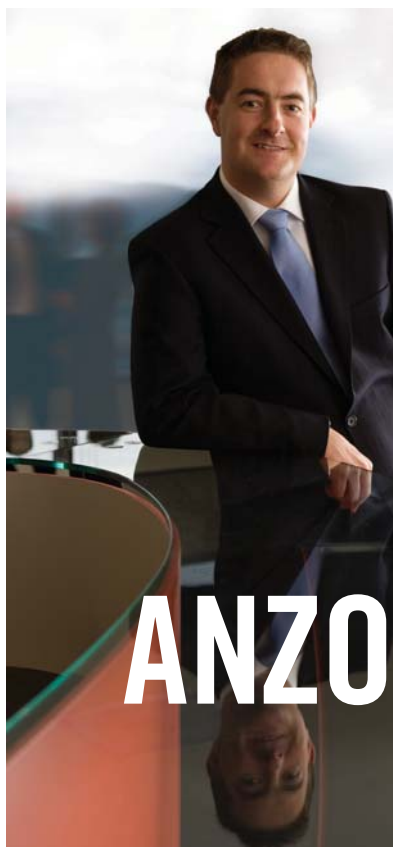


WELCOME TO THIS INVESTOR UPDATE



Intense activity continues across the commercial property sector and we have been well placed to make the most of several recent market opportunities. Over the last six months we have purchased three properties: two investment properties and a redevelopment opportunity which are expected to enhance ANZO's overall performance (see over the page).

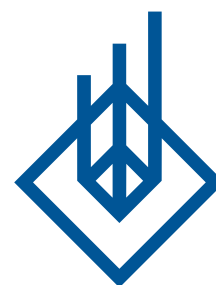
The investment industry has had a shake up with the new investment taxation changes – the Portfolio Investment Entity (PIE) regime. We detail the beneficial features of the new PIE regime below.

You will have heard from us recently about ANZO's mandatory convertible notes (MCNs) which were issued in July 2004 and which will convert to new units with the Stock Exchange code APTNB on 30 June 2007. If you are unsure of what this means for you, please do not hesitate to call Amish Vallabh on 04 494 2192, email general@anzo.co.nz, or visit the Frequently Asked Questions on MCNs section of our website at www.anzo.co.nz.

ROB LANG, EXECUTIVE MANAGER
AMP NZ OFFICE TRUST

UPDATE

A SLICE OF THE PIE



AMP NZ
OFFICE
TRUST

"Good news" and "tax" are words which are not often seen in the same sentence. However, investors in ANZO will later this year start to receive the benefit of significant changes to the way that the income from their investment is taxed.

Legislation was passed late last year introducing a new tax regime for collective investment vehicles that meet the definition of a Portfolio Investment Entity (PIE).

Key points are:

- The PIE regime provides a level playing field for the taxation of property investments taken directly by individuals and investments through vehicles like ANZO. PIE will reduce significantly the future tax burden on the majority of ANZO's unit-holders.
- From 1 October this year, cash distributions will be split into a fully-imputed (tax paid) component and an excluded (tax free) component. ANZO unit-holders will be taxed only on the fully-imputed component at their marginal tax rates – currently capped at 33% but which will reduce to a maximum of 30% from 1 July 2008, further increasing the cash distribution received by investors after that date.
- The advantages of tax free capital gains, depreciation and

other allowances will pass through to ANZO's investors, effectively increasing their cash distribution.

- Strict eligibility criteria must be maintained in future including no unit-holder owning more than 19.9% in the Trust.

The changes will affect individual investors in different ways depending on their current marginal tax paying status. The working example below shows the benefit of the new regime on a range of investor tax rates, using a hypothetical gross dividend of \$1.00. The gross distribution will not change under the new regime but the after-tax (net) distribution will rise by between 5% and 39% for most investors. Investors paying tax at a rate of 0% will not experience any change.

The first distribution payable under the new regime is the distribution for the first-quarter of ANZO's 2008 financial year (the three months to 30 September 2007), which is payable in October/November 2007. Investors do not need to take any action to benefit from this change – the applicable tax will be calculated and deducted from distributions before they are paid to investors. Statements to ANZO investors after 1 October 2007 will show an "imputed" component and an "excluded" component to distributions.

PIE - Working example assuming nominal \$1.00 gross distribution¹

		NZ Resident		Non Resident ²	
Investor Tax rate	0%	19.5% ³	33%	39%	15%
Net DPU - Pre PIE (\$)	0.85	0.81	0.67	0.61	0.77
Net DPU - Under PIE (\$)	0.85	0.85 ³	0.85	0.85	0.85
% Increase in Return	0.0%	4.9%	26.9%	39.3%	10.3%

¹ The analysis assumes: gross distribution of \$1.00 per unit; net distribution (cash paid) of \$0.85 per unit; imputation credits of \$0.15 per unit; a supplementary distribution of \$0.054 per unit, a corporate tax rate of 33.0% and an effective ANZO corporate tax rate of 15.0%.

² Non-resident returns are shown only in respect of tax paid in New Zealand. There may be further tax to pay in their home jurisdictions.

³ Taxpayers on a 19.5% tax rate will be able to use excess imputation credits in respect of the imputed dividend which can be used against other taxable income. This would result in a greater return.

HABITAT FOR HUMANITY

The ANZO team, including new member, Phillipa Brown (ANZO's accountant) has donated time to help with the Habitat for Humanity Build in Porirua this month. Habitat is the world's largest house building charity and uses volunteers to build houses in a matter of weeks for families in need. This project, the first in Wellington to be supported by the AMP Foundation, is building a four-bedroom home for the Yates Family. The family also helps in the building of their own home, providing 500 hours of "sweat equity" to the project.



ANZO SPONSORS INFNZ SHAREBROKING FIRM OF THE YEAR AWARD

INFNZ is the industry body for professionals working and participating in New Zealand's financial and capital markets and each year recognises excellence in the industry through the INFNZ Industry Awards. In 2007 ANZO was pleased to sponsor the Sharebroking Firm of the Year Award and congratulations go to ABN AMRO – the award's recipient.

GROWING AND BUILDING VALUE...

In April this year, ANZO announced its largest-ever annual portfolio revaluation gain – \$253 million (unaudited) – double that of last year. This has increased ANZO's net tangible asset backing to *\$1.48 per unit. The strong growth is attributable to a burgeoning demand for assets of ANZO's quality, and robust rental growth.

ANZO's recent acquisition of Auckland's 21 Queen Street, in combination with the two Wellington acquisitions – Deloitte House for \$57.4 million in March 2007 and the AXA Centre for \$39.5 million in December 2006 – along with existing properties, is expected to lead to a total portfolio value in excess of \$1.4 billion by the end of this financial year, up 22.7%

21 Queen Street in particular is an exciting development opportunity that builds on ANZO's recent successful redevelopment experience which includes No. 1 The Terrace in Wellington. ANZO is aiming for the highest possible rating for environmental benefits under the New Zealand Green Star system for the Queen Street property. The intention is that it will not only provide high-quality office accommodation but also real environmental and energy efficiency benefits to tenants and Auckland City.

AXA Centre comprises 14 levels of A-grade office accommodation currently occupied by institutional and government related organisations. This property appreciated in value by 5.9 percent in just six months and is expected to deliver the portfolio a total return for the period to June 2007 in excess of 13.1%.

Deloitte House is a waterfront office building which has recently been fully refurbished and redeveloped to an A-grade standard. The investment performance outlook for this property is excellent with the three year average annual total return expected to exceed 14% per annum.

*\$1.48 represents ANZO's adjusted NTA (after excluding deferred tax on revaluation gains).



**AMP NZ
OFFICE
TRUST**



DELOITTE HOUSE



AXA CENTRE