfront location with uninterrupted views of Wellington Harbour.

Occupancy 100.0%

WALT 7.5 years

KEY TENANTS:
AMP Limited,
Bell Gully,
HP Invent

ANZO's investment comprises 13 office levels, part of the ground floor and three levels of basement carparks.



125 THE TERRACE

Built in 1989/90 and finished in blue glass and blue granite, 125 The Terrace is in the heart of Wellington's central business and retail district and records some of the region's highest measured pedestrian flows.

The building comprises 13 levels of office accommodation, two levels of retail and four levels of carparks.

Occupancy 100.0%

WALT 6.0 years

KEY TENANTS:
Minter Ellison Rudd Watts,
New Zealand Qualifications
Authority



1 No. 1 and 3
The Terrace

2 Pastoral House

3 Mobil on the Park

4 125 The Terrace

5 HP Tower

6 State Insurance Tower

PORTFOLIO STATISTICS

	Market Value as at 30 June 2004 (\$ million)	Market Value as at 30 June 2003 (\$ million)	Occupancy	Weighted Average Lease Term (Years) ²	Initial Yield ¹	Market Yield ¹	IRR ²	Typical Office Floor (sqm)	Total Net Lettable Area (sqm)	Car Parks
PwC TOWER	178.0	176.0	96.9%	8.2	7.5%	7.6%	10.3%	1350	31,312	358
ANZ CENTRE	136.0	134.5	88.6%	3.7	7.2%	8.0%	10.2%	1054	32,791	467
QUAY TOWER	74.0	73.0	95.2%	5.0	7.5%	8.8%	10.3%	1097	25,130	101
IAG HOUSE	68.0	65.9	90.9%	5.2	7.7%	8.8%	10.5%	762	17,649	289
STATE INSURANCE TOWER	75.3	N/A	98.8%	4.6	7.3%	8.2%	10.2%	1050	27,299	177
MOBIL ON THE PARK	70.7	N/A	98.0%	4.5	8.2%	8.0%	10.2%	1001	16,750	315
HP TOWER	45.0	43.8	100.0%	7.5	8.0%	8.3%	10.2%	915	11,294	221
125 THE TERRACE	44.5	42.9	100.0%	6.0	10.1%	8.5%	10.3%	869	12,013	117
NO. 1 THE TERRACE	34.5	32.5	100.0%	8.6	13.0%	9.3%	11.2%	768	12,293	-
PASTORAL HOUSE	25.2 ¹	N/A	N/A	N/A	N/A	N/A	10.5%	827	15,587	34
NO. 3 THE TERRACE	9.1	8.8	N/A	54.2	8.3%	8.3%	9.0%	N/A	N/A	N/A
AMP NZ OFFICE TRUST PORTFOLIO²	760.3	577.4	95.6%	6.4	8.0%	8.2%	10.3%	N/A	202,117	2079

¹ Pastoral House recorded at cost as a development property as at 30 June 2004

² Weighted by market value excluding Pastoral House

AMP NZ Office Trust's (ANZO's) treasury strategy is to achieve the lowest possible costs while managing interest rate risk at an acceptable level.

In 2004, ANZO has continued to implement a structured approach to debt management. ANZO's treasury strategy is based on a three-point plan – minimise physical debt levels, create the appropriate level of interest cover and ensure that this interest cover matures in such a way that minimises exposure to short-term interest rate fluctuations.

DEBT LEVEL

ANZO's level of bank debt rose significantly during the 2004 financial year, following the unit buy-back, the acquisition of Pastoral House and work on the refurbishment project at No. 1 The Terrace.

Post-balance date, ANZO has increased its debt level to fund the acquisitions of the State Insurance Tower and Mobil on the Park.

In the financial year to 30 June 2005, ANZO will be funding the refurbishment of Pastoral House and the redevelopment of No. 3 The Terrace, requiring additional debt.

In response to the increased debt level, ANZO has successfully negotiated an increase to its existing banking facility from \$250 million to \$310 million while retaining materially similar terms.

DEBT COVER

During 2004, ANZO entered into new swap arrangements in line with the increased level of bank debt.

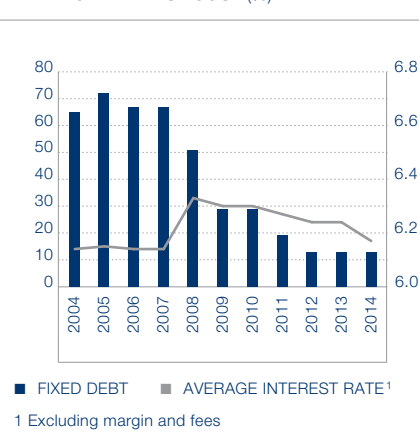
At 30 June 2004, 94% of ANZO's bank debt was fixed, compared to 57% the previous year. Following the settlement of the State Insurance Tower and Mobil on the Park on 15 July 2004, 80% of ANZO's bank debt is fixed.

On 15 July 2004, ANZO issued \$95.2 million mandatory convertible notes (MCNs) at a coupon interest rate of 8.5% per annum. As part of ANZO's interest rate management, ANZO entered into a swap arrangement to convert \$47.5 million of the MCN debt to a floating interest rate.

As at 15 July 2004, ANZO had 68% of its bank debt and floating MCN debt fixed with swap arrangements.

The graph at right illustrates ANZO's hedging profile on floating debt as at 15 July 2004.

SWAP DURATION AND AVERAGE INTEREST COST (%)



MATURITY PROFILE

During 2004, ANZO increased its weighted average term of swap arrangements from 1.4 years to 5 years.

A sufficient spread of interest swap maturities avoids extreme exposure to short-term interest rate deviations. In 2004, ANZO made significant progress in achieving its target of increasing the average weighted term of debt cover to five years, maintaining the weighted average debt coverage above 60% and ensuring that no greater than 25% of debt cover matures within any 12-month period.

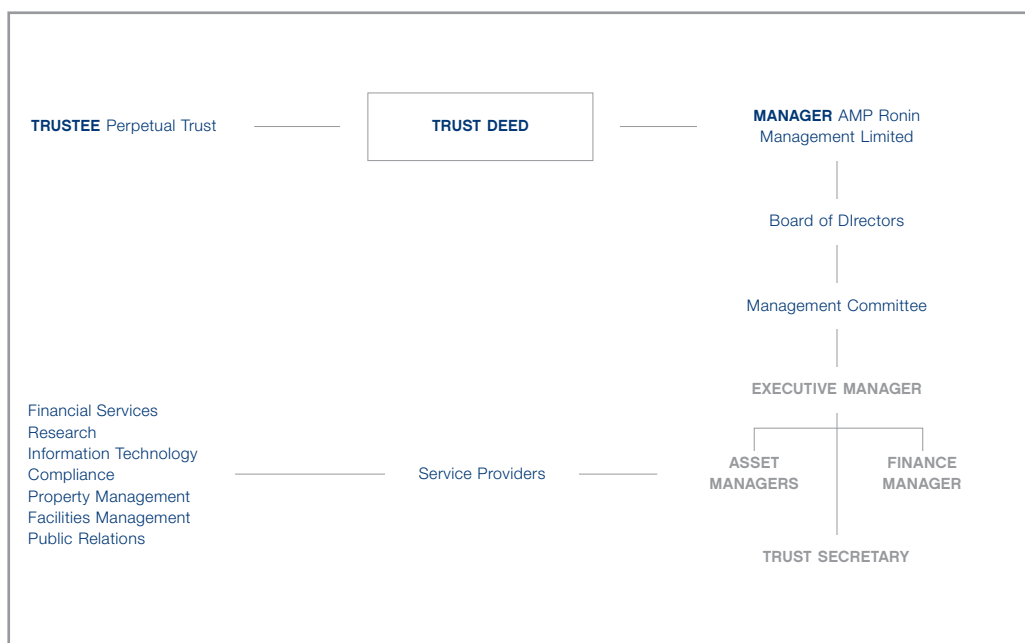
MATURITY LADDER Year	AS AT 30 JUNE 2004		AS AT 30 JUNE 2003	
	Maturing	Covered	Maturing	Covered
2004	30	206	30	56
2005	40	226	20	36
2006	16	210	16	20
2007	-	210	-	20
2008	50	160	10	10
2009	70	90	10	-
2010	-	90	-	-
2011	30	60	-	-
2012	20	40	-	-
2013	-	40	-	-
2014	40	-	-	-
	296	-	86	-

AMP NZ OFFICE TRUST STRUCTURE

AMP NZ Office Trust (ANZO) is a unit trust created by a Trust Deed, executed 13 November 1997, between Perpetual Trust Limited and AMP Investments (N.Z.) Limited (now known as AMP Capital Investors (New Zealand) Limited), as amended by supplemental deeds dated 6 October 2000, 2 March 2001, 9 February 2004 and 31 May 2004.

On 15 January 2004, the office of ANZO’s manager was transferred from AMP Capital Investors (New Zealand) Limited to AMP Ronin Management Limited (the Manager), a joint-venture company that combines the extensive property and fund management capabilities of AMP Capital and Ronin Property Group.

ANZO’s corporate governance structure is as shown below:



ROLE OF THE TRUSTEE

Under and subject to the Trust Deed, and subject to the Unit Trusts Act 1960, the Trustee has rights and powers as if it were the absolute and beneficial owner of ANZO’s assets. The powers and functions of the Trustee under the Trust Deed include the following:

- i. To hold Trust assets on behalf of unit-holders
- ii. To monitor the Manager’s compliance with the requirements of the Trust Deed and, if necessary, to have the Manager removed
- iii. To borrow or raise money for the purposes of ANZO up to 50% of the value of the assets of ANZO
- iv. To settle and complete transactions in respect of ANZO
- v. To obtain from the Manager any information that the Trustee reasonably requires in relation to ANZO

- vi. To appoint any valuer, barrister, solicitor, accountant, stockbroker or other person to assist it in exercising its powers and performing its obligations under the Trust Deed, subject to prior consultation with the Manager, and to pay reasonable fees to such persons out of ANZO, and
- vii. To bring legal proceedings on behalf of ANZO.

TRUSTEE'S COVENANTS

The Trustee covenants to use all reasonable endeavours to keep ANZO's assets safely and to hold them as Trustee for unit-holders upon the terms of the Trust Deed. The Trustee also covenants not to dispose of or charge any of the assets of ANZO, except where directed by the Manager.

The Trustee must exercise reasonable diligence to ascertain whether or not any breach of the MCN terms has occurred and do all things it is empowered to do to ensure the breach is rectified.

ROLE OF THE MANAGER

The Trust Deed obliges the Manager to manage and administer ANZO, for the benefit of unit-holders and note-holders, with full and complete power of management. The Manager has the power to issue further units or mandatory convertible notes subject to the restrictions in the Trust Deed and the NZX Listing Rules.

MANAGER'S COVENANTS

In the Trust Deed, the Manager has given certain covenants in favour of unit-holders and note-holders, including that it will:

- i. Use reasonable endeavours to ensure that ANZO is operated in a proper and efficient manner
- ii. Make available to the Trustee any books kept in respect of ANZO, copies of the financial statements and any other information that the Trustee reasonably requires
- iii. Convene meetings of unit-holders and/or note-holders when required by the Trustee or when requisitioned by 10% in a number or value or unit-holders and/or note-holders
- iv. Pay all trust money it receives into ANZO's bank account
- v. Provide the Trustee with any reports, records and certificates that are agreed upon in writing between the Trustee and the Manager, and
- vi. Not commit ANZO to any transaction involving, or valued at, more than 5% of the value of ANZO's assets without the Trustee's written approval.

The Manager also covenants for the benefit of note-holders that, while any interest on a note is due but unpaid or its payment is suspended, no distribution shall be made in respect of units.

RELATED PERSON TRANSACTIONS

No transactions involving assets of ANZO will be entered into with the Manager or any related person of the Manager unless the Trustee is satisfied that the transaction is on terms which are no worse for ANZO than normal commercial terms (between unrelated parties) and is in accordance with the investment policies of ANZO.

MANAGER'S REMUNERATION

The remuneration of the Manager for its management functions is in accordance with the Trust Deed. The

Manager may also be entitled to be indemnified out of the assets of ANZO where it is acting on behalf of ANZO except where it is in breach of trust or fails to show the requisite degree of care and skill. The Manager is also entitled to be reimbursed out of ANZO for certain items of expenditure in relation to ANZO (subject to the terms of the Trust Deed).

BOARD OF THE MANAGER

The board of AMP Ronin Management currently comprises three representatives of each of AMP Capital Investors and Ronin Property Group. Brief profiles of the directors are set out on pages 26 and 27.

The Manager has announced its intention to strengthen its board through the appointment of two independent directors. On completion of this process, it is anticipated that two existing directors will resign and the board will comprise six persons – two representatives of each of AMP Capital and Ronin, and two independent directors who comply with the definition of “independent” in the NZX Listing Rules.

The appointment and selection process of the independent directors is in its advanced stages and the Manager is undertaking further due diligence on a number of potential candidates.

BOARD MEETINGS DURING THE YEAR

The board of the Manager convened over ANZO's business on 10 occasions during the year. Five of these meetings took place before the transfer from AMP Capital to AMP Ronin Management on 15 January 2004, and the remaining five took place after that date.

TRADING BY DIRECTORS

A register of any transactions in ANZO units by directors of the Manager is maintained. No directors currently hold units or MCNs in ANZO.

MANAGEMENT COMMITTEE AND EXECUTIVE MANAGER

The board has delegated authorities to the management committee and the executive manager, which clarify their responsibilities.

The management committee comprises two representatives of each of AMP Capital and Ronin. Ronin's representatives are Peter Murphy and Peter Dumas; AMP Capital's are Anthony Beverley and Murray Gribben.

The executive manager reports to the board and is not permitted to be a member of the management committee.

AUDIT COMMITTEE

An audit committee comprising two directors meets at least twice a year with ANZO's auditors and the ANZO management team to discuss the outcomes of the annual and interim audits. Minutes of this meeting, together with the audit report and any audit recommendations, are provided to the board prior to the approval of the financial statements and distributions.

The independent directors, once appointed, will sit on, and form the majority of, the audit committee.

REMUNERATION

AMP Ronin does not have any employees.

ANZO's management is carried out by staff seconded from AMP Capital and Ronin who are subject to their employment contracts with their respective employers, requiring them to comply with the policies of their

employers including personal trading policies. The salaries of the secondees are paid by the Manager. The Manager's remuneration for acting as Manager of ANZO is governed by the Trust Deed. In addition, none of the directors of the Manager receives any remuneration from ANZO.

RISK MANAGEMENT

AMP Ronin Management and ANZO have business plans, business continuity plans and asset plans in place. ANZO also encourages service providers to implement their own business continuity plans. ANZO undertakes an annual review of insurance cover and risk exposure. As a precaution, ANZO normally requires all service providers to hold a minimum of \$10 million in personal liability insurance.

NZX LISTING RULES

NZX has stated that it intends to set up a working group to review how the Listing Rules should be applied to managed funds, which include listed unit trusts and passive funds. In the meantime, ANZO continues to comply with the Listing Rules, within the structure of a unit trust.

CONTINUOUS DISCLOSURE

All listed entities, including ANZO, have continuous disclosure obligations under the NZX Listing Rules. These provisions were introduced to ensure that the market is kept informed of events and developments as they occur, assisting investors to make informed investment decisions and encouraging confidence in the integrity of the market.

The Manager has implemented procedures to ensure timely and full disclosure of all information required under the continuous disclosure regime.

INVESTOR COMMUNICATIONS

In addition to the information provided in ANZO's annual and interim reports, investors can view market announcements, along with general information on ANZO and its properties, on the website www.anzo.co.nz

ANZO's annual results are presented to a meeting of investors each year.

ENVIRONMENTAL POLICY

AMP Ronin Management and ANZO, as leading property investment managers, believe that environmental management is integral to effective property investment management. The environmental policy adopted takes an active approach to managing the environmental impact of all property investments, including:

- Meeting compliance requirements
- Supporting sound environmental initiatives
- Encouraging management and service providers to consider innovative environmental solutions.

The practical implementation of this policy encompasses assets where AMP Ronin Management and ANZO have operational control and can influence matters such as greenhouse gas emissions, waste disposal, recycling, water consumption and energy management.

The environmental plans for ANZO are monitored by consulting engineers Sinclair Knight Merz through the benchmarking of individual property performance against 17 key performance indicators.

ANZO has committed to using the Building Research Establishment Environmental Assessment Method (BREEAM) rating system when undertaking major refurbishment works. Developed in the United Kingdom, this is one of the world's most widely-used environmental rating systems for buildings. The evaluation programme, which has been revised by Sinclair Knight Merz to ensure its relevance to the Australasian environment, will be used to measure the "before and after" environmental status of redeveloped properties.

LISTING RULE WAIVERS

ANZO sought and received the following waivers from the NZX Listing Rules at the time of its listing which are applicable as at 30 June 2004:

3.1.1(a) – Waivers to various rules as contained in Appendix 6 of NZX Listing Rules

3.3 – Appointment and rotation of directors

3.4 – Proceedings and powers of directors

3.5 – Directors' remuneration

The majority of these waivers have been gained because ANZO, as a unit trust, is not able to comply with these company structure-specific rules.

The following additional waivers have been received during the 2004 financial year which are applicable as at 30 June 2004:

4.5.10 – Waiver from providing a restricted transfer status report in respect of certain pre-emptive rights arrangements over units in ANZO, providing that a summary of those arrangements is disclosed in each of ANZO's annual and interim reports, and three months after each annual and interim report, to the market by way of the NZX market announcement facility. This summary is included on page 52 of this annual report.

4 – Waiver granted in respect of acquisitions of ANZO units by the AMP Investments Tracker Fund and AMP Superannuation Tracker Fund (together the "funds") on certain conditions, including that the waiver shall not apply to any acquisitions by either of the funds if the aggregate holding of the funds is (or would, as a result of the acquisition) exceed 2.0% of the units in ANZO.

SUMMARY OF TRUST DEED CHANGES

On 31 May 2004 the Trust Deed was amended to accommodate the issue of MCNs, to clarify that the MCNs are not "borrowings" for the purposes of the Trust Deed, to clarify that the indemnity and cost reimbursement provisions of the Trust Deed extend to underwriting liabilities, to ensure increases and reductions in the management fee arising due to the sale or purchase of property are proportionate to the fee currently charged and to update certain outdated references in the Trust Deed.

On 9 February 2004 the Trust Deed was amended to clarify that the Manager could set the repayment price for units in its discretion at any time while units are quoted (subject to the cap specified in the Trust Deed), to clarify that deductions permitted under the Trust Deed could be made from any redemption proceeds paid to unit-holders, to reduce the management fee payable to the Manager from up to 0.75% per annum to up to 0.65% per annum of the value of the assets of ANZO, to provide for that fee to be paid quarterly, to clarify that the Manager may be reimbursed for property management fees where those property management services are provided by persons other than the Manager and to clarify that properties held by subsidiaries of ANZO need not be valued on any business day on which the repayment price for units is calculated.

DIRECTORS OF AMP NZ OFFICE TRUST'S MANAGER, AMP RONIN MANAGEMENT LIMITED



ROBERT MORRISON

BTRP (Hons), MCom, ASIA
Chairman, Sydney

Rob Morrison heads AMP Capital Investors Limited's \$10 billion property investment and management business.

He has more than 19 years' experience in direct property and listed property securities and oversees the portfolio management of property assets for external clients, significant private client portfolios and opportunistic funds.

Rob is an Associate Member of the Securities Institute of Australia and a Fellow of the Australian Property Institute. He is a director of the Property Council of Australia and a director of AMP Capital Investors Limited.



CATHERINE SAVAGE

BCA, CA
Director, Wellington

Catherine Savage is the managing director of AMP Capital Investors (New Zealand) Limited and responsible for the company's overall performance.

Core elements of her role include aligning the company's strategic direction with its board, upholding performance targets and maintaining client servicing and risk management benchmarks.

Prior to this role, Catherine was head of client servicing, responsible for sales and marketing, product development and client management.

She was previously employed by Natural Gas Corporation as treasury manager.



ANTHONY BEVERLEY

MCom (Hons), ANZIV
Director, Wellington

Anthony Beverley is head of property for AMP Capital in New Zealand, with overall responsibility for the company's property investment business.

He comes from a strong analytical background and has a particular interest in investment property and capital markets.

He joined AMP Capital as a valuer in 1991 and has since worked in a variety of roles involving a wide range of disciplines, including property performance analysis, research, investment acquisitions and sales, and asset, portfolio and trust management.

He is also a director of Property For Industry Limited.



PETER MURPHY

Dip. Financial Markets, Dip. Valuations, AAPI, ASIA
Director, Sydney

Peter Murphy is the chief executive officer of Ronin Property Group, responsible for developing and implementing the group's policies and overall strategy as well as achieving specific performance objectives. He is also responsible for overseeing the capital requirements of the group.

He has 20 years' experience in the property and funds management industry.

Peter previously worked in AMP Capital's listed property trust division as trust manager of the AMP Office Trust (AOF) which listed in December 1996 on the Australian Stock Exchange. AOF grew from AU\$390 million to approximately \$1.5 billion before the internalisation of management and creation of Ronin Property Group (RPH), a stapled security, in September 2003. RPH now has property funds under management of approximately AU\$2.0 billion.



PETER DUMAS

BEd, MCom, ASIA
Director, Sydney

Peter Dumas is manager, capital transactions for Ronin Property Group. He is responsible for evaluating and developing opportunities for product origination for distribution in Australia and New Zealand. In addition, he is responsible for the group's capital-raising activity and treasury strategy and operations.

Peter previously worked in AMP Capital's listed property trust division and was involved in raising more than \$1 billion through a variety of debt and equity raisings.

He has been employed in the securities industry for more than 12 years, working for organisations such as National Australia Bank, the Australian Securities and Investments Commission and the Australian Stock Exchange.

AMP NZ OFFICE TRUST MANAGEMENT TEAM



ACCRETIVE

Adding to. A term often used by sharemarket analysts. New initiatives by ANZO are usually planned to be accretive to earnings.

ACQUISITION

Purchase (of an asset).

AMP CAPITAL

AMP Capital Investors (New Zealand) Limited. A joint venture partner in ANZO's management company. AMP Capital is New Zealand's largest private property investment manager with approximately \$1.5 billion of property assets under management.

AMP RONIN

AMP Ronin Management Limited, ANZO's joint venture management company since January 2004.

ANZO

The preferred abbreviation for AMP NZ Office Trust.

APT

The New Zealand Stock Market code for ANZO ordinary units.

APTGB

The New Zealand Stock Market code for ANZO mandatory convertible notes (MCNs).

ASSET MANAGEMENT

The business of combining physical property management and strategic management to maximise the total return to investors.

CAPITAL EXPENDITURE

Expenditure which improves the long-term value of an asset and is not categorised as operating expenses, such as refurbishment works.

CBD

Central Business District.

CONTIGUOUS (FLOOR PLATES)

The uninterrupted flow of floors in an office building. Tenants occupying multiple floors generally prefer contiguous levels to minimise staff time spent travelling between floors.

CONVERTIBLE NOTES

See MCNs.

COUPON RATE/PAYMENT

Interest payable on convertible notes (see MCNs for more detail).

DISTRIBUTION RESERVE ACCOUNT

A retained earnings account, into which funds are set aside to allow unit-holder returns to be maintained through any unforeseen short-term dips in cashflow.

DIVESTMENT

Sale (of an asset).

DPU

Distribution per unit, the return paid to ANZO unit-holders.

EPU

Earnings per unit, calculated by dividing ANZO's net surplus after taxation and before revaluations by the number of units on issue at balance date.

FLOOR PLATES

The size and shape of floors in an office building, measured in square metres. Larger floor plates, with a minimum of supporting columns, are desirable because they allow tenants to achieve efficiencies.

HEAD LEASE

A lease which allows the tenant to sub-lease space to other tenants. Head leases were in place on some of ANZO's properties when they were acquired. These have gradually expired and ANZO has set out to establish direct relationships with the sub-tenants.

INDEPENDENT VALUATION

Property valuation undertaken by independent valuers to determine the market value of a property at a specified date (usually balance date).

INITIAL YIELD (INCOME YIELD)

The current net rental for a property, expressed as a percentage of the current capital value.

This differs from capital yield, which is the return derived from changes in the value of an investment property.

INTERNAL RATE OF RETURN (IRR)

The total (income and capital) average annual return on an investment property over a 10-year term.

LEASE RESTRUCTURING

Re-negotiation (and possibly re-configuration) of a tenant's existing lease agreement.

MANAGER

AMP Ronin Management Limited.

MCNs

Mandatory convertible notes. In July 2004, ANZO completed a two-for-nine pro rata issue of 95.2 million MCNs at an issue price of \$1.00 each. The MCNs carry a coupon interest rate of 8.5% and will convert to ordinary ANZO units on 30 June 2007.

NET AND GROSS LEASES

A net lease agreement is one in which the specified rental does not include building operating expenses such as rates, insurance, maintenance and common area electricity. These costs are additional to the rental and are recovered by the landlord from the tenant.

A gross lease is one in which the specified rental includes operating expenses.

NET LETTABLE AREA

The area of a building which can be leased to tenants. It excludes common areas such as foyers, and also service cores which contain lifts and other building services.

NET SURPLUS

ANZO's net surplus is arrived at by deducting direct and indirect operating expenses and taxation from revenues, then taking into account any unrealised gains or losses arising from property revaluations.

NET TANGIBLE ASSET BACKING

The value of gross assets, less all debt and other liabilities, usually divided by the number of units on issue and expressed as cents per unit.

NOTES

See MCNs.

NZSX

New Zealand Stock Market, a securities market operated by NZX.

NZX

New Zealand Exchange Limited, formerly known as the New Zealand Stock Exchange.

OCCUPANCY RATE

A measure of the space within an individual property or property portfolio which is leased to tenants, expressed as a percentage of the net lettable area.

OPERATING EXPENSES

Costs directly associated with the running of a property, such as rates, insurance, maintenance and cleaning of common areas.

OPERATIONAL EFFICIENCY

The efficient use of the available space within a property, influenced by physical aspects such as the placement of columns, floor shape and size, and the location and size of building services cores.

OVER-RENTING

A situation where the contract, or face, rental which is being paid by an existing tenant is higher than the current market rental for the same office space. It inhibits a landlord's ability to achieve rental growth and often results in a "step-down" in rentals on expiry of the existing lease.

PREMIUM OR PRIME OFFICE PROPERTY

Well-located, well-appointed CBD office buildings of architectural merit and generous proportions, finished to a very high standard. Prime office properties feature flexible space, large floor plates, superior buildings services, appropriate carparking and programmed maintenance.

PRIME SECTOR

The portion of the overall office market which comprises prime office properties.

RATCHET CLAUSE

A mechanism in a lease agreement which prevents the rental from decreasing. Ratchet clauses favour the landlord and mean that rents either increase, or remain at their present levels, at the time of a rent review.

REALISATION COSTS

Also known as disposal costs. Costs associated with realising, or selling, an asset – primarily marketing costs and real estate agents' fees. Realisation costs are taken into account in determining the value of an asset.

RENT REVIEW

A future date included in a lease agreement, at which the tenant and landlord will review the contract rental.

RONIN

Ronin Property Group, a joint venture partner in ANZO's management company, AMP Ronin Management. Ronin is listed on the Australian Stock Exchange and has property assets under management in Australia and New Zealand with a total value of approximately AU\$2 billion. Ronin is also the parent of ANZO's largest unit-holder.

SURRENDER (A LEASE)

Tenants which no longer require the space they have leased may surrender, or give back, all or part of their premises. Under the lease agreement, a surrender payment may be owed to the landlord.

SWAP

An agreement to exchange a series of payments based on floating interest rates, for a series of payments based on fixed rates.

TENANT PRE-COMMITMENT

The level of leasing achieved in a property project prior to its completion.

TOTAL OCCUPANCY COSTS

A tenant's all-up expenditure on its premises. It can be a wise commercial decision for a tenant to pay a higher rental per square metre if the in-built efficiencies of a property (e.g. larger floor plates) allow them to occupy less space, reducing overall costs.

TOTAL RETURN

The return to investors comprising income (dividend distribution) returns and capital value (changes in unit price).

TRUST DEED

The Trust Deed under which ANZO was formed.

TRUSTEE

Perpetual Trust Limited. See Corporate Governance section on page 21 for more information.

UNIT

A unit in ANZO, a unit trust listed on the New Zealand Stock Market.

UNREALISED GAIN/LOSS

An increase/decrease in the value of assets which continue to be held by their present owner.

VACANCY

Lettable space in a property or portfolio which is not currently leased to a tenant.

WEIGHTED AVERAGE LEASE TERM (WALT)

The unexpired lease term in a property or portfolio, weighted by the net lettable area or the income applicable to each lease.

YIELD (INCOME)

The annual income derived from an asset, expressed as a percentage of value, cost or purchase price.

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STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2004

	Notes	CONSOLIDATED		THE TRUST	
		12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
REVENUE					
Gross rental income		66,353	59,706	-	-
Asset management fees	4	-	-	3,844	3,661
Interest income		136	139	31,782	32,135
Total Operating Revenue		66,489	59,845	35,626	35,796
DIRECT EXPENSES					
Office property and other expenses		17,685	11,946	-	-
Property management fees	4	602	599	-	-
Total Direct Expenses		18,287	12,545	-	-
Operating Surplus After Direct Expenses		48,202	47,300	35,626	35,796
Audit fees		69	42	69	42
Trustee fees		135	135	135	135
Other expenses	3	1,554	807	1,489	803
Asset management fees	4	3,844	3,661	3,844	3,661
Interest expense	2	8,270	8,389	8,270	8,389
Total Indirect Expenses		13,872	13,034	13,807	13,030
Operating Surplus Before Taxation		34,330	34,266	21,819	22,766
Taxation expense	15	-	-	-	-
Operating Surplus After Taxation		34,330	34,266	21,819	22,766
Unrealised net change in value of investment properties	5	(268)	21,605	-	-
Net Surplus for the Period	8	34,062	55,871	21,819	22,766

The accompanying notes on pages 36 to 44 form part of these Financial Statements.

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 30 June 2004

	Notes	CONSOLIDATED		THE TRUST	
		12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Equity at the Start of the Period		457,850	419,104	362,724	357,083
Net surplus (deficit) for the period		34,062	55,871	21,819	22,766
Total Recognised Revenues and Expenses for the Period		34,062	55,871	21,819	22,766
OTHER					
Unit-holder redemption		(64,485)	-	(64,485)	-
Distributions to unit-holders		(31,200)	(17,125)	(31,200)	(17,125)
Equity at the End of the Period		396,227	457,850	288,858	362,724

The accompanying notes on pages 36 to 44 form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2004

	Notes	CONSOLIDATED		THE TRUST	
		2004 \$000	2003 \$000	2004 \$000	2003 \$000
ASSETS					
Current Assets					
Cash at bank		3,604	1,470	3,604	1,470
Trade debtors		496	1,044	-	-
Leasing fees		427	209	-	-
Deferred offering costs		649	-	649	-
Other current assets		833	1,353	-	131
Total Current Assets		6,009	4,076	4,253	1,601
Non Current Assets					
Leasing fees		2,579	968	-	-
Investments in properties	5	754,043	572,444	-	-
Work in progress		3,391	308	-	308
Investments in subsidiaries	6	-	-	506,417	477,173
Total Assets		766,022	577,796	510,670	479,082
LIABILITIES					
Current Liabilities					
Deferred property settlement	5 & 18	141,850	-	-	-
Other current liabilities	10	7,945	4,946	1,812	1,358
Total Current Liabilities		149,795	4,946	1,812	1,358
Non Current Liabilities					
Term loan	12	220,000	115,000	220,000	115,000
Total Liabilities		369,795	119,946	221,812	116,358
EQUITY					
Total Equity	17	396,227	457,850	288,858	362,724
Total Liabilities and Equity		766,022	577,796	510,670	479,082

The accompanying notes on pages 36 to 44 form part of these Financial Statements.

Signed on behalf of AMP Ronin Management Limited, who authorised the issue of these financial statements on 2 August 2004.



Anthony Beverley
Director



Peter Murphy
Director

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2004

	Notes	CONSOLIDATED		THE TRUST	
		12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Gross rental income		67,307	58,708	-	-
Asset management fee income		-	-	3,844	3,661
Interest income		136	139	31,782	32,135
Cash was applied to:					
Office property and other expenses		(21,142)	(12,160)	-	(196)
Other trust expenses		(5,707)	(4,642)	(5,599)	(4,642)
Interest paid on convertible notes		-	(1,308)	-	(1,308)
Other interest expenses		(7,930)	(7,081)	(7,930)	(7,081)
Net Cash Inflow (Outflow) from Operating Activities	8	32,664	33,656	22,097	22,569
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Disposal of property		-	-	-	-
Cash was applied to:					
Subsidiary loan advancement		-	-	(28,937)	1,188
Work in progress		(3,083)	-	-	308
Expenditure on development properties		(24,621)	-	-	-
Capitalised interest on development properties		(570)	-	-	-
Deposit on unconditional property acquisitions		(4,000)	-	-	-
Capital expenditure on existing properties		(7,230)	(9,591)	-	-
Net Cash Inflow (Outflow) from Investing Activities		(39,504)	(9,591)	(28,937)	1,496
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Loan facility drawdowns		220,000	11,800	220,000	11,800
Cash was applied to:					
Loan facility repayments		(115,000)	-	(115,000)	-
Distributions to unit-holders		(31,200)	(17,125)	(31,200)	(17,125)
Distributions to note-holders		-	(17,442)	-	(17,442)
Unit-holder redemption		(64,485)	-	(64,485)	-
Deferred offering costs		(341)	-	(341)	-
Net Cash Inflow (Outflow) from Financing Activities		8,974	(22,767)	8,974	(22,767)
Net Increase (Decrease) in Cash Held		2,134	1,298	2,134	1,298
Cash at the beginning of the year		1,470	172	1,470	172
Cash at the End of the Year		3,604	1,470	3,604	1,470

Certain cashflows including loan facility drawdowns have been netted off in order to provide meaningful disclosure.

The accompanying notes on pages 36 to 44 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2004

1. STATEMENT OF ACCOUNTING POLICIES

THE REPORTING ENTITY

The AMP NZ Office Trust (ANZO) is a unit trust created by a Trust Deed executed 13 November 1997 by AMP Capital Investors (New Zealand) Limited and the Trustee, Perpetual Trust Limited. ANZO is an issuer for the purposes of the Financial Reporting Act 1993. The consolidated financial statements are those of ANZO and its 100% owned subsidiaries: AMP NZ Office Albert Street Limited, AMP NZ Office 151 Queen Limited, AMP NZ Office Featherston Street Limited, AMP NZ Office 1 The Terrace Limited, AMP NZ Office Quay Tower Limited, AMP NZ Office Lambton Quay Limited, AMP NZ Office Waterfront Tower Limited, AMP NZ Office Pastoral Limited, AMP NZ Office The Park Limited and AMP NZ Office Willis Street Limited. The consolidated financial statements are prepared in accordance with the Financial Reporting Act 1993.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by ANZO and subsidiary companies, except that investment properties have been revalued on an annual basis.

SPECIFIC ACCOUNTING POLICIES

A. Basis of Consolidation – Purchase Method The consolidated financial statements include ANZO and its subsidiary companies and are accounted for using the purchase method. All significant intergroup transactions are eliminated on consolidation. Subsidiary companies are recorded in ANZO's Financial Statements at cost including loan advances.

B. Investment Properties and Properties Intended for Sale ANZO makes its property investments through subsidiary property companies, and exercises control through 100% share ownership. Investment properties are initially recorded at cost and are independently valued at net current value at periodic intervals in accordance with the Trust Deed dated 13 November 1997.

Properties intended for sale are recognised at the lower of cost and net realisable value.

C. Development Properties Development Properties are held at cost and represent the costs incurred in relation to incomplete projects as at balance date.

D. Revenue Recognition Lease agreements with tenants provide for base monthly rental charges and recovery of certain outgoings. In addition, percentage rent based on turnover exceeding predetermined levels applies in some leases. Both base and percentage rents are recognised when earned.

E. Taxation The income tax expense charged to the Statement of Financial Performance includes both the current period's tax provision and the income tax effect of timing differences calculated using the liability method.

Tax effect accounting is applied on a partial basis to those timing differences expected to reverse in the foreseeable future. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

F. Realisation Costs An estimate has been made for realisation costs when determining the net current value of properties (except for development properties).

G. Goods and Services Tax The Financial Statements have been prepared on a GST exclusive basis, except for receivables and payables that are stated inclusive of GST.

H. Financial Instruments ANZO and its subsidiary companies are party to financial instruments as part of the active management of the investment activities of ANZO and its subsidiary companies. Financial instruments recognised in the Statement of Financial Position include cash balances, receivables, payables, investments, loans to others, and borrowings. In addition, the Trust and subsidiaries are subject to financial instruments with off balance sheet risk to meet financing needs and to reduce exposure to fluctuations in the interest rate market. Financial instruments include interest rate swaps. The net differential paid or received on the interest swaps is only recognised in the Statement of Financial Performance when this differential crystallises. Any financial instruments that do not qualify as hedges are stated at market value and any gain or loss is recognised in the Statement of Financial Performance.

I. Convertible Notes The Convertible Notes issued in December 1997, which matured on 30 June 2003, were split into their debt and equity component parts. The present value of the obligations to pay Note coupons was classified as a liability. Over the term of the Notes, the difference between the initial present value and the nominal amount of Note coupons was recognised as interest expense.

J. Receivables Receivables are stated at their estimated realisable value.

K. Leasing Fees ANZO records all significant leasing fees as a prepayment in the Statement of Financial Position and amortises this on a straight-line basis over the life of the lease.

L. Statement of Cash Flows The following is the definition of the terms used in the Statement of Cash Flows:

- i. Cash means coins, notes, demand deposits and other highly liquid investments in which the group has invested as part of its day-to-day cash management. Cash includes current liabilities such as negative cash balances in the form of overnight bank overdrafts. Cash does not include receivables or payables or any borrowing that forms part of a term facility.
- ii. Investing activities include those relating to the addition, acquisition and disposal of investment properties and any addition and reduction of subsidiary investments and loans.
- iii. Financing activities are those activities that result in changes in the size and composition of the capital structure of the Group. Distributions paid in relation to capital structure are included in financing activities.
- iv. Operating activities include all transactions and other events that are neither investing or financing activities.

CHANGES IN ACCOUNTING POLICIES

During the 30 June 2003 year ANZO changed its accounting policy regarding gains and losses on revaluation to bring it more closely into line with current International Financial Reporting Standards. ANZO now records all gains and losses on revaluation in the Statement of Financial Performance. This treatment is permissible under SSAP 17 "Accounting For Investment Properties". The impact of this change in accounting policy in the 30 June 2003 year was \$21,605,000 (2004: Nil). There have been no other changes in accounting policies.

COMPARATIVES

Certain prior year comparatives have been changed to reflect the change in accounting policy.

2. INTEREST EXPENSE

	CONSOLIDATED		THE TRUST	
	12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Convertible note interest expense	–	1,308	–	1,308
Other interest expense	8,270	7,081	8,270	7,081
Total Interest Expense	8,270	8,389	8,270	8,389

3. OTHER EXPENSES

	CONSOLIDATED		THE TRUST	
	12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Ernst & Young – other assurance services ¹	44	6	44	6
External valuation fees	65	125	–	125
NZSX listing and registry costs	111	75	111	75
Bank charges, marketing, legal and consultancy costs	1,334	601	1,334	597
Total Other Expenses	1,554	807	1,489	803

¹ In 2004 a further \$244,171 of fees were paid for assurance services which have been capitalised as part of deferred offering costs and unit-holder redemption costs.

4. MANAGEMENT FEES

	CONSOLIDATED		THE TRUST	
	12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Property management fee	602	599	–	–
Asset management fee	3,844	3,661	3,844	3,661
Total Management Fee	4,446	4,260	3,844	3,661

Under the Trust Deed, AMP Ronin Management Limited may charge a maximum management fee of 0.65% of gross investment assets from 1 January 2004 (0.75% up to 31 December 2003) as shown in the audited Financial Statements. This fee is payable in arrears on a quarterly basis from 1 January 2004 (previously on a six-monthly basis). The management fee prior to 31 December 2003 consisted of two components, an asset management fee and a property management fee. The property management fee from 1 January 2004 is payable directly to ANZO's property management service provider, Jones Lang LaSalle. The asset management fee is payable to AMP Ronin Management Limited.

5. INVESTMENT IN PROPERTIES

CONSOLIDATED

	Valuer	Valuation 30 June 2004 \$000	Revaluation 30 June 2004 \$000	Additions/ Disposals \$000	Valuation 30 June 2003 \$000
ANZ Centre	Colliers International	136,000	970	530	134,500
IAG House	Colliers International	68,000	(813)	2,913	65,900
Quay Tower	Colliers International	74,000	(592)	1,592	73,000
125 The Terrace	Colliers International	44,500	1,600	–	42,900
HP Tower	Colliers International	45,000	1,153	97	43,750
No. 1 and 3 The Terrace	Colliers International	43,600	–	2,300	41,300
PwC Tower	Colliers International	178,000	462	1,538	176,000
Pastoral House ¹		25,190	–	25,190	–
Properties Under Unconditional Contracts²					
Mobil on the Park	CB Richard Ellis	70,700	(755)	71,455	–
State Insurance Tower	CB Richard Ellis	75,300	(952)	76,252	–
Market Value of Properties		760,290	1,073	181,867	577,350
Plus (less) Change in Estimated Cost of Disposal		(6,247)	(1,341)	–	(4,906)
Total Net Current Value		754,043	(268)	181,867	572,444

¹ As at 30 June 2004 Pastoral House has been recorded at cost as a development property.

² On 31 May 2004, ANZO signed unconditional contracts to purchase Mobil on the Park and State Insurance Tower. Settlement for these properties occurred on 15 July 2004.

	Valuer	Valuation 30 June 2003 \$000	Revaluation 30 June 2003 \$000	Additions/ Disposals \$000	Valuation 30 June 2002 \$000
ANZ Centre	Colliers International	134,500	3,223	277	131,000
IAG House	Colliers International	65,900	2,051	349	63,500
Quay Tower	Colliers International	73,000	193	307	72,500
125 The Terrace	Colliers International	42,900	1,906	(6)	41,000
HP Tower	Colliers International	43,750	3,732	518	39,500
No. 1 and 3 The Terrace	Colliers International	41,300	2,887	13	38,400
PwC Tower	Colliers International	176,000	7,794	(1,794)	170,000
Market Value of Properties		577,350	21,786	(336)	555,900
Plus (less) Change in Estimated Cost of Disposal		(4,906)	(181)	–	(4,725)
Total Net Current Value		572,444	21,605	(336)	551,175

ANZO's properties were valued as at 30 June 2004 by independent registered valuers Colliers International and CB Richard Ellis. The valuation is on the basis of current value net of the cost of realisation as estimated by the Manager.

6. INVESTMENTS IN SUBSIDIARIES**SHARES IN UNLISTED PROPERTY COMPANIES**

ANZO owns 100 shares in each of its 10 subsidiary companies and each parcel of 100 subsidiary shares was purchased for \$1.

LOANS TO SUBSIDIARY COMPANIES

	Incorporation Date Of Company	Subsidiary Loans 30 June 2004 \$000	Subsidiary Loans 30 June 2003 \$000	Percentage of Trust Ownership	Balance Date Of Company
AMP NZ Office Albert Street Limited	02-Oct-97	123,106	122,694	100%	30 June
AMP NZ Office 151 Queen Limited	28-Aug-97	59,904	58,845	100%	30 June
AMP NZ Office Featherston Street Limited	08-Oct-97	24,950	26,724	100%	30 June
AMP NZ Office 1 The Terrace Limited	02-Oct-97	22,249	20,307	100%	30 June
AMP NZ Office Quay Tower Limited	08-Oct-97	65,317	64,189	100%	30 June
AMP NZ Office Lambton Quay Limited	08-Oct-97	32,435	33,949	100%	30 June
AMP NZ Office Waterfront Tower Limited	17-Mar-00	149,266	150,465	100%	30 June
AMP NZ Office Pastoral House Limited	16-Jan-04	25,024	-	100%	30 June
AMP NZ Office The Park Limited	20-May-04	2,083	-	100%	30 June
AMP NZ Office Willis Street Limited	20-May-04	2,083	-	100%	30 June
Total Loans to Subsidiary Companies		506,417	477,173		

There were no changes in the percentage of ANZO ownership and in the balance date of the subsidiary companies.

All subsidiary loans are subject to an individual loan facility agreement between ANZO and each subsidiary. The interest rate of these loans is variable and is set by ANZO. The term of the loans is defined by the borrower and the borrower may at any time repay a portion or all of the outstanding amount after giving 30 business days' notice. It is the borrower's intention that the loans will not be repaid within the next financial year. The current interest rate is 7% (2003: 7%).

7. RELATED PARTY TRANSACTIONS

For the period ending 30 June 2004 the following related party transactions occurred:

A. Perpetual Trust (as Trustee of AMP NZ Office Trust)

The fee payable is set at \$135,000 (30 June 2003: \$135,000) per annum, and is payable six-monthly in arrears up to 31 December 2003 and then quarterly in arrears for services provided during the reporting period. Supplemental fees of \$34,207 were paid during the year (30 June 2003: \$Nil). An outstanding amount of \$90,124 (30 June 2003: \$67,500) is payable to Perpetual Trust Limited at 30 June 2004.

B. ANZO pays AMP Ronin Management Limited a leasing fee where AMP Ronin Management Limited has negotiated leases instead of a real estate agent. The amount paid for the year was \$1,630,853 of which \$1,089,101 was paid to AMP Capital Investors (New Zealand) Limited, as the previous manager of ANZO (30 June 2003: \$593,663).

C. ANZO also paid AMP Ronin Management Limited a transaction fee of \$269,438 for the acquisition of Pastoral House and management fees (refer Note 4). ANZO also has a transaction fee liability to AMP Ronin Management Limited of \$1,458,000 upon settlement of the acquisition of Mobil on the Park and State Insurance Tower.

No related party debts have been written off or forgiven during the year (30 June 2003: Nil).

**8. RECONCILIATION OF NET SURPLUS WITH CASH INFLOW (OUTFLOW)
FROM OPERATING ACTIVITIES**

	CONSOLIDATED		THE TRUST	
	12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Net Surplus for the Period	34,062	55,871	21,819	22,766
Add (less) non-cash items and non-operating items				
Unrealised net change in value of investment properties	268	(21,605)	-	-
Movement in working capital				
Increase (decrease) in creditors	(906)	810	147	(66)
(Increase) decrease in debtors	(760)	(1,420)	131	(131)
Net Cash Inflow (Outflow) from Operating Activities	32,664	33,656	22,097	22,569

9. SEGMENT INFORMATION

During the current and previous financial year ANZO operated solely in the CBD Office Property investment market in New Zealand.

10. OTHER CURRENT LIABILITIES

	CONSOLIDATED		THE TRUST	
	30 June 2004 \$000	30 June 2003 \$000	30 June 2004 \$000	30 June 2003 \$000
Trade creditors	58	815	-	164
Other liabilities	3,221	3,063	1,812	1,194
Property capex creditors	4,666	1,068	-	-
Total Other Current Liabilities	7,945	4,946	1,812	1,358

11. CONTINGENT LIABILITIES

There are no contingent liabilities for the year ended 30 June 2004 (2003: Nil).

12. TERM DEBT

ANZO negotiated a new revolving cash advance debt facility with Bank of New Zealand from December 2003 for \$250,000,000 (30 June 2003: Westpac Banking Corporation for \$115,000,000). Subsequent to balance date this facility was increased to \$310,000,000. This facility is for three years maturing in December 2006 and is interest only. The loan facility contains a negative pledge obligation on ANZO and its subsidiary companies.

	CONSOLIDATED		THE TRUST	
	30 June 2004 \$000	30 June 2003 \$000	30 June 2004 \$000	30 June 2003 \$000
Drawn facilities loans comprise:				
BNZ revolving facility loan	220,000	–	220,000	–
WBC revolving cash advance facility	–	115,000	–	115,000
Total debt	220,000	115,000	220,000	115,000
Undrawn facility available	30,000	–	30,000	–
Total Facility	250,000	115,000	250,000	115,000

Interest rates charged on the Bank of New Zealand facility are at the 90-day benchmark borrowing rate (BKBM rate plus a margin). As at 30 June 2004 the weighted average interest rate applying to these funds was 6.21% (30 June 2003: 6.04%). Through the use of interest rate swaps ANZO has as of 30 June 2004 effectively fixed the interest rate on \$206,000,000, being 94% (2003: \$66,000,000, 57%) of its total debt at a weighted average interest rate of 6.19% for 4.2 years (30 June 2003: 6.40%, 1.4 years).

13. FINANCIAL INSTRUMENTS**Credit Risk**

ANZO and its subsidiary companies are party to financial instruments as part of the active management of the investment activities of ANZO and subsidiary companies. Financial instruments, which potentially subject ANZO and its property companies to credit risk, principally consist of trade debtors, bank balances and deposits with financial institutions.

No collateral or security is required to support financial instruments as ANZO and its subsidiary companies continuously monitor the credit ratings of the companies and institutions that are counter-parties to financial instruments and they do not anticipate non-performance by the counter-parties.

Maximum exposures to credit risks as at balance date are:

	CONSOLIDATED		THE TRUST	
	30 June 2004 \$000	30 June 2003 \$000	30 June 2004 \$000	30 June 2003 \$000
Bank balances	3,604	1,470	3,604	1,470
Trade debtors	496	1,044	–	–
Other debtors	–	1,353	–	131
Advances to subsidiary companies	–	–	506,417	477,173

The advances to properties are subject to individual loan agreements whereby the borrower has agreed to indemnify the lender against losses incurred as a result of any sum payable by the borrower under this agreement not being paid when due.

Concentrations of Credit Risk

With the exception of ANZO's loans to its subsidiary companies there are no significant concentrations of credit risk.

Fair value

The carrying amount shown in the Statement of Financial Position is considered to be the fair value for each of the following classes of financial instruments:

– Cash at bank	– Other debtors	– Trade debtors
– Bank overdraft	– Other current liabilities	– Loans to subsidiary companies

The estimated fair value of financial instruments that differ from the carrying value is as follows:

	Carrying Value 30 June 2004 \$000	Fair Value 30 June 2004 \$000	Carrying Value 30 June 2003 \$000	Fair Value 30 June 2003 \$000
Forward swap agreements	-	3,857	-	(2,520)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

Interest Rate Contracts

The fair value of these financial instruments is based on the value of interest rate swap agreements calculated using the net present value of market rates on the unexpired term at balance date. ANZO's policy is to only recognise these gains (losses) on interest rate savings when they actually crystallise.

Currency Risk

ANZO and its subsidiaries are not exposed to any currency risk.

Interest Rate Risk

The financial assets at balance date, which are exposed to interest rate risk, include cash deposits and ANZO's loans to subsidiary property companies. ANZO has long-term debt and utilises interest rate swaps to minimise interest rate fluctuations. ANZO's interest rate exposure is as outlined in note 12.

Maturity Profile

The maturity profile and effective interest rate of financial assets and liabilities exposed to interest rate risks are as follows:

	2004				Effective Int. Rate	2003		Effective Int. Rate
	0-1 yrs \$000	1-2 yrs \$000	2-5 yrs \$000	>5 yrs \$000		0-1 yrs \$000	1-5 yrs \$000	
FINANCIAL ASSETS								
Consolidated								
Trade debtors	496	-	-	-	-	1,044	-	-
Other debtors	-	-	-	-	-	1,353	-	-
The Trust								
Advances to subsidiary companies	-	506,417	-	-	-	477,173	-	-
Other debtors	-	-	-	-	-	131	-	-
FINANCIAL LIABILITIES								
Consolidated								
Bank loan/Overdraft	-	-	220,000	-	6.21%	-	115,000	5.56%
Creditors	7,945	-	-	-	-	4,946	-	-
Interest rate swaps	40,000	16,000	120,000	90,000	6.19%	30,000	76,000	6.82%
Deferred property settlement	141,580	-	-	-	-	-	-	-
The Trust								
Bank loan/Overdraft	-	-	220,000	-	6.21%	-	115,000	5.56%
Creditors	1,182	-	-	-	-	1,358	-	-
Interest rate swaps	40,000	16,000	120,000	90,000	6.19%	30,000	76,000	6.82%

Included in the above is \$60 million in swaps which have not commenced as at 30 June 2004 (2003: \$40 million), hence these are not shown in the SWAP balance in Note 12.

14. COMMITMENTS

ANZO has outstanding commitments of \$1,500,000 relating to contracts for the refurbishment of a property (2003: Nil).

15. TAXATION

	CONSOLIDATED		THE TRUST	
	12 months 2004 \$000	12 months 2003 \$000	12 months 2004 \$000	12 months 2003 \$000
Operating surplus (deficit) before tax	34,062	55,871	21,819	22,766
Prima facie income tax benefit (expense)	(11,241)	(18,437)	(7,200)	(7,513)
Add (subtract) taxation effect of permanent differences:				
Non-deductible losses on revaluation	(88)	7,130	-	-
Other deductible expenses	(33)	5,756	(33)	5,756
Prior period adjustment	-	-	-	-
Tax benefit utilised from prior period group losses	3,092	-	7,233	1,757
Add (subtract) taxation effect of timing differences:				
Depreciation	8,270	9,396	-	-
Other timing differences	-	-	-	-
Income tax charge (benefit not recognised) for current period	-	(3,845)	-	-
The taxation charge is represented by:				
Current taxation	-	-	-	-
Deferred taxation	-	-	-	-

The ANZO group has unrecognised tax losses of \$23,743,957 (2003: \$34,252,155), tax effect \$7,835,506 (2003: \$11,303,211) available to carry forward to future income years.

A deferred tax liability in relation to timing differences of the ANZO group of \$101,878,257 (2003: \$79,105,407 liability), tax effect \$33,619,825 (2003: \$26,104,784 liability) has not been recognised.

16. IMPUTATION CREDIT ACCOUNT

	CONSOLIDATED		THE TRUST	
	30 June 2004 \$000	30 June 2003 \$000	30 June 2004 \$000	30 June 2003 \$000
Opening credit balance	12	12	12	12
Taxation paid	-	-	-	-
Credit attached to interest received	-	-	-	-
Closing credit balance	12	12	12	12

17. EQUITY

ANZO issued 250 million units in December 1997. The units carry full voting rights, no redemption rights and are subject to the terms of the Trust Deed. On 17 December 1997 ANZO issued 250 million convertible notes which matured on 30 June 2003 and converted into units on a one-to-one basis.

On 22 March 2004, ANZO completed a one-for-seven buy-back of units at \$0.87 per unit. The net proceeds of \$62,142,000 (before costs of \$2,343,000) was returned to unit-holders on that date. The total number of units outstanding as at 30 June 2004 are 428,571,429 (30 June 2003: 500,000,000).

	CONSOLIDATED		THE TRUST	
	30 June 2004 \$000	30 June 2003 \$000	30 June 2004 \$000	30 June 2003 \$000
Units	352,946	417,431	352,946	417,431
Distribution reserve ¹	4,330	–	4,330	–
Retained earnings (accumulated deficit)	38,951	40,419	(68,418)	(54,707)
Total Equity	396,227	457,850	288,858	362,724

¹ Distribution policy for ANZO is to distribute between 90 and 100% of operating surplus after tax. The reserve relates to the undistributed surplus.

18. SIGNIFICANT EVENTS AFTER BALANCE DATE**Issue of Mandatory Convertible Notes**

On 15 July 2004, ANZO raised \$95,236,346 from the issue of 95,236,346 Convertible Notes at \$1 each. These Notes have a coupon rate of 8.50% per annum payable semi-annually on 30 June and 31 December. On 30 June 2007 the Notes convert to units in ANZO on a dollar-for-dollar conversion basis. The Notes are treated as equity for ANZO's loan covenant purposes.

As at 30 June 2004, ANZO's gearing ratio was 48% as a result of recognition of the unconditional contracts to purchase Mobil on the Park and State Insurance Tower. This acquisition was settled on 15 July 2004 from the issue of the above Notes and bank debt. Following settlement ANZO's gearing ratio was 36%.

Increase in Bank Facility

On 14 July 2004, ANZO increased its BNZ loan facility from \$250 million to \$310 million on similar terms.

Payment of Final Dividend

On 2 August 2004 the Board approved the financial report for issue and approved the payment of a dividend of \$7,500,000 (1.75 cents per unit) to be paid on 27 August 2004.

To the unit-holders of AMP NZ Office Trust

We have audited the financial statements on pages 32 to 44. The financial statements provide information about the past financial performance of the AMP NZ Office Trust (the Trust) and group and their financial position as at 30 June 2004. This information is stated in accordance with the accounting policies set out on pages 36 to 37.

MANAGER'S RESPONSIBILITIES

The Manager is responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the Trust and group as at 30 June 2004 and of their financial performance and cash flows for the year ended on that date.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial statements presented by the Manager and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Manager in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of the Trust and group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor and provider of other assurance services, we have no relationship with, or interest in, the Trust or group.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Trust as far as appears from our examination of those records; and
- the financial statements on pages 32 to 44:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of the Trust and group as at 30 June 2004 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 2 August 2004 and our unqualified opinion is expressed as at that date.



Wellington

ANALYSIS OF MOVEMENT IN UNIT HOLDINGS

As at 21 August 2004

TOP 20 UNIT HOLDERS	UNITS	% HOLDING
Ronin Property NZ Limited	128,571,429	30.00%
AMP NZ Property Securities Limited	67,879,113	15.84%
National Nominees New Zealand Limited	30,808,429	7.19%
Premier Nominees Limited Armstrong Jones Property Securities Fund	23,281,813	5.43%
Accident Compensation Corporation	19,188,636	4.48%
Westpac Banking Corporation - Client Assets No. 2	12,619,951	2.94%
MFL Mutual Fund Limited	11,398,988	2.66%
Citibank Nominees (New Zealand) Limited	4,428,346	1.03%
ANZ Nominees Limited	3,959,788	0.92%
Investment Custodial Services Limited	3,888,582	0.91%
Custody and Investment Nominees Limited	3,833,189	0.89%
BT NZ Unit Trust Nominees Limited	2,984,166	0.70%
The Public Trustee - GIF 46	2,486,000	0.58%
TEA Custodians Ltd No. 2 Account - TEAC50	2,424,509	0.57%
University of Otago	2,404,804	0.56%
First NZ Capital Custodians Limited	2,356,863	0.55%
NZ Sovereign Assurance Company Limited	2,222,714	0.52%
The Trustees Executors and Agency Company of New Zealand - TEAC40	2,084,432	0.49%
Super Tracker Nominees Limited	2,002,683	0.47%
The Fletcher Trust Inc	1,562,676	0.36%
	330,387,111	77.09%

LOCATION ANALYSIS – UNIT HOLDERS	UNITS
New Zealand	427,652,070
Australia	551,568
Great Britain	83,050
USA	93,800
Belgium	19,000
Switzerland	60,000
Spain	4000
France	5800
Hong Kong	50,000
Japan	4900
Malaysia	6000
Romania	23,000
Sweden	6600
Singapore	5641
Taiwan	6000
	428,571,429

ANALYSIS OF MOVEMENT IN UNIT HOLDINGS

SHAREHOLDING ANALYSIS - UNIT HOLDERS	HOLDERS	QUANTITY
1 - 999	51	31,041
1000 - 1999	93	130,850
2000 - 4999	719	2,312,229
5000 - 9999	955	6,136,228
10,000 - 49,999	2024	38,694,599
50,000 - 99,999	223	13,617,786
100,000 - 499,999	124	20,882,815
500,000 - 999,999	14	9,181,003
1,000,000 - 999,999,999,999	26	337,584,878
	4229	428,571,429

ANALYSIS OF MOVEMENT IN NOTE HOLDINGS

As at 21 August 2004

TOP 20 NOTE HOLDERS	NOTES	% HOLDING
Ronin Property NZ Limited	28,571,428	30.00%
Public Trust Office	8,600,000	9.03%
Accident Compensation Corporation	3,414,316	3.59%
MFL Mutual Fund Limited	3,369,138	3.54%
Custodial Services Limited A/C 3	2,414,820	2.54%
Forbar Custodians Limited PPM Medium A/C	1,429,666	1.50%
Citibank Nominees (New Zealand) Limited	1,328,084	1.39%
Custodial Services Limited A/C 2	1,321,933	1.39%
Custodial Nominees Limited A/C C	1,320,892	1.39%
Forbar Custodians Limited PPM Low A/C	1,181,503	1.24%
Premier Nominees Limited Armstrong Jones Property Securities Fund	1,107,795	1.16%
University of Otago	1,000,000	1.05%
The Trustees Executors and Agency Company of New Zealand - TEAC40	917,155	0.96%
Custodial Services Limited A/C 1	777,000	0.82%
ASB Nominees Limited Account 677680	679,000	0.71%
RECT Funds Management Limited	500,000	0.53%
Forsyth Barr Limited	426,090	0.45%
Brycharl Corporation Limited	400,000	0.42%
Forbar Custodians Limited PPM Exempt A/C	388,000	0.41%
First NZ Capital Custodians Limited	356,409	0.37%
	59,503,229	62.48%

LOCATION ANALYSIS - NOTE HOLDERS	NOTES
New Zealand	95,137,241
Australia	26,926
Great Britain	13,532
USA	25,000
Switzerland	26,100
Spain	888
Italy	5000
Japan	1088
Singapore	571
	95,236,346

SHAREHOLDING ANALYSIS - NOTE HOLDERS	HOLDERS	QUANTITY
1 - 999	412	252,548
1000 - 1999	471	627,007
2000 - 4999	664	2,063,668
5000 - 9999	478	3,004,854
10,000 - 49,999	1160	18,262,135
50,000 - 99,999	88	4,908,952
100,000 - 499,999	52	8,184,452
500,000 - 999,999	4	2,873,155
1,000,000 - 999,999,999,999	12	55,059,575
	3341	95,236,346

SUBSTANTIAL SECURITY HOLDERS

As at 21 August 2004

ISSUER OF NOTICE	UNITS	% HOLDING
Ronin Property NZ Limited	128,571,429	30.00%
AMP NZ Property Securities Limited	67,879,113	15.84%
National Nominees New Zealand Limited	30,808,429	7.19%
Premier Nominees Limited Armstrong Jones Property Securities Fund	23,281,813	5.43%

The preceding information is given pursuant to Section 26(1) of the Securities Market Act 1988. The preceding investing entities are registered by the Trust as at 21 August 2004 as Substantial Security Holders in the Trust, having declared relevant interests in the Trust's voting securities in terms of Section 25 of the Securities Markets Act 1988.

STATEMENT REQUIRED BY NZX LISTING RULES

New Zealand Exchange Limited (**NZX**) requires the following information to be included in this report and each interim report. ANZO is also required to announce this information to the market three months after each yearly and half-yearly report.

The office of manager of ANZO was transferred by AMP Capital Investors (New Zealand) Limited (**AMP Capital**) to AMP Ronin Management on 15 January 2004. The shareholders of AMP Ronin Management are AMP Capital and Ronin Funds Management Limited (**Ronin**). AMP Capital and Ronin have entered into a joint venture agreement in relation to the operation and management of AMP Ronin Management and ANZO.

AMP Capital, Ronin in its personal capacity and Ronin in its capacity as the responsible entity of Ronin Property Trust also entered into a deed (the Deed) which sets out pre-emptive rights granted by each of AMP Capital and Ronin to the other in respect of certain units in ANZO held or controlled by them.

1. PRE-EMPTIVE RIGHTS GRANTED TO AMP CAPITAL

Under the terms of the Deed, Ronin Property Trust is required, in certain circumstances, to offer ANZO units held or controlled by it to AMP Capital. In particular:

- 1.1 if Ronin proposes to sell, transfer or otherwise dispose of its shareholding in AMP Ronin Management, Ronin Property Trust must offer to sell all the ANZO units held or controlled by it to AMP Capital;
- 1.2 in the event of a change of control (as defined in the Deed) in Ronin or Ronin Property Holdings Limited, Ronin Property Trust must offer to sell all the ANZO units held or controlled by it to AMP Capital;
- 1.3 if Ronin Property Trust wishes to sell ANZO units held or controlled by it which comprise, in aggregate, more than 3% of the total number of ANZO units outstanding at that time, it must first offer to sell those ANZO units to AMP Capital. Under the Deed, this obligation lasts until 15 January 2006;
- 1.4 the number of ANZO units held or controlled by Ronin Property Trust must be not less than 19.9% of the total number of outstanding ANZO units until 15 January 2006, and 15% thereafter (these thresholds are subject to adjustment if ANZO undertakes certain transactions which affect its capital structure). If Ronin Property Trust fails to hold or control the specified minimum number of ANZO units, it must offer to sell all the remaining ANZO units held or controlled by it to AMP Capital;
- 1.5 if Ronin or Ronin Property Trust breach certain non-compete provisions, Ronin Property Trust must offer to sell all the ANZO units held or controlled by it to AMP Capital; and
- 1.6 if one or more of certain specified events of default occur in relation to Ronin, Ronin Property Trust must offer to sell all the ANZO units held or controlled by it to AMP Capital.

In addition, Ronin Property Trust may not sell, transfer or otherwise dispose of, in any rolling 12-month period, ANZO units held or controlled by it which would, in aggregate, comprise more than 10% of the total number of outstanding ANZO units at the commencement of the relevant 12-month period.

2. PRE-EMPTIVE RIGHTS GRANTED TO RONIN PROPERTY TRUST

Under the terms of the Deed, AMP Capital is required, in certain circumstances, to offer ANZO units held or controlled by it (in its own right) to Ronin Property Trust. In particular:

- 2.1 if AMP Capital proposes to sell, transfer or otherwise dispose of its shareholding in AMP Ronin Management, AMP Capital must offer to sell all the ANZO units held or controlled by it (in its own right) to Ronin Property Trust;
- 2.2 in the event of a change of control (as defined in the Deed) in AMP Capital or AMP Capital Holdings Limited (or any company that replaces it as the parent

company of the funds management companies in the AMP group), AMP Capital must offer to sell all the ANZO units held or controlled by it (in its own right) to Ronin Property Trust;

- 2.3 if AMP Capital wishes to sell any ANZO units held or controlled by it (in its own right) it must first offer to sell those ANZO units to Ronin Property Trust. Under the Deed this obligation lasts until 15 January 2006;
- 2.4 if AMP Capital breaches certain non-compete provisions, AMP Capital must offer to sell all the ANZO units held or controlled by it (in its own right) to Ronin Property Trust; and
- 2.5 if one or more of certain specified events of default occurs in relation to AMP Capital, AMP Capital must offer to sell all the ANZO units held or controlled by it (in its own right) to Ronin Property Trust.

3. PRICE

Under the terms of the Deed:

- 3.1 Except in the circumstances described in 3.2 and 3.3 below, the price at which ANZO units would be offered to AMP Capital or Ronin Property Trust (as the case may be) is to be an amount equal to the average of:
 - i. the net tangible assets of ANZO divided by the number of outstanding ANZO units, multiplied by 0.969; and
 - ii. the weighted daily average closing price of ANZO units on NZX during the five trading days immediately preceding the date on which those ANZO units are offered for sale to AMP Capital or Ronin Property Trust (as the case may be), multiplied by 1.074;
- 3.2 If Ronin proposes to sell, transfer or otherwise dispose of all the shares in AMP Ronin Management held by it to a third party, Ronin must offer to sell those shares and Ronin Property Trust must offer to sell all the ANZO units held or controlled by it to AMP Capital at a price determined by them. If AMP Capital does not purchase those shares and ANZO units, Ronin may sell those shares and Ronin Property Trust may sell those ANZO units to the third party for a price not less than the price at which those shares and ANZO units were offered to AMP Capital and;
- 3.3 if AMP Capital proposes to sell, transfer or otherwise dispose of all the shares in AMP Ronin Management held by it to a third party, AMP Capital must offer to sell those shares and all the ANZO units held or controlled by it (in its own right) to Ronin and Ronin Property Trust respectively at a price determined by it. If Ronin and Ronin Property Trust do not purchase those shares and ANZO units, AMP Capital may sell those shares and ANZO units to the third party for a price not less than the price at which those shares and ANZO units were offered to Ronin and Ronin Property Trust.

4. GENERAL

- 4.1 The above rights cease to apply if AMP Ronin Management ceases to be the manager of ANZO.
- 4.2 Under the terms of the Deed, the acquisition of ANZO units by either party in accordance with its pre-emptive rights set out in the Deed would be conditional on the relevant party obtaining all applicable regulatory approvals and consents for such acquisition.
- 4.3 None of the pre-emptive rights described above have been exercised.
- 4.4 All of the ANZO units which Ronin Property NZ Limited acquired from National Provident Fund are subject to the obligations imposed on Ronin Property Trust under the Deed. All ANZO units held or controlled by it in its own right (but not in any other capacity) are subject to the obligations imposed on AMP Capital under the Deed. As of the date of this report, AMP Capital holds no such ANZO units.

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