



31 May 2004

AMP NZ Office Trust sets rate for its MCN Rights Issue

8.5% pa minimum interest rate set for
Mandatory Convertible Note Offer

A copy of AMP NZ Office Trust's announcement to NZX is attached.

- Ends -

For more information, please contact:

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8.5% pa minimum interest rate set for Mandatory Convertible Note Offer

AMP NZ Office Trust (ANZO) today confirmed that investors in its Mandatory Convertible (MCN) Rights issue would receive a minimum annual interest rate of 8.5%.

The final interest rate will be the greater of 8.5%, or the three-year swap rate plus a margin of 2.00% (to be notified to NZX on 13 July 2004).

Existing Unitholders will be offered two MCNs for every nine Units held in ANZO at 5.00pm on 11 June 2004 at a price of \$1.00 each, with rights of renunciation. New investors will be able to purchase rights where existing Unitholders elect to renounce their rights.

The offer is expected to raise approximately \$95.2 million in new capital for ANZO, New Zealand's largest prime office property portfolio, which will be used to partly fund the acquisitions of the Mobil on the Park Building and State Insurance Tower in Wellington.

"The interest rate on the MCNs makes them a strong value proposition. Because the interest rate is fixed until the MCNs convert, the investment will provide consistent cashflow returns for investors," said ANZO's Executive Manager Rob Lang.

"Investors will benefit from any capital appreciation of the Units above 92 cents per Unit by the conversion date, as the MCNs convert on a dollar for dollar basis at the lower of the market price (less 2%) of the Units prior to conversion or a Unit price of 92 cents. After conversion, MCN holders can choose to retain their investment in Units, or to sell those Units."

Mr Lang said the Mobil on the Park Building and State Insurance Tower were landmark properties and their acquisition would strengthen ANZO's core portfolio. "The acquisitions will bring significant strategic and operational benefits for ANZO Unitholders, including improved strategic positioning, increased tenant diversification and portfolio occupancy rate, reduced over-renting and improved rental growth prospects."

The acquisitions represent a projected \$900,000 (0.2 cents per Unit) increase in earnings (excluding capital raising costs) that will accrue to AMP NZ Office Trust in the

2005 financial year.¹ This improvement has enabled the Manager, AMP Ronin Management Limited, to increase the full year 2005 distribution projection to 7.20 cents per Unit, up from the 7.0 cents being paid in the 2004 financial year.

The MCNs will have exposure to the highest quality pure office portfolio in New Zealand and a blue-chip tenant base. ANZO's portfolio currently comprises eight prestigious properties in the Auckland and Wellington CBDs valued at \$613.1 million*, including HP Tower, No. 1 & 3 The Terrace, 125 The Terrace and Pastoral House in Wellington, and the ANZ Centre, PricewaterhouseCoopers Tower, Quay Tower and IAG House in Auckland. The acquisition of the Mobil on the Park Building and the State Insurance Tower will lift the portfolio's value as at 30 June 2004 to \$759.1 million.

Tenants include The Treasury, Bank of New Zealand, Westpac, ANZ Bank, Mobil Oil, IAG, Air New Zealand, PricewaterhouseCoopers, AMP Limited, Chapman Tripp, Bell Gully, Russell McVeagh, Minter Ellison Rudd Watts, Buddle Findlay, HP Invent, and Vodafone.

ANZO's experienced management team has also identified value-adding opportunities in the new properties. "The acquisitions improve our ability to meet changing business needs and to offer a broader range of accommodation options from within our portfolio. This in turn will contribute to enhanced long-term tenant retention and reduced cash flow volatility," said Mr Lang.

The offer will open on 14 June 2004 and close on 8 July 2004, and has been fully underwritten by ABN AMRO Rothschild. Quotation of the MCNs is expected to occur on 15 July 2004. The MCNs will convert on 30 June 2007 (or earlier in specified circumstances).

Ronin Property Group, through a subsidiary, Ronin Property NZ Limited, is the largest Unitholder in ANZO with 30% of the Units on issue. Ronin Property Group is fully supportive of the Offer, and has committed to the Underwriter that its subsidiary's entitlement to its share (30%) of the MCNs will be taken up.

ANZO's second largest Unitholder, AMP Property Securities Fund (managed by AMP Capital Investors (New Zealand) Limited), has agreed to renounce its entitlement in favour of the Underwriter, which proposes to offer this entitlement to investors.

About ANZO

ANZO is the owner of New Zealand's largest prime office portfolio. It is managed by AMP Ronin Management Limited, a joint venture company formed in December 2003 by AMP Capital Investors (New Zealand) Limited (AMP Capital) and Ronin Funds Management Limited. The acquisitions will bring AMP NZ Office Trust's total portfolio to 10 office properties, valued at approximately \$760 million.

*The portfolio has been revalued as at 30 June 2004.

¹ Subject to certain assumptions set out in the investment statement and short form prospectus for the offer

- Ends -

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Background Information About the Acquisitions

State Insurance Tower, 1 Willis Street, Wellington

Completed in 1984, the State Insurance Tower (formerly the BNZ Centre) is one of New Zealand's best-known office buildings and has achieved landmark status. The property's 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 car parking, and an enclosed subterranean retail level.

Located in the prime commercial office district of the Wellington CBD, the property is adjacent to Willis Street and Lambton Quay and is a short 2-minute stroll from Frank Kitts Park and the harbour.

Pedestrians can access the property from entrances on Willis Street, Victoria Street, and Willeston Street, or from one of the three underground links (from the Grand Complex, the Old Bank Arcade, and the Colonial Building). It is valued at \$75.3 million as at 25 May 2004.

Purchase Price	\$75.30 million
Building Location	Wellington
Title	Freehold
Total Net Lettable Area (sqm)	27,299
Typical Floor Area (sqm)	1,050
Car Spaces	177
Estimated Over/(Under) Rent	2.3%
Occupancy	98.7%
Weighted Average Lease Term (Yrs)	4.7
Initial Yield ¹	7.3%
Market Capitalisation Rate	8.2%
Discount Rate (IRR)	10.2%
Key tenants:	State Insurance, Bank of New Zealand, Buddle Findlay, Aon, DTZ, TMP Worldwide

Mobil on the Park, 157 Lambton Quay, Wellington

¹ Excludes income support

The Mobil on the Park Building combines elegance and ease of function and, like the State Insurance Tower, is a landmark property in the heart of the Wellington CBD. Constructed as Mobil's New Zealand headquarters in 1998, the building has a distinctive presence on Lambton Quay with its integrated architectural styles and green-tinted glazing. Its 15 tower office floors have panoramic views of the harbour and inner city and provide major tenants with columnless space and efficient floor layouts. The property also offers 315 car parks to service tenants and clients.

The property is at the very centre of Wellington's dynamic business environment, in close proximity 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 out onto the property's park area ornamented by contemporary water and design features. It is valued at \$70.7 million as at 25 May 2004.

Purchase Price	\$70.55 million
Building Location	Wellington
Title	Freehold
Total Net Lettable Area (sqm)	16,750
Typical Floor Area (sqm)	1,001
Car Spaces	315
Estimated Over/(Under) Rent	4.1%
Occupancy	98.0%
Weighted Average Lease Term (Yrs)	4.7
Initial Yield ¹	8.2%
Market Capitalisation Rate	8.0%
Discount Rate (IRR)	10.2%
Key tenants: Mobil, Citibank, Westpac, Vodafone, Russell McVeagh	

Important Dates

Record Date for Entitlements	11 June 2004
Mailing of Entitlement Letters	By 13 June 2004
Opening Date of Offer	14 June 2004
Rights Quotation Commences on NZSX	14 June 2004
Rights Quotation and Trading Ceases on NZSX	6 July 2004
Closing Date of Offer (Being Application Date and Last Date for Receipt of	3:00 pm on 8 July 2004

¹ Excludes income support

Renunciations)*	
Allotment of MCNs	No later than 14 July 2004
Expected Quotation and Trading of MCNs on NZSX	15 July 2004
Settlement of the property acquisitions	15 July 2004

*Application has been made to NZX for permission to quote the Rights and MCNs and all the requirements of NZX relating thereto that can be complied with on or before the date of this announcement have been complied with. However, NZX accepts no responsibility for any statement in this announcement.

Board and Executive of AMP Ronin Management Limited

Robert Morrison, BTRP (Hons), MCom, ASIA
Director, Sydney

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

With over 19 years' experience in direct property and listed property securities, Rob's role oversees the portfolio management of property assets for external clients, significant private client portfolios and opportunistic funds. In addition, he supervises the group's substantial property investment services, including asset management, commercial and industrial property management, development, research and investment strategy, capital transactions, treasury management and finance.

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

Catherine Savage, BCA, CA
Director, Wellington

Catherine is the Managing Director of AMP Capital, where she is 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 her appointment as Managing Director, Catherine was Head of Client Servicing, responsible for sales and marketing, product development and client management. Catherine was previously employed by Natural Gas Corporation as their Treasury Manager.

Anthony Beverley, MCom (Hons) ANZIV
Director, Wellington

Anthony is the Head of Property for AMP Capital, and has overall responsibility for the company's property investment business in New Zealand. AMP Capital is one of New Zealand's largest private property investment managers with approximately \$1.5 billion under management.

Anthony is a director of AMP Capital and Property Industry Limited.

Anthony comes from a strong analytical background and has a particular interest in investment property and the capital markets. He joined AMP Capital in 1991 initially as a valuer 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.

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

Peter is the Chief Executive Officer of Ronin Property Group and is 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 and ensuring that the most appropriate sources of funding are accessed when required. Peter is also a non-executive director of Ronin Partnerships Limited.

Peter has 20 years' experience in the property and funds management industry. His previous role was as Manager of the Ronin Property Trust (RPT) which listed in December 1996 on the Australian Stock Exchange, growing from A\$400 million to approximately A\$1.6 billion. In his capacity as Trust Manager, Peter was responsible for setting RPT's strategy and optimising security holder returns through acquisitions, redevelopment and active asset management of the portfolio.

Rod Leaver, Assoc Dip. Valuation,
AFMA Dip. Financial Services, FAPI
Director, Sydney

Rod is the Executive Chairman of Ronin Property Group with overall responsibility for its strategic direction. Rod has 25 years' experience in the property investment and funds management industry and is also a founder and Managing Director of Ronin Partnerships Limited.

Rod was previously a founder and Chief Executive Officer of James Fielding Group, an Australian listed property investment company. Prior to this he was a founder and Executive Director of Paladin Australia Limited that, at the time of sale to Deutsche Asset Management, had property funds under management of \$2.3 billion. Rod is a Director and the NSW President of the Property Council of Australia.

Peter Dumas, BEc, MCom, ASIA
Director, Sydney

Peter 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 within AMP Capital Investors Limited's listed property trust division and throughout this period was involved in raising in excess of \$1 billion through a variety of debt and equity raisings. Peter has been employed within the securities industry for over 12 years working for organisations including the National

Australia Bank, the Australian Securities and Investments Commission and the Australian Stock Exchange.

Rob Lang, BA, BProp, MSc
Executive Manager, Wellington

As the Executive Manager of ANZO, Rob has overall responsibility for developing and implementing ANZO's policies and investment strategies as well as optimising capital requirements, asset income and capital values, portfolio operations and achieving specific performance objectives.

Prior to joining AMP Capital, Rob was based in London and employed by international investment bank BankAustria as a Company Analyst specialising in Central and Eastern European markets.