

Financial Statements for the six months ended 31 December 2004

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

All figures \$'000's	Notes	UNAUDITED	UNAUDITED	AUDITED
		SIX MONTHS 31 DEC 2004	SIX MONTHS 31 DEC 2003	YEAR ENDED 30 JUNE 2004
Revenue				
Gross rental income		43,178	32,165	66,353
Interest income		279	41	136
Total operating revenue		43,457	32,206	66,489
Direct expenses				
Office property and other expenses		11,839	8,792	17,685
Property management fees		421	297	602
Total direct expenses		12,260	9,089	18,287
Operating result after direct expenses		31,197	23,117	48,202
Audit fees		29	21	69
Trustee fees		68	68	135
Other expenses		202	300	1,554
Asset management fees		2,212	1,883	3,844
Interest expense		11,642	3,551	8,270
Amortisation of MCN issue cost	5	581	-	-
Operating surplus/(deficit) before taxation		16,463	17,294	34,330
Taxation benefit/(expense)		-	-	-
Operating surplus/(deficit) after taxation and before revaluation		16,463	17,294	34,330
Property revaluation gain/(loss)		-	-	(268)
Net surplus for the period		16,463	17,294	34,062

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures \$'000's	Notes	UNAUDITED	UNAUDITED	AUDITED
		SIX MONTHS 31 DEC 2004	SIX MONTHS 31 DEC 2003	YEAR ENDED 30 JUNE 2004
Assets				
Current assets	4	3,371	5,467	6,009
Investments in properties		758,835	574,891	754,043
Leasing fees		2,806	2,396	2,579
Work in progress		8,030	2,523	3,391
Total assets		773,042	585,277	766,022
Liabilities				
Current liabilities	6	-	110,000	-
Short-term loan		-	110,000	-
Deferred property settlement		-	-	141,850
Other current liabilities		5,053	8,833	7,945
Total current liabilities		5,053	118,833	149,795
Non current liabilities	6	248,000	-	220,000
Term loan		248,000	-	220,000
Convertible note liability	5	92,329	-	-
Total liabilities		345,382	118,833	369,795
Equity		427,660	466,444	396,227
Total equity		427,660	466,444	396,227
Total liabilities and equity		773,042	585,277	766,022

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

All figures \$'000's	Notes	UNAUDITED	UNAUDITED	AUDITED
		SIX MONTHS 31 DEC 2004	SIX MONTHS 31 DEC 2003	YEAR ENDED 30 JUNE 2004
Equity at the start of the period				
Net Surplus		396,227	457,850	457,850
Total recognised revenues and expenses for the period		16,463	17,294	34,062
Other				
Contributions from unit-holders	7	30,184	-	-
Unit-holder redemption		-	-	(64,485)
Distributions to unit-holders		(15,214)	(8,700)	(31,200)
Equity at the end of the period		427,660	466,444	396,227

CONSOLIDATED STATEMENT OF CASH FLOWS

All figures \$'000's	Notes	UNAUDITED	UNAUDITED	AUDITED
		SIX MONTHS 31 DEC 2004	SIX MONTHS 31 DEC 2003	YEAR ENDED 30 JUNE 2004
Cash flows from operating activities				
Cash flow was provided from:				
Gross rental income		42,444	32,775	67,307
Interest income		279	41	136
Cash was applied to:				
Office property and other expenses		(12,729)	(9,055)	(21,142)
Other trust expenses		(1,706)	(2,272)	(5,707)
Interest paid on convertible notes		(3,757)	-	-
Other interest expense		(6,425)	(3,551)	(7,930)
Net cash inflow (outflow) from operating activities	3	18,106	17,938	32,664
Cash flows from investing activities				
Cash was applied to:				
Work in progress		-	-	(3,083)
Expenditure on development properties		(7,166)	-	(24,621)
Capitalised interest on development properties		(687)	-	(570)
Deposit on unconditional property acquisitions		-	-	(4,000)
Expenditure on investment properties		(147,625)	(4,663)	(7,230)
Net cash inflow (outflow) from investing activities		(155,478)	(4,663)	(39,504)
Cash flows from financing activities				
Cash was provided from:				
Units issued	7	30,705	-	-
Mandatory convertible notes issued	5	95,236	-	-
Loan facility drawn down		28,000	-	220,000
Cash was applied to:				
Loan facility repayments		-	(5,000)	(115,000)
Distributions to unit-holders		(15,214)	(8,700)	(31,200)
Unit-holder redemption		-	-	(64,485)
Unit issue costs	7	(447)	-	-
Mandatory convertible note issue costs	5	(3,146)	-	(341)
Net cash inflow (outflow) from financing activities		135,134	(13,700)	8,974
Net increase/(decrease) in cash held		(2,238)	(425)	2,134
Add opening cash/(overdraft) brought forward		3,604	1,470	1,470
Ending cash carried forward/(bank loans)		1,366	1,045	3,604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the six months ended 31 December 2004

1. Preparation of accounts – The interim financial statements for AMP NZ Office Trust (ANZO) have been prepared in accordance with Financial Reporting Standard No. 24 Interim Financial Statements and should be read in conjunction with the annual report for the year ended 30 June 2004.

The financial statements have been prepared in accordance with the accounting policies as stated in the published financial statements to 30 June 2004. There has been no change in accounting policies and all policies have been applied on a basis consistent with those used in prior periods. Comparable half year values for December 2003 have been shown below in brackets.

2. Capital commitments – As at 31 December 2004 ANZO has outstanding capital commitments totalling \$29,450,000 (Dec 2003: \$30,552,000).

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

All figures \$'000's	UNAUDITED	UNAUDITED	AUDITED
	SIX MONTHS 31 DEC 2004	SIX MONTHS 31 DEC 2003	YEAR ENDED 30 JUNE 2004
Net surplus/(deficit) for the period	16,463	17,294	34,062
Add/(less) non-cash items and non operating items			
Unrealised net change in value of investment property	-	-	268
Amortisation of MCN costs	581	-	-
Movement in working capital			
Increase/(decrease) in creditors	1,538	1,291	(906)
Increase/(decrease) in debtors	(476)	(647)	(760)
Net cash inflow (outflow) from operating activities	18,106	17,938	32,664

4. Current assets

All figures \$'000's	UNAUDITED	UNAUDITED	AUDITED
	AS AT 31 DEC 2004	AS AT 31 DEC 2003	AS AT 30 JUNE 2004
Cash	1,366	1,045	3,604
Trade debtors	1,167	1,201	496
Leasing fees	617	188	427
Deferred offering costs	-	-	649
Other current assets	221	3,033	833
	3,371	5,467	6,009

5. Mandatory convertible notes – ANZO issued 95,236,346 convertible notes at \$1 each on 14 July 2004. The notes have a coupon rate of 8.50% per annum payable semi-annually on 30 June and 31 December. On 30 June 2007 the notes convert to units in ANZO on a dollar-for-dollar conversion basis. These notes are treated as equity for ANZO's loan covenant purposes. Costs associated with the issue of the convertible notes have been offset against the liability and are amortised on a straight line basis over the term of the notes.

6. Short-term loan – ANZO increased its Bank Of New Zealand loan facility from \$250 million to \$310 million on 14 July 2004. The facility is for three years maturing in December 2006 and is interest only. The loan facility contains a negative pledge obligation on ANZO and its subsidiary companies.

7. Equity – On 17 December 2004, ANZO issued 34,500,000 units at \$0.89 per unit. Issue costs of \$520,560 have been netted off the proceeds from the issue. The total number of units outstanding as at 31 December 2004 is 463,071,429 (Dec 2003: 500,000,000).

8. Events after balance date – On 31 January 2005 the Board approved the payment of a dividend of \$8,335,286 (1.80 cents per unit) to be paid on 22 February 2005.

PRICEWATERHOUSECOOPERS TOWER

The PricewaterhouseCoopers Tower is one of New Zealand's newest and most advanced commercial office buildings. Occupying a superb location on Auckland's waterfront, it incorporates the latest thinking in office development – from a hotel-style lobby to high-speed lifts and ultra-large column-free floors.

ANZ CENTRE

Topped by a unique geodesic dome, the ANZ Centre is one of New Zealand's tallest and most recognisable buildings. It features a distinctive polished Spanish granite façade and full height windows, providing generous natural light and expansive views of Auckland City and the Waitemata Harbour.

IAG HOUSE

Located in the heart of Auckland's Queen St, IAG House was built in 1989 to a striking design, set off with Argentinean Red Dragon granite cladding and a copper-tinted glass façade. The building's rectangular shape, together with the positioning of the service core, provides a high level of flexibility of use.

QUAY TOWER

Quay Tower has excellent views to Viaduct Harbour and to the Hauraki Gulf, and its location continues to become stronger with the gravitation of the Auckland CBD towards the waterfront. The rectangular floor plates remain highly efficient, allowing for flexible, high-density layouts in combination with effective airconditioning.

HP TOWER

HP Tower is the office tower component of an office/hotel complex in a key Wellington waterfront location, with uninterrupted views of the harbour. The building features distinctive bronze-tinted glass cladding and strong vertical lines.

125 THE TERRACE

Finished in blue glass and blue granite, 125 The Terrace is in the heart of Wellington's central business and retail district and records some of the region's highest measured pedestrian flows. The building is an attractive landmark providing some of Wellington's best-appointed office accommodation.

STATE INSURANCE TOWER

One of New Zealand's best-known office buildings, located in the prime commercial office district of the Wellington CBD. The State Insurance Tower is adjacent to Willis St and Lambton Quay and a short stroll from Frank Kitts Park and Wellington Harbour. The office floors enjoy excellent harbour views and natural sunlight from all cardinal points.

MOBIL ON THE PARK

A distinctive presence on Lambton Quay with its integrated architectural styles and green-tinted glazing, Mobil on the Park is close to the courts, Parliament and Treasury as well as the major trading banks and institutions. The office floors have panoramic views of the harbour and inner city, and provide column-free office space and efficient floor layouts.

PASTORAL HOUSE

Pastoral House has wide dual frontages to The Terrace and Lambton Quay and offers easy access to Government departments, Parliament and transport hubs. The property has an excellent aspect, with harbour views, while the Lambton Quay frontage enjoys high pedestrian flows. ANZO is currently refurbishing Pastoral House to A-grade standard.

No. 1 & 3 THE TERRACE

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

ANZO has recently completed a full interior refurbishment of No. 1 The Terrace, while an annex is currently under construction on the adjoining site at No. 3, linking through to No. 1 to create some of the largest CBD office floor plates in the country.



AMP NZ
OFFICE
TRUST

AMP NZ OFFICE TRUST

INTERIM REPORT 2005

Six months to 31 December 2004

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PERFORMANCE HIGHLIGHTS

Earnings per unit up 10.4% to 3.82 cents

Year-to-date distributions of 3.6 cents per unit, up 2.85%

Portfolio occupancy 95.5%

Weighted average lease term (WALT) of 6.5 years

Record level of portfolio activity

First of three Wellington projects completed on time and on budget

Projected full-year distribution of 7.3 cents per unit, a 4.3% increase

Additional investment capacity of \$70 million

Interim Report - Six months in review

Profile

The AMP NZ Office Trust (ANZO) is New Zealand's largest listed investor in commercial office property and owns one of the country's best office property portfolios. A unit trust created and listed on the New Zealand Stock Exchange in 1997, ANZO invests predominantly in prime and A-Grade CBD office properties in major New Zealand cities.

The portfolio comprises 10 office buildings with a total gross value of more than \$760 million – Auckland's PricewaterhouseCoopers Tower, ANZ Centre, IAG House and Quay Tower; and Wellington's State Insurance Tower, Mobil on the Park, HP Tower, 125 The Terrace, No. 1 and 3 The Terrace and Pastoral House.

ANZO's mission is to consistently deliver the highest possible returns to its unit-holders within a moderate risk profile.

Overview

ANZO's performance in the first six months of the 2005 financial year reflected benefits already emerging from the initiatives and projects launched in the previous year.

These initiatives – in combination with continuing favourable market conditions and ANZO's focus on maximising opportunities from the existing portfolio – have meant that earnings and investor returns are again higher.

The anticipated improvements are being realised in the two landmark Wellington properties acquired last year (State Insurance Tower and Mobil on the Park). The space they have added to the portfolio has been welcomed in a market hungry for premium office accommodation.

Meanwhile, ANZO's refurbishment and redevelopment projects have been well received, with Government tenants making substantial, long-term lease commitments – an endorsement of ANZO's policy to selectively take advantage of office investment opportunities outside of the prime sector.

Two highly successful equity capital-raising were completed during the period and have placed ANZO in a strong position to pursue new opportunities.

Financial Results

Initiatives such as acquisitions and changes to ANZO's capital structure are reflected in year-on-year comparisons for the interim period. Like-for-like figures, which exclude the three acquisitions (Pastoral House, State Insurance Tower and Mobil on the Park), highlight the performance gains achieved from ANZO's existing portfolio.

Rental revenue for the six months to 31 December 2004 was \$43.18 million, a 34.2% increase on the previous year. The like-for-like increase was 4.8%, flowing from increased occupancy and growth in market rentals.

ANZO's surplus after direct expenses, at \$31.20 million, was also up, by 35.0% (like-for-like 5.4%). The net surplus was \$16.46 million, a decrease of 4.8%, largely due to additional interest and one-off capital raising costs. ANZO's earnings per unit for the period were 3.82 cents, a 10.4% gain on last year.

Unit-holders have received a second-quarter distribution of 1.80 cents per unit, bringing the total distributions paid to investors to 3.6 cents per unit for the six months, 2.9% higher than in 2004.

Capital Management

ANZO's treasury strategy, detailed in the Annual Report to 30 June 2004, is to achieve the lowest possible capital cost while managing interest risk at an acceptable level.

Following the issue of 95.24 million mandatory convertible notes (MCNs) in July 2004, ANZO completed a \$30.2 million institutional unit placement in December. The placement price of \$0.89 represented a discount of 4.3% on the closing market price.

All ANZO unit-holders will be offered an opportunity to invest further in ANZO on a similar basis. A unit purchase plan will be offered, which will allow all unit-holders (subject to terms of the plan) to invest up to \$5,000 at a price that is the lower of the placement price or the prevailing market value (as determined by the manager at the time of the plan). Implementation has been postponed because of transactions currently under consideration. It is intended the unit purchase plan be completed as soon as practicable and in any event before 30 September 2005. Details will be provided to all unit-holders in due course.

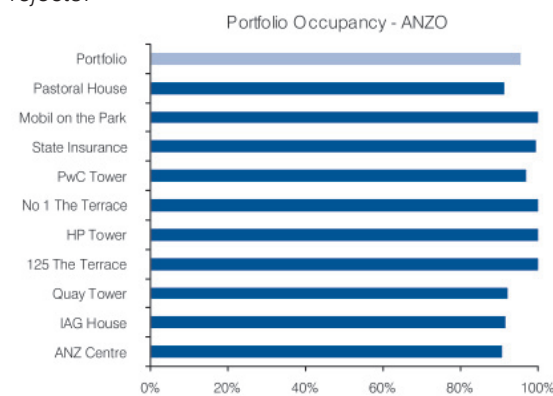
Portfolio Operations

ANZO's asset managers completed 22 new leases on more than 22,500 sqm of office space – a higher total than any other six-month period in ANZO's history. Portfolio occupancy remained consistently high at 95.5% and the weighted average lease term (WALT) is a market-leading 6.5 years.

Significant leases during the period included:

- Law firm, Chapman Tripp Sheffield Young, which had occupied five levels of the ANZ Centre in Auckland for twelve years, made a new similar long-term commitment;
- Recruitment company, OCG Consulting, a new tenant to the ANZ Centre, took a twelve-year lease for one-and-a-third floors;
- ANZ Bank expanded onto another level of the ANZ Centre;
- Fonterra took a twelve-year lease on the last available space in the Mobil on the Park building;
- LV Martin & Son was secured as the anchor tenant for the State Insurance Tower retail centre, taking a six-year lease on space which had been vacant for three years and through two previous owners of the property.

Other notable leases were signed with the Ministry of Agriculture and Forestry, and Parliamentary Services. These are covered in *Projects*.



Source: Manager

A review of operating expenses in the State Insurance Tower led to across-the-board savings of more than 12.0%, including lower management costs and better energy consumption costs.

Seven rent reviews were completed during the period, resulting in an average increase of 14.8%.

Projects

The \$7.5 million refurbishment of No. 1 The Terrace in Wellington was completed in November, on time and within budget.

Construction commenced in November on the \$23 million redevelopment of the No. 3 The Terrace site. Parliamentary

Services has taken a 34-year lease for the two subterranean levels of this property, lifting the tenant pre-commitment level to 85.4%.

The Ministry of Agriculture and Forestry (MAF) has been secured as the major tenant for Wellington's Pastoral House, which ANZO is refurbishing to A-grade standard. The twelve-year lease for fourteen levels of the building took the tenant pre-commitment to 90.5% for the office accommodation and has enhanced the expected performance of ANZO's investment.

New joint venture management partner

In November 2004, Australian-listed Onyx Property Group (previously Ronin Property Group) – joint venture partner with AMP Capital Investors in ANZO's management company – was acquired by Multiplex Group. Multiplex also became the largest single investor in ANZO, with a 29.0% holding.

ANZO's management company is now called AMP Multiplex Management Ltd, and its directors will be profiled in the Annual Report to 30 June 2005.

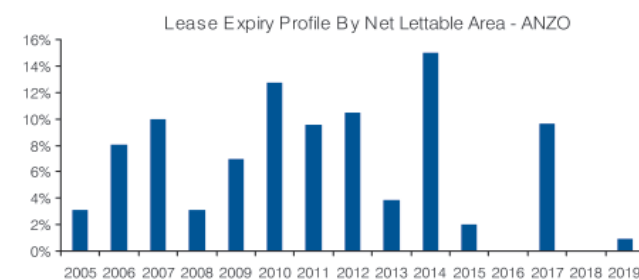
Multiplex Group is a diversified property business with divisions specialising in property funds management, construction, property development and infrastructure management, and operations and offices throughout Australia, New Zealand, the United Kingdom and the Middle East. Multiplex is listed on the Australian Stock Exchange, with a market capitalisation of approximately AU\$4.4 billion.

Outlook

The second half of the 2005 financial year will reflect increased occupancy across ANZO's portfolio and the rental income flowing from Pastoral House.

The fundamentals for premium office property remain ongoing, with positive tenant demand and limited vacant new supply anticipated.

ANZO has a high tenant retention rate, and its lease expiry profile is low and evenly distributed (see graph below), with no more than 10.0% of the net lettable area subject to scheduled lease expiries in any year between 2005 and 2009.



Source: Manager

ANZO is also well insulated from potential interest rate increases, with 95% of its bank debt hedged at a fixed rate for an average term of 4.9 years.

ANZO's manager has projected a full-year distribution for the year ending 30 June 2005 of 7.3 cents per unit, representing a 4.3% increase on the previous year, and is confident that future distributions will grow at a minimum of 2.25% per annum.

Robert Lang
Executive Manager
AMP NZ Office Trust

Manager

AMP Multiplex Management Limited
Level 14, HP Tower, 171 Featherston St.
PO Box 3764, Wellington
Tel: (04) 494 2200 Fax: (04) 494 2100

Directors of the Manager

Robert Morrison (Chairman) Sydney, Australia	Andrew Bennett Sydney, Australia	Anthony Beverley Wellington
Christopher Judd Sydney, Australia	Peter Murphy Sydney, Australia	Ian O'Toole Sydney, Australia

Secretary of the Manager

Jennifer Watt
Wellington

Trustee

Perpetual Trust Limited
Perpetual Trust House
Level 5, 111-115 Customhouse Quay, Wellington
Tel: 0800 737 738 Fax: (04) 472 3190

Directors of the Trustee

Richard Elworthy Christchurch	Bruce Irvine Christchurch	Samuel Maling Christchurch
Stephen Montgomery Christchurch	Bryan Mogridge Auckland	Timothy Saunders Auckland
Warwick Steel Auckland		

Trust

AMP NZ Office Trust
Level 14, HP Tower,
171 Featherston St, PO Box 2, Wellington
Tel: (04) 494 2299 Fax: (04) 494 2267 Email: general@anzo.co.nz

Robert Lang Executive Manager	Hamish McCulloch Asset Manager	Amish Vallabh Finance Manager
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Paul Broughton
Asset Manager

Banker of the Trust

Bank of New Zealand

Registrar

Computershare Registry Services Limited
Level 2, 159 Hurstmere Road, Takapuna, North Shore City
Private Bag 92119, Auckland 1020

Statement required by NZX Listing Rules

New Zealand Exchange Limited (NZX) requires the following information to be included in this report.

Transfer of Office of Manager and Joint Venture

The office of manager of ANZO was transferred by AMP Capital Investors (New Zealand) Limited (AMP Capital) to AMP Multiplex Management Limited (previously AMP Ronin Management Limited) on 15 January 2004.

The shareholders of AMP Multiplex Management Limited are AMP Capital and Onyx Funds Management Limited (previously Ronin Funds Management Limited) (Onyx). AMP Capital and Onyx have entered into a joint venture agreement in relation to the operation and management of AMP Multiplex Management Limited and ANZO.

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

NZX granted waivers to ANZO from the requirement under Listing Rule 4.5.10 to provide Restricted Transfer status reports in respect of the pre-emptive rights granted by each of AMP Capital and Onyx Property Trust set out above, on the condition that a summary of the joint venture arrangements and the sell-back provisions is disclosed in ANZO's yearly and half-yearly reports, and that such summary is released to the market three months after each yearly and half-yearly report. This summary can be viewed at www.anzo.co.nz.

Placement of ANZO units

In December 2004 ANZO undertook a placement of units to a range of institutional and qualified investors (Placement). NZX granted the following waivers in respect of the Placement:

- a waiver from Listing Rule 7.3.5(a) to allow any Associated Person of AMP Multiplex Management Limited or any of its Directors to participate in the Placement; and
- a waiver from Listing Rule 9.2.1 to allow any Related Party of ANZO to participate in the Placement without obtaining unitholder approval for that participation.

In each case, the waiver was conditional on (amongst other things) the waiver and its conditions being disclosed in ANZO's half-year and annual report for the year in which the Placement takes place. A full summary of these waivers and their conditions can be viewed at www.anzo.co.nz.