AMP NZ OFFICE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2010

$M	Notes	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Rental revenue				
Gross rental income		68.5	70.3	137.9
Less direct operating expenses		(18.3)	(17.9)	(37.3)
Operating profit before indirect expenses		50.2	52.4	100.6
Indirect expenses				
Interest expense		11.1	10.0	21.1
Interest income		(0.1)	(0.1)	(0.2)
Other expenses	2	3.1	4.8	9.6
Total indirect expenses		14.1	14.8	30.6
Operating profit before income tax		36.0	37.7	70.1
Non operating income (expenses)				
Unrealised net loss in value of investment properties		-	(63.1)	(115.3)
Realised gain on sale of investment properties		-	-	0.7
Unrealised interest rate swap gain (loss)		0.6	3.0	(5.1)
Total non operating income (expenses)		0.6	(60.2)	(119.7)
Net profit (loss) before income tax		36.6	(22.5)	(49.6)
Income tax benefit (expense)				
Current tax	7	(5.0)	(5.6)	(9.4)
Deferred tax	7	(3.2)	(1.0)	16.0
Total income tax benefit (expense)		(8.2)	(6.6)	6.6
Net profit (loss) after income tax		28.4	(29.1)	(43.0)
Total comprehensive income (loss) after income tax attributable to equity holders	8	28.4	(29.1)	(43.0)
Earnings per security (cents)				
Basic and diluted earnings per security	9	2.85	(2.91)	(4.31)
Operating Profit before current tax per security	9	3.61	3.77	7.02
Operating Profit after current tax per security	9	3.11	3.22	6.08

The accompanying notes form part of these Financial Statements.

AMP NZ OFFICE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2010

$M	Notes	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Equity at the beginning of the period		932.6	1,033.8	1,033.8
Total net profit for the period attributable to equity holders		28.4	(29.1)	(43.0)
Total comprehensive income for the period		28.4	(29.1)	(43.0)
Distributions				
Distributions to equity holders		(30.8)	(28.3)	(58.2)
Total distributions		(30.8)	(28.3)	(58.2)
Other movements				
Repurchase of units prior to corporatisation		(0.5)	-	-
Corporatisation costs		(1.9)	-	-
Total other movements		(2.4)	-	-
Equity at the end of the period		927.7	976.4	932.6

The accompanying notes form part of these Financial Statements.

AMP NZ OFFICE LIMITED
BALANCE SHEET
As at 31 December 2010

$M	Notes	UNAUDITED AS AT 31 DECEMBER 2010	UNAUDITED AS AT 31 DECEMBER 2009	AUDITED AS AT 30 JUNE 2010
Current assets				
Cash at bank		2.0	9.3	2.7
Trade debtors		2.5	2.7	2.2
Leasing fees		1.3	1.1	1.3
Prepayments and other current assets		1.4	1.8	3.3
Total current assets		7.2	14.8	9.6
Non current assets				
Leasing fees		5.6	3.5	4.9
Deferred tax - fair value of swaps		5.9	3.7	6.1
Investment properties	**5**	1,279.4	1,334.2	1,276.8
Other non current assets		3.3	0.5	1.9
Total non current assets		1,294.1	1,341.8	1,289.7
Total Assets		1,301.4	1,356.6	1,299.3
Current liabilities				
Interest bearing liabilities	**4**	242.5	-	-
Fair value of swaps		-	0.5	0.3
Provision for current tax		1.6	0.2	0.9
Other current liabilities		9.9	8.7	12.1
Total current liabilities		254.0	9.4	13.4
Non current liabilities				
Interest bearing liabilities	**4**	25.5	273.0	262.0
Fair value of swaps		19.7	11.8	20.0
Deferred tax - depreciation		74.4	86.0	71.4
Deferred tax - property revaluations/impairments		-0.8	-	-0.2
Deferred tax - other		0.8	-	0.2
Total non current liabilities		119.6	370.8	353.4
Total Liabilities		373.6	380.2	366.8
Equity	**10**	927.7	976.4	932.6
Total Liabilities and Equity		1,301.4	1,356.6	1,299.3

Signed on behalf of AMP NZ Office Limited, who authorised the issue of these financial statements on 10 February 2011.

Director

Director

The accompanying notes form part of these Financial Statements.

AMP NZ OFFICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 December 2010

$M	Notes	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Cash flows from operating activities				
Gross rental income		68.3	68.6	136.6
Interest income		0.1	0.1	0.2
Office property and other expenses		(18.9)	(14.0)	(34.7)
Other trust expenses		(4.7)	(4.7)	(10.1)
Interest expense		(10.4)	(11.4)	(22.0)
Income tax		(4.3)	(3.9)	(7.0)
Net cash inflow from operating activities	**3**	30.2	34.6	62.9
Cash flows from investing activities				
Proceeds from sale of investment properties		-	-	11.2
Development properties		-	(1.6)	(1.9)
Investment properties		(4.1)	(2.6)	(6.9)
Capitalised interest on development properties		-	(1.3)	(1.3)
Net cash inflow (outflow) from investing activities		(4.1)	(5.5)	1.1
Cash flows from financing activities				
Loan facility drawdowns		6.0	7.0	-
Loan facility repayments		-	-	(4.0)
Distributions to equity holders		(30.8)	(28.3)	(58.2)
Corporatisation costs		(2.0)	-	(0.5)
Offering costs	**10**	-	(0.2)	(0.2)
Net cash inflow (outflow) from financing activities		(26.8)	(21.4)	(62.8)
Net increase (decrease) in cash held		(0.8)	7.8	1.2
Cash at the beginning of the period		2.7	1.5	1.5
Cash at the end of the period		2.0	9.3	2.7

The accompanying notes form part of these Financial Statements.

AMP NZ OFFICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 31 December 2010

1. Accounting policies

Reporting entity

The unaudited interim financial statements presented are those of AMP NZ Office Limited and its subsidiaries (ANZO). ANZO transitioned from a unit trust to a company on 1 November 2010 after a unit holder vote on 21 October 2010. This transition has had no impact on the interim financial statements as ANZO is a continuing entity, the security owners have not changed, and therefore the comparative information remains unchanged.

ANZO is incorporated in New Zealand and is registered under the New Zealand Companies Act 1993.

ANZO is an issuer for the purposes of the Financial Reporting Act 1993. The unaudited interim financial statements have been prepared on the basis of ANZO being a continuing entity through its transition from a unit trust to a company.

ANZO's principal activity is investment in predominantly prime CBD office properties in New Zealand. ANZO is managed by AMP Haumi Management Limited.

Basis of preparation

The unaudited interim financial statements have been prepared in accordance with NZ IAS 34 and IAS 34 Interim Financial Reporting. The unaudited interim financial statements have been prepared using New Zealand Dollar functional and reporting currency. All financial information has been presented in millions, unless otherwise stated.

These unaudited interim financial statements should be read in conjunction with the financial statements and related notes included in ANZO's Annual Report for the year ended 30 June 2010.

Significant accounting judgements, estimates and assumptions

In preparing the unaudited interim financial statements management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on ANZO when applying the accounting policies. Actual results may differ from the judgments, estimates and assumptions made by management.

Except as described below, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

ANZO has early adopted the following new standard for the current reporting period:

NZ IAS 12 (Amendment) - Income taxes. The revised standard provides that for investment property measured using the fair value model in accordance with NZ IAS 40, deferred tax assets and liabilities would be measured based on the tax consequences of a sale at fair value. ANZO has chosen to early adopt this amendment and it has been retrospectively applied to the comparative periods with adjustments being made to the opening balance of retained earnings and deferred tax liability. Under the previous accounting policy, deferred tax was recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The impact on ANZO of the amendment are as follows:

- The reversal of deferred tax liabilities arising from revaluation changes above cost, totalling $165.3 million.
- The reversal of deferred tax liabilities arising from other investment property items, totalling $0.2 million.

2. Operating profit before income tax

Operating profit before income tax has been arrived at after charging the following items:

$M	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Other expenses			
Audit fees	0.1	0.0	0.1
Directors fees	0.0	-	-
Trustee fees	0.1	0.1	0.2
Asset management fees	2.5	4.4	8.5
Other	0.4	0.3	0.9
Total other expenses	3.1	4.8	9.6

3. Reconciliation of net profit (loss) after taxation with cash inflow (outflow) from operating activities

$M	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Net profit (loss) for the period	**28.4**	**(29.1)**	**(43.0)**
Add (less) non-cash items and non operating items			
Unrealised net change in value of investment properties	-	63.1	115.3
Realised gain on sale of investment properties	-	-	(0.7)
Unrealised interest rate swap (gain) / loss	(0.6)	(3.0)	5.1
Deferred tax expense (benefit)	3.2	1.0	(16.0)
Amortisation of leasing fees	0.2	-	0.6
Movement in working capital			
Increase (decrease) in creditors	(0.8)	3.3	6.8
(Increase) decrease in debtors	(0.3)	(0.7)	(5.2)
Net cash inflow from operating activities	**30.2**	**34.6**	**62.9**

4. Term loan

ANZO has a cash advance facility with Bank of New Zealand and Westpac Banking Corporation for $342.5m (31 December 2009: $342.5m).
The maturity profile for the facility is as follows:

$M		UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Bank facility limit	**Maturity date**			
Bank of New Zealand	Nov-11	121.3	121.3	121.3
Westpac Banking Corporation	Nov-11	121.2	121.2	121.2
Bank of New Zealand	Jun-12	50.0	50.0	50.0
Westpac Banking Corporation	Jun-12	50.0	50.0	50.0
Total debt facility limit		**342.5**	**342.5**	**342.5**
Bank facility drawn	**Maturity date**			
Bank of New Zealand	Nov-11	121.3	121.3	121.3
Westpac Banking Corporation	Nov-11	121.2	121.2	121.2
Bank of New Zealand	Jun-12	12.8	15.3	9.8
Westpac Banking Corporation	Jun-12	12.7	15.2	9.7
Total debt facility drawn		**268.0**	**273.0**	**262.0**

The entire facility is interest only. The loan facility contains a negative pledge obligation on ANZO and its subsidiary companies.

Interest rates charged on the facility are at the 90 day benchmark borrowing rate (BKBM rate plus a margin). As at 31 December 2010 the weighted average interest rate applying to these funds was 4.80% (including margin and line fee) (December 2009: 4.43%). Through the use of interest rate swaps ANZO has as of 31 December 2010 effectively fixed the interest rate on $247.5 million, being92.4% (December 2009: $267.5 million, 98.0%) of its total debt resulting in a weighted average interest rate of 7.85% (including margin and line fee) (December 2009: 8.05%). The weighted average term of the swaps is 4.5 years (December 2009: 4.9 years).

5. Investment properties

$M		BOOK VALUE 31 DECEMBER 2010	ADDITIONS/ DISPOSALS	VALUATION 30 JUNE 2010	BOOK VALUE 31 DECEMBER 2009
ANZ Centre	CB Richard Ellis	170.5	0.5	170.0	177.5
151 Queen Street	CB Richard Ellis	67.1	0.3	66.8	73.4
AMP Centre	CB Richard Ellis	91.1	0.0	91.1	93.6
125 The Terrace	CB Richard Ellis	62.1	0.1	62.0	63.6
HP Tower	Colliers International	68.6	0.0	68.6	69.8
No.1 and 3 The Terrace	Colliers International	85.5	0.0	85.5	88.0
No. 3 The Terrace [1]	Colliers International	10.3	0.0	10.3	10.3
PwC Tower	Colliers International	212.0	0.0	212.0	225.0
Pastoral House	Colliers International	60.5	0.0	60.5	62.5
Vodafone on the Quay	CB Richard Ellis	97.9	0.5	97.4	99.9
State Insurance Tower	CB Richard Ellis	120.9	0.3	120.6	121.9
Mayfair House	Colliers International	34.7	0.2	34.5	34.0
AXA Centre	Colliers International	33.5	0.0	33.5	36.0
Deloitte House	CB Richard Ellis	50.5	0.0	50.5	52.1
Chews Lane	CB Richard Ellis	48.4	0.0	48.4	60.3
21 Queen Street	Colliers International	65.7	0.6	65.1	66.3
Market value (fair value) of properties		**1,279.4**	**2.6**	**1,276.8**	**1,334.2**

[1] No 3 The Terrace relates to the value of the ground lease.

During the period no interest was capitalised to development properties (31 December 2009: $1.3 million).

6. Related party transactions

For the six months ended 31 December 2010 the following arm's length related party transactions occurred:

Trustee fees

Perpetual Trust Limited, as Trustee of AMP NZ Office Trust was paid a fee of $42,118 for the four months to 31 October 2010 (December 2009: $67,500), at which point their role as trustee ceased on the transition of ANZO from a unit trust to a company. Additional fees relating to the corporatisation of $32,717 were paid during the six months (December 2009: $10,286). An outstanding amount for ANZO of $42,118 is payable to Perpetual Trust Limited at 31 December 2010 (December 2009: $67,500).

Perpetual Trust Limited leases premises in AMP Centre. Total rent paid to ANZO during the six months was$90,970 (December 2009: $90,780).
ANZO had an amount payable to Perpetual Trust Limited of $107 at 31 December 2010 (December 2009: $223).

Manager fees

ANZO pays AMP Haumi Management Limited a base management services fee and a performance fee. A fee review was undertaken in 2009 in which a new management fee structure was proposed. This proposal was approved at a unit-holder meeting on 21 October 2010 with the revised structure to be effective from 1 July 2009.

The base management services fee structure is as follows:

- 0.55% of the value of the investment properties to the extent that the value of the investment properties is less than or equal to $1billion; plus
- 0.45% of the value of the investment properties to the extent that the value of the investment properties exceeds $1billion.

On 9 February 2011 the management services fee structure was amended to reduce the base management services fee to 0.35% of the value of the investment properties to the extent that the value of the investment properties exceeds $1.5 billion.

The performance fee is based on ANZO's quarterly adjusted equity total returns relative to its peers in the NZ listed property sector as measured by the NZX listed property index. The performance fee is calculated as 10% of ANZO's quarterly performance, subject to an outperformance cap of 1.25% per quarter and after taking into account any brought forward surpluses or deficits from prior quarters. No performance fee is payable in quarters where equity total returns are negative.
No performance fee was payable for the six months (December 2009: nil). As at 31 December 2010 there is a notional performance fee deficit of $273,900 to be carried forward to the calculation of performance fees in future quarters.

The total management fee payable for the six months was $2,533,660(December 2009: $4,373,075). This amount is net of a management fee rebate as a result of the revised management fee structure which relates to the 30 June 2010 financial year totalling $741,756. The rebate comprised a base management services fee rebate of $1,614,760 offset by a performance fee due to AMP Haumi Management Limited of $873,004.

An outstanding amount for ANZO of $543,477 (December 2009: $2,218,569) is payable to AMP Haumi Management Limited.
ANZO pay AMP Haumi Management Limited a leasing fee where AMP Haumi Management Limited has negotiated leases.
The amount paid for the period was $736,786 (December 2009: $271,547). No balance was outstanding at 31 December 2010 (December 2009: $nil).

ANZO paid AMP Haumi Management Limited as development manager total fees for the six months of $62,500 (December 2009: $136,750). No balance was outstanding as at 31 December 2010 (December 2009: $108,750).

ANZO received rental income from AMP Capital investors (New Zealand) Limited and AMP Financial Services Limited for premises leased in AMP Centre and HP Tower. Total rent received by ANZO during the period was$2,270,276 (December 2009: $3,062,669). As at 31 December 2010 an amount of $158,866 was owing to ANZO from AMP Capital Investors (New Zealand) Limited (December 2009: owing to ANZO $11,221).

7. Taxation

Major components of income tax expense are:

$M	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Current tax benefit (expense)	**(5.0)**	**(5.6)**	**(9.4)**
Deferred tax benefit (expense)			
Unrealised loss (gain) on swap revaluations	(0.2)	(0.9)	1.5
Depreciation - current year	(3.0)	-	8.8
Depreciation - Tax rate change 2010	-	-	5.7
Other	-	(0.1)	(0.1)
Total deferred tax benefit (expense)	**(3.2)**	**(1.0)**	**16.0**

8. Reconciliation of distributable surplus

Distributable profit is net profit after tax before revaluations on investment properties, revaluations of derivative financial instruments, amortisation of landlord-owned incentives, fixed rental smoothing, deferred tax and other non-cash NZ IFRS adjustments.

$M	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Net profit (loss) after income tax	**28.4**	**(29.1)**	**(43.0)**
Unrealised net loss in value of investment properties	-	63.1	115.3
Realised gain on sale of investment properties	-	-	(0.7)
Unrealised interest rate swap (gain) / loss	(0.6)	(3.0)	5.1
Deferred tax expense / (benefit)	3.2	1.0	(16.0)
Distributable profit	**31.0**	**32.1**	**60.7**

9. Earnings per security

Basic and diluted earnings per security amounts are calculated by dividing net profit/change in net assets for the period attributable to ordinary security holders (excluding distributions to security holders) by the weighted average number of securities outstanding during the period.

The following reflects the income and security data used in the total operations basic and diluted earnings per security computations:

	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Net profit (loss) after taxation for basic and diluted earnings per security	$28.4M	($29.1M)	($43.0M)
Weighted average number of securities for basic and diluted earnings per security	997,070	997,718	997,718

There have been no new securities issued subsequent to balance date that would affect the above calculations.

Operating profit after tax per security is calculated by dividing distributable profit by the weighted average number of securities outstanding during the period.
Operating profit before tax per security is calculated by dividing distributable profit less current tax, by the weighted average number of securities outstanding during the period.
These additional measures are provided to assist security holders in assessing their returns for the period.

10. Equity

The total number of shares outstanding as at 31 December 2010 are 997,069,794 (December 2009: 997,718,478 units)

Net tangible assets per security	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Net tangible assets per security	$ 0.93	$ 0.98	$ 0.93

11. Capital commitments

As at 31 December 2010 ANZO had no outstanding capital commitments (December 2009: $nil).

12. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. ANZO is internally reported as a single operating segment to the chief operating decision-maker hence no further segments have been reported.

13. Events after balance date

On 9 February 2011 the Board approved the payment of a net cash distribution of 1.474 cents per share ($14,699,301 in total) to be paid on 24 March 2011.