



AMP NZ OFFICE

INTERIM REPORT 2011

FOR THE SIX MONTHS TO DECEMBER 2010

ANZO board and senior management

Left to right: Directors Anthony Beverley, Robert Walker, Don Huse, Mark Verbiest, Graeme Horsley, Graeme Wong, Craig Stobo (chairman), CEO Scott Pritchard, CFO George Crawford, director Mohamed Ahmed Darwish Karam Al Qubaisi



Key Events

→ Distributable profit of \$31.0 million

→ Improved customer enquiry

→ Portfolio occupancy increased

→ Portfolio weighted average lease term of 5.8 years

→ Strong balance sheet

→ Corporatisation complete with improved governance and new fee structure

→ Refreshed board of directors

→ New chief executive officer and chief financial officer

→ ANZ retained within ANZ Centre

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Letter to shareholders from ANZO Chairman and CEO

AMP NZ OFFICE LIMITED

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Dear Shareholder,

We are pleased to present you with our first interim report under ANZO's new structure¹ as a company (rather than a trust), for the six months ended 31 December 2010.

The interim period has been an active one for ANZO and the consequent financial performance has been pleasing in a challenging environment.

¹ On 1 November 2010, the transition of ANZO from a unit trust to a company was completed. As explained in note one to the financial statements on page 26, for accounting purposes ANZO is a continuing entity. This interim report accordingly covers both the period before that transition (when 'ANZO' was AMP NZ Office Trust) and after that transition (once 'ANZO' had become AMP NZ Office Limited). References to 'ANZO' should be interpreted accordingly.



WILLIS NEW ZEALAND'S NEW RECEPTION AREA AT 21 QUEEN STREET

SIGNIFICANT work has gone into the implementation of ANZO's new corporate governance and management fee structures, as approved by ANZO investors. An immediate benefit to shareholders has been lower management fees during the interim period.

Notable successes for the six months have included an increase in customer enquiry, which has resulted in a number of new leases. The progress achieved at 151 Queen Street and 21 Queen Street in Auckland has been particularly encouraging.

Post-balance date, we have announced the retention of major customer ANZ National Bank, with a substantial redevelopment of Auckland's ANZ Centre to take place. Importantly, this new lease is expected to have a positive effect on projected vacancy rates, rental growth prospects and values across the Auckland CBD office market.

Notable successes for the six months have included an increase in customer enquiry, which has resulted in a number of new leases.

Overview



WILLIS NEW ZEALAND'S BOARDROOM AT 21 QUEEN STREET



Also since balance date, a further four leases have been secured at 21 Queen Street (in addition to the four reported for the interim period), doubling the occupancy of this building to 63%.

Following these leasing transactions, the restated 31 December 2010 occupancy is 94% and weighted average lease term (WALT) is 5.8 years.

The board has also completed its review of ANZO's dividend policy, a move that was signalled at the time of ANZO's corporatisation late last year. The outcome of that review is a move to a sustainable dividend policy paying dividends from operating cashflow.

ANZO's distributable earnings for the financial year to 30 June 2011 are expected to be between 5.9 and 6.1 cents per share.



Key Financial Statistics

	31 DEC 2010 (\$ MILLION UNLESS OTHERWISE STATED)	31 DEC 2009 (\$ MILLION UNLESS OTHERWISE STATED) ¹	PERCENTAGE CHANGE
Rental revenue	68.5	70.3	(2.6%)
Operating profit before indirect expenses	50.2	52.4	(4.2%)
Operating profit before taxation	36.0	37.7	(4.5%)
Net operating profit after current taxation – ANZO's distributable earnings	31.0	32.1	(3.4%)
Net profit (loss)	28.4	(29.1)	197.6%
Earnings per share based on operating profit before current taxation	3.62	3.77	(4.0%)
Earnings per share based on net operating profit after current taxation (ANZO's distributable earnings)	3.11	3.22	(3.4%)
Total gross distribution for interim period (cents per share)	3.349	3.528	(5.1%)
Total net distribution for interim period (cents per share)	2.949	3.022	(2.4%)
NTA per share	\$0.93	\$0.91	2.2%
Gearing ratio at balance date	23.0%	21.7%	(6.0%)

¹ The 31 December 2009 comparatives have been restated to reflect early adoption of the amendments to IAS12.

ANZO's rental income was 2.6% lower than the previous interim period at \$68.5 million. This was principally due to the sale of five retail units and as a result of a small increase in vacancy.

Administrative expenses to 31 December 2010 were \$3.1 million, a 35.4% reduction compared to the previous corresponding period. This was a positive outcome of the new management fee structure approved by ANZO investors in October 2010. The base management fee is now lower and no performance fee was payable for the interim period. In addition, ANZO received a one-off fee rebate from the manager of \$0.7 million relating to the 2010 financial year.

Although ANZO's debt levels remained stable, interest expense for the six months increased 11.1% to \$11.0 million. This reflected interest costs associated with the 21 Queen Street development project being capitalised for only part of the previous interim period (until practical completion of the project in September 2009).

ANZO's 2011 interim distributable profit of \$31.0 million was 3.4% lower than the previous interim period. Earnings per share, based on distributable profit, were similarly lower at 3.11 cents per share.

ANZO's net profit after tax and unrealised gains (including deferred tax on depreciation and changes in the fair value of interest rate swaps) was \$28.4 million. This compares with a net loss of \$29.1 million for the previous interim period (which, following revaluations, included an unrealised decline in portfolio value).

There were no valuations undertaken at 31 December 2010, reflecting a more stable valuation environment. ANZO's next scheduled revaluation will take place as part of its financial year-end reporting as at 30 June 2011.





ANZO maintains a strong balance sheet, with gearing at 23%

Changes to accounting standards

IT WAS noted in the 2010 annual report that ANZO, along with many other entities with substantial property holdings, had been required to disclose a one-off, unrealised increase in deferred tax on revaluation gains, resulting in a reduction in net tangible assets per unit (NTA).

We are pleased that a recent amendment to the accounting standard IAS 12: Income Taxes now allows ANZO to re-state its deferred tax liability to reflect the actual tax payable if its investment property assets were sold. This has resulted in the reversal of the deferred tax liability booked by ANZO at 30 June 2010 relating to the Government's removal of depreciation on building structures as a tax deductible expense, as well as the reversal of deferred tax liabilities booked on revaluation gains and leasing costs/incentives amounting to \$165 million in total.

ANZO's NTA per share has, as a consequence, increased from \$0.77 per share to \$0.93 per share and no longer requires adjustment to take account of the effect of this standard prior to its amendment.

Balance sheet and capital management

ANZO maintains a strong balance sheet, with gearing at 23% at 31 December 2010 (compared with its loan covenant ratio of 40%) and interest cover for the 12-month period ending 31 December 2010 of 4.1 times (compared with its covenant of 2 times).

A key priority is the refinancing of ANZO's \$342.5 million bank debt facility with Bank of New Zealand and Westpac. Tranche 1 of this facility (\$242.5 million) expires in November 2011.

At 31 December 2010, ANZO had 92% of its bank debt fixed through the use of interest rate swaps at a weighted average interest rate of 7.85% (inclusive of margin and line fees).

We anticipate that there will be higher costs associated with a new bank facility after refinancing.

ANZ Centre re-development

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POST-BALANCE date, we have announced the successful retention of ANZ National Bank (ANZ) at Auckland's ANZ Centre, triggering a substantial redevelopment. We will undertake a comprehensive redevelopment of the ANZ Centre at an estimated cost of \$76 million.

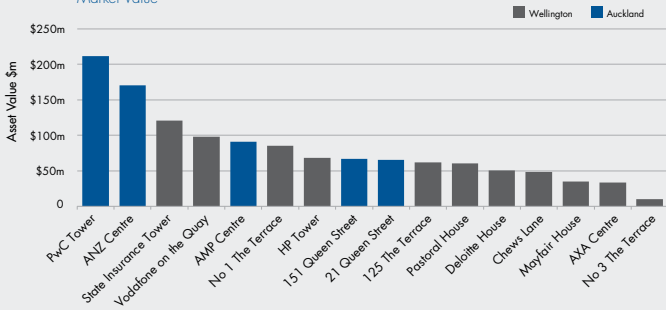
ANZ New Zealand has agreed to a new 15-year lease commencing 1 January 2014 and will occupy 17,700 sqm in the building, becoming ANZO's largest customer.

The redevelopment will include a substantial new pavilion lobby and entrance, as well as the provision of new building services on a floor-by-floor basis. The ANZ Centre will be repositioned as one of Auckland's premier office towers and we believe this transaction will be positive for the long-term health of the Auckland CBD office market.

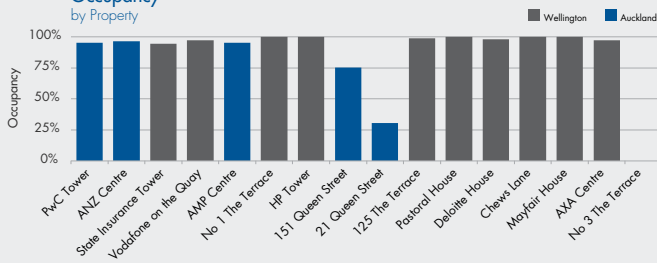


Portfolio performance

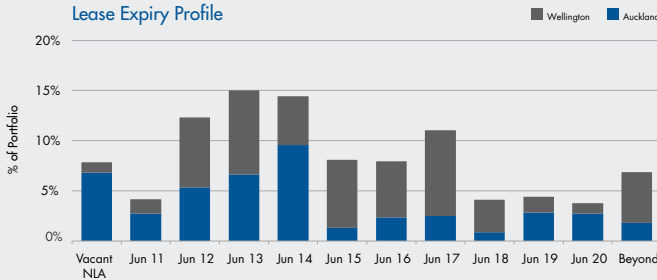
Portfolio Composition
Market Value



Occupancy by Property



Lease Expiry Profile



AS AT 31 DECEMBER 2010

EXCLUDING POST-BALANCE DATE TRANSACTIONS

OUR leasing and asset management activity has helped deliver improved portfolio metrics and earnings certainty. Thirty-five new leases, including 13 new customers, were secured during the period, reflecting 21,345 sqm of net lettable area.

ANZO is currently receiving sound enquiry for its portfolio of properties, which supports our view that a strategy of higher-quality properties, complemented by an active management approach, will result in enhanced returns in the long-term.

Post-balance date, we have announced further leasing success at 21 Queen Street, Auckland. We have successfully leased 4,700 sqm within this property, with occupancy increasing to 63%.

Portfolio occupancy has risen from 90% in June 2010 to 94%, while the portfolio weighted average lease term of 5.8 years is 1.3 years higher than in June 2010.

Major new customers to the portfolio include:

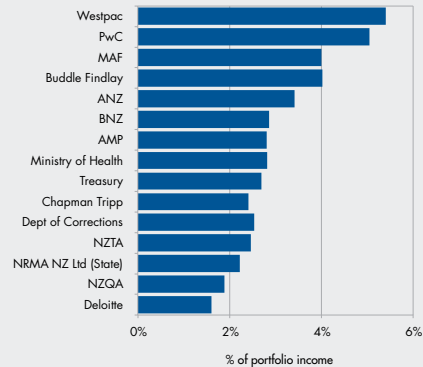
- Goodman Group
- SAP
- Serious Fraud Office
- Swire Shipping
- Willis.

Post-balance date

- Human Rights Commission.

A further undisclosed customer has leased space and taken naming rights for 21 Queen Street.

Top 15 Customers
by Gross Income



SIGNIFICANT changes to ANZO's corporate structure, governance and management fee were approved at a meeting of ANZO investors in Auckland in October 2010.

The changes were designed to result in greater transparency, control and accountability for investors, as well as stronger alignment between ANZO and its manager. They comprised:

- A new management fee structure, with a tiered base fee and a performance fee based on relative outperformance over other NZX-listed property vehicles; and
- Conversion of ANZO from a unit trust into a company, with a new management agreement, under the supervision and strategic direction of a new board of directors, a majority of whom are independent of the manager.

Since that time, progress has included:

● Conversion from unit trust to company

The existing units in AMP NZ Office Trust were redeemed and shares in a new limited liability company, AMP NZ Office Limited, were issued and have been traded since 1 November 2010. The new NZX code or "ticker" for ANZO became ANO.

● Board

Existing non-executive directors Craig Stobo and Graeme Horsley were joined on the board of the new company by highly-experienced independent directors Don Huse and Graeme Wong.



Don Huse, BCA, CA

Don Huse is a professional director. He was chief executive officer of Auckland International Airport (2003–2008), chief financial officer of Sydney Airport Corporation (1998–2003), chief executive of Wellington International Airport (1991–1998), and a director of TransAlta New Zealand and its predecessors, EnergyDirect Corporation and Hutt Valley Energy Board (1990–1999). Don is a director of Cavalier

Corporation; OTPP New Zealand Forest Investments and Sydney Airport Corporation. He chairs the latter's audit and risk management committee. Don is a chartered accountant, holds a degree in economics from Victoria University of Wellington, and is a member of the Institute of Directors in New Zealand and of the Australian Institute of Company Directors.



Graeme Wong, BCA (Hons) in Business

Administration, Fellow of the Institute of Finance Professionals New Zealand Inc.

Graeme Wong has a background in stock broking, capital markets and investment. In 1997 he founded and became executive chairman of the investment company Southern Capital which listed on the NZX and evolved into Hirequip New Zealand. The business was sold to private equity interests in 2006. Previous directorships

include Sealord Group, Tasman Agriculture, Magnum Corporation, At Work Insurance; and alternate director of Air New Zealand. Graeme is currently chairman of Harbour Asset Management and Areograph. He is also a director of New Zealand Farming Systems Uruguay, Tourism Holdings and member of the management and trust boards of Samuel Marsden Collegiate School.

● Management fee

In the leadup to the October 2010 meeting, ANZO's manager agreed in principle to a further reduction in its management fee entitlement, should the conversion of ANZO to a company go ahead. This reduction has also now been put into effect, following the granting of a waiver from NZX Markets Supervision allowing it to proceed.

ANZO's new annual base management fee structure is 0.55% of the value of investment properties up to \$1 billion, 0.45% of that value between \$1 billion and \$1.5 billion, and 0.35% of that value to the extent it exceeds \$1.5 billion. There was no change to the performance fee component of the manager's fee entitlement or the manager's entitlements to fees for additional services, which remain as outlined in the Information Pack dated 5 October 2010.

A summary of ANZO's management agreement is included on page 16 of this report and a copy of the corporate governance manual is available on our website.

Earnings guidance to June 2012

THERE are a number of factors impacting earnings in the 2012 financial year.

These include the removal of building depreciation as a tax deduction; higher cost of debt due to anticipated margin increases following refinancing; Westpac vacating the PricewaterhouseCoopers Tower in Auckland; and market rent reviews.

For clarity, the Board of ANZO expects the full-year earnings for the 2012 financial year to range between 5.1 cents per share and 5.4 cents per share. The guidance assumes that the current positive leasing environment is sustained. The outcome within the guidance range is highly dependent on the speed with which vacant space is leased.

Dividend policy review

HISTORICALLY, ANZO's dividend policy has been to pay out between 90% and 110% of "distributable earnings".

The Board has reviewed this policy and has concluded that ANZO's dividends in future should match the cash flow generated by operations, after taking into account recurring capital expenditure. This equates to a payout ratio of around 90% of annual distributable income, with retained earnings funding recurring capital expenditure at their expected long-term average levels.

The board considers this revised dividend policy represents a more sustainable approach to maximising long-term returns for ANZO's shareholders.

To assist the transition to this policy and noting the short-term earnings challenges, the payout ratio for the 2012 and 2013 financial years will be around 95%, reducing to around 90% in the 2014 financial year. The dividend for the second half of the 2011 financial year will be reduced in line with the earnings guidance for the 2012 year.

New chief financial officer

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George Crawford



BORN IN Northern Ireland, George graduated from the University of Edinburgh with an honours degree in genetics before embarking on his business career with a large London based chartered accounting firm, where he gained experience in audit and corporate finance advisory work.

Marriage to his New Zealand born wife in 2002 brought the couple to New Zealand the following year, where George worked with Fonterra and PricewaterhouseCoopers. He then joined Goodman Property Trust in 2005 as General Manager – Finance.

Working alongside Scott Pritchard (now ANZO's CEO), George played a key role in three major capital-raising between 2005 and 2007, raising a total of \$550 million and in building Goodman into one of New Zealand's largest property trusts with a \$1.5 billion portfolio.

He became Goodman's Chief Financial Officer at the end of 2008, a time when all of New Zealand's listed property vehicles were encountering tighter availability of credit due to the effects of the global financial crisis.

"I experienced and learned more through that time than when the economic conditions were better," he recalls. Asset sales were investigated, a credit rating obtained through Standard & Poor's, two bond issues carried out and bank debt re-financed, extending the expiry profile.

"Five-and-a-half years at Goodman provided me with a fantastic career opportunity to work alongside the CFO and to replace him on his retirement in 2008," George says.

"Following that, the unique opportunity at ANZO was to join a business which has been refreshed at every level. It had a new corporate structure; aligned management fee mechanism; a new board of directors highly committed to ANZO being New Zealand's best listed property investment; and a new management team.

"I have worked with Scott over a number of years and have a very high regard for his abilities and confidence in him as CEO, to lead the business forward."

"...the unique opportunity at ANZO was to join a business which has been refreshed at every level."

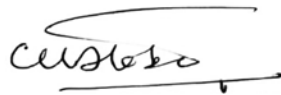
2010 will be remembered as a significant year for ANZO, with substantial changes undertaken to place ANZO in a strong position for future performance.

While the removal of building depreciation as a tax deduction and the pending departure by Westpac from ANZO's portfolio will impact short-term earnings, ANZO is well positioned to benefit from a recovery in New Zealand's economy over the mid to long-term.

A confirmed focus on portfolio enhancement, active management and strong customer relationships will ensure that ANZO maintains a well-occupied, premium-quality property portfolio. This core strength, coupled with a targeted approach to value-enhancing opportunities, is expected to optimise earnings in the future.



Scott Pritchard
Chief Executive Officer
AMP Haumi Management Limited



Craig Stobo
Chairman
AMP NZ Office Limited





IMAGES OF SWIRE SHIPPING'S NEW FITOUT AT 151 QUEEN STREET

Management Services Agreement Summary

THE COMPANY and AMP Haumi Management Limited (Manager) are party to a management services agreement (Management Agreement), pursuant to which the Manager provides management services to the Company.

The Management Agreement, which came into effect on 1 November 2010, was subsequently amended to include a third tier in the base management services fee (see below). Under the NZSX Listing Rules, this amendment would have required shareholder approval, but for a waiver granted by NZX Markets Supervision. As a condition of that waiver, this report is required to contain the following description of the material terms of the Management Agreement.

Management services fee

The Manager is entitled to two fees under the Management Agreement:

- the base management services fee; and
- the performance fee.

Base management services fee

The base management services fee is calculated as:

- 0.55% of the Value of Investment Property to the extent that the Value of Investment Property is less than or equal to \$1,000,000,000; plus
- 0.45% of the Value of Investment Property to the extent that the Value of Investment Property is between \$1,000,000,000 and \$1,500,000,000; plus
- 0.35% of the Value of Investment Property to the extent that the Value of Investment Property exceeds \$1,500,000,000

per annum, plus GST (if any).

“Value of Investment Property” means, in effect, the total value of all real property assets owned or leased by the Company as determined in accordance with GAAP. Adjustments for revaluations, acquisitions and disposals are made on pro rata basis each month.

Development properties are excluded from the Value of Investment Property. A property is classified as a development property if it is under construction or is fully vacant and undergoing refurbishment work. The base management services fee is payable in respect of these properties upon receipt of a certificate of practical completion for each property.

The base management services fee is paid to the Manager monthly in arrears in cash.

Performance fee

The Company also pays a performance fee to the Manager linked to the Company’s adjusted equity returns relative to its peers in the listed property sector.

Key features of the performance fee are, in broad terms, as follows:

- The performance fee is payable quarterly in arrears and in cash.
- The Company’s quarterly performance (expressed as a percentage return) is determined, based on the 5 day volume weighted average Company share price movement on NZSX at the open and close of that quarter plus gross distributions paid in the quarter (“Shareholder Return”).
- The Company’s quarterly performance is then benchmarked against an NZX Property Index (excluding the Company) return (calculated including the value of imputation credits of constituent members of that index), also expressed as a percentage return (“Benchmark Return”).
- “Outperformance” (or “Underperformance”) is determined, being the difference between the Shareholder Return and the Benchmark Return.

- An “Initial Amount” (or “Deficit”) is then determined, being 10% of that Outperformance (or Underperformance) multiplied by an amount reflecting the Company’s market capitalisation for that quarter, and this Initial Amount (or Deficit) is then credited to the “Carrying Account”.
- The performance fee for any quarter is then equal to the credit balance (if any) in the Carrying Account at that time, subject to two limitations:
 - the performance fee in any quarter is limited to the “Performance Cap”, which is, effectively, 0.125% of an amount reflecting the Company’s market capitalisation for that quarter. The extent to which the performance fee would otherwise have exceeded this Performance Cap will remain in the Carrying Account and be carried forward to the following quarter; and
 - no performance fee is payable in respect of a quarter if the Company’s absolute Shareholder Return in that quarter is negative, even if it is above the Benchmark Return. Rather, the Initial Amount (calculated by reference to the Outperformance in that quarter) will be credited to the Carrying Account and carried forward to the following quarter.
- Any Initial Amount credited to the Carrying Account which is not used up in paying performance fees or in off-setting subsequent Deficits will effectively expire 2 years after it is credited to the Carrying Account. Similarly, any Deficit debited against the Carrying Account which is not used up in off-setting subsequent Initial Amounts will also effectively expire 2 years after it is debited against the Carrying Account.

Base management services

The base management services to be provided by the Manager include:

- Corporate and fund management services, being, in general, those services which are necessary as part of the day-to-day management of a major corporate enterprise including the provision of support to the Board, company secretarial matters, reporting, engaging and dealing with advisers, managing payments and accounts, financial management and reporting, record keeping, Listing Rules and regulatory compliance, capital management, research and monitoring (including in the property industry).
- Portfolio and asset management services, being, in general, those services which are necessary as part of managing a major property portfolio including identifying opportunities, submitting proposals to the Board, managing the implementation of Board approved proposals, performance monitoring, budgeting, reporting, relationship management, development and implementation of annual asset management plans and documentation management.

The Manager is permitted to sub-contract some or all of the base management services, but only with the Board’s consent (not to be unreasonably withheld). The Manager will continue to be responsible for delivery of any sub-contracted services.

Additional services

The Manager is also responsible for procuring the provision of “Additional Services” to the Company, relating primarily to the day-to-day management of individual properties and assets within the Company portfolio.

The Additional Services may be provided by any person approved by the Manager as having sufficient expertise and resources available to it to perform the service. The Manager may perform Additional Services so long as, other than in respect of certain services which the Company has already agreed the Manager has the skills to perform, the Manager can demonstrate to the reasonable satisfaction of the Board that the Manager has sufficient expertise and resources available to it to perform the Additional Services. Furthermore, no person is to be engaged to perform Additional Services without Board approval or authorisation under delegated authorities approved by the Board.

The Additional Services are not included within the base management services fee payable under the Management Agreement. The costs of these services will be payable by the Company.

Reimbursement of costs

The Manager is also entitled to be reimbursed for specified items of expenditure incurred on the Company's behalf (these costs are not included within the fees payable under the Management Agreement).

Services similar to services provided to AMP NZ Office Trust

The Manager has, in effect, represented and warranted to the Company that, as at the date of the Management Agreement:

- The base management services set out in the Management Agreement are all the material services that were performed by the Manager in its capacity as manager of AMP NZ Office Trust (ANZO) in consideration for the management fee payable by ANZO under the relevant provisions of the ANZO Trust Deed.

- The Additional Services set out in the Management Agreement are services which were not provided by the Manager in its capacity as manager of ANZO in consideration for the ANZO management fee referred to immediately above.

The Manager and the Company have agreed that if this warranty proves not to be correct, the remedy will be, in effect, to correct the relevant Management Agreement schedules and, in certain cases where the Company has paid fees for Additional Services, the Manager will reimburse the Company.

Resourcing

The Company does not employ any staff, including senior executives. Instead, all personnel, including the Company's Chief Executive Officer and Chief Financial Officer, are provided by the Manager – which is responsible for providing access to, or otherwise employing, all staff necessary to perform its obligations.

Although the Company does not employ its own staff, the Manager must consult with the Board regarding the appointment, removal and remuneration of the Chief Executive Officer and Chief Financial Officer. Furthermore, the Manager must:

- Ensure that all "Key Personnel"¹ are dedicated to, and work exclusively in providing services to, the Company, unless agreed otherwise by the Board.
- Ensure that the employment or secondment arrangements relating to "Key Personnel" require them to act in the best interests of, and for the benefit of, the Company and its subsidiaries.

¹ The "Key Personnel" are the Chief Executive Officer, the Chief Financial Officer, the portfolio manager and the national investment manager.

Term and termination

The Management Agreement has no fixed term and the Manager is to provide the management services to the Company until such time as the Management Agreement is terminated in accordance with its terms.

In general, the Management Agreement may be terminated in the following ways:

- By either party if the other party commits or is or becomes subject to a default event. The default events are insolvency type situations and circumstances which lead to a party's unremedied material breach of the Management Agreement. In the case of the Manager, a material breach:
 - is a breach or series of related breaches which in aggregate have a material and adverse effect on the Company's financial performance, business or assets and which is unremedied or not compensated for within 30 business days following delivery of a detailed notice to the Manager by the Company;
 - is deemed to include fraud by the Manager which has a material adverse effect on the Company which is incapable of compensation; and
 - is deemed to include a change of control which results in a party (other than AMP Capital Investors (New Zealand) Limited or Haumi Development Limited Partnership or any of their related parties) acquiring the power to exercise or control the exercise of 75% or more of the voting securities of the Manager without the Company's written consent,provided that in each case the Company may only exercise this right of termination if the termination has been approved by special resolution of Shareholders other than the Manager or its "Associated Persons".
- By the Manager on 6 months' written notice to the Company.

The Company does not have a unilateral right to terminate the Management Agreement at its discretion.

If requested by the Company, the Manager will provide disengagement services to the Company following termination in certain circumstances to assist in the transition to a new manager or self-management.

If the Management Agreement is terminated then the Manager will not be paid any fees upon termination (other than any accrued and unpaid fees and costs up to the termination date).

Call Option (transfer of Manager's interests in the Management Agreement)

Under the Management Agreement, the Manager has agreed that any person who acquires, or acquires the right or power to exercise or control the exercise of the votes attached to, 50% or more of the voting securities of the Company will have a six week period to exercise an option to purchase the Manager's interests in the Management Agreement by way of assignment upon and subject to certain terms and conditions as set out in the Management Agreement. If the consideration for the assignment of the Management Agreement cannot be agreed, it will be set by expert determination.

Board appointment rights

The Manager is entitled, by notice in writing to the Company, to appoint up to two directors to the Board and to substitute or remove such directors by notice in writing.

This director appointment right is subject to the Listing Rules and the requirements of any ruling granted by NZX from time to time.

Financial Statements



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				
Indirect expenses				
Interest expense		11.1	10.0	21.1
Interest income		(0.1)	(0.1)	(0.2)
Other expenses	2	3.2	4.9	9.6
Total indirect expenses				
Operating profit before income tax				
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)				
Net profit (loss) before income tax				
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)				
Net profit (loss) after income tax				
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.

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2010

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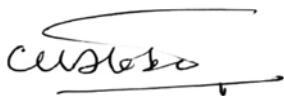
\$M	Notes	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2010	UNAUDITED SIX MONTHS ENDED 31 DECEMBER 2009	AUDITED YEAR ENDED 30 JUNE 2010
Equity at the beginning of the period		932.6	1,033.8	1,033.8
Total net profit for the period attributable to equity holders		28.4	(29.1)	(43.0)
Total comprehensive income 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		927.8	976.4	932.6

The accompanying notes form part of these Financial Statements.

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	2.8
Trade debtors		2.5	2.7	2.2
Leasing fees		1.3	1.1	1.3
Prepayments and other current assets		1.4	1.7	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	1,334.1	1,276.8
Other non current assets		3.3	0.5	1.9
Total non current assets		1,294.2	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	13.3
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		(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	366.7
Equity	10	927.8	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.

Consolidated Statement of Cash Flows

For the six months ended 31 December 2010

TWENTY FOUR | TWENTY FIVE

\$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		68.4	68.5	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)	(7.1)
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)	(2.5)	(6.9)
Capitalised interest on development properties		-	(1.3)	(1.3)
Net cash inflow (outflow) from investing activities		(4.1)	(5.4)	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)	(28.2)	(58.1)
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		(0.7)	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.

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.

The transition of ANZO from a unit trust ("APT") to a company ("ANO") included the transfer to ANO of APT's property (including in particular all of APT's property owning subsidiaries) and the redemption of units in APT so that the only remaining unitholders were ANO and a wholly-owned subsidiary of ANO.

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.

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2010

TWENTY SIX | TWENTY SEVEN

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	0.5	0.4	0.8
Total other expenses	3.2	4.9	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	(0.7)	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

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2010

4. Term loan

ANZO has a cash advance facility with Bank of New Zealand and Westpac Banking Corporation for \$342.5 million (December 2009: \$342.5 million). 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, being 92.4% (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	170.6	0.6	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	66.2
Market value (fair value) of properties		1,279.4	2.6	1,276.8	1,334.1

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

During the period no interest was capitalised to development properties (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 \$1 billion; plus
- 0.45% of the value of the investment properties to the extent that the value of the investment properties exceeds \$1 billion.

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 \$699,197 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).

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2010

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)	-	8.9
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	32.0	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 ('000)	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.

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2010

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 (\$14,696,809 in total) to be paid on 24 March 2011.

14. Distributions

Distributions paid for the quarter ended:

	Cents per Security	Total amount \$M
30 June 2010	1.616	16.1
30 September 2010	1.474	14.7
	3.090	30.8

Directory

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Graeme Horsley
Anthony Beverley
Mohamed Ahmed Darwish Karam Al Qubaisi
Mark Verbiest
Graeme Wong
Robert Walker (Alternate)

AMP HAUMI MANAGEMENT LIMITED

CHIEF EXECUTIVE OFFICER

Scott Pritchard

CHIEF FINANCIAL OFFICER

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Please assist our registrar by quoting your CSN or unitholder number.



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