

Chairman's Address**Annual Meeting of Unit Holders****Friday, 18 August 2006 at 9.30 am**

Good morning Ladies and Gentlemen, welcome to the thirteenth Annual Meeting of the Trust. My name is Sean Wareing and in terms of the Trust Deed I have been appointed Chairman of the Meeting by the Trustee, New Zealand Permanent Trustees Limited.

I am pleased to advise that there is a quorum present and I declare the Meeting of Unit Holders open.

I would like to take the opportunity to introduce my colleagues on the Board of the Manager.

- **Robert Narev** – Robert is a consultant and Chairman of the Auckland-based law firm, Glaister Ennor.
- **Richard Didsbury** – Richard was one of the original founders of the Trust in 1992. He is also a Trustee of the Committee of Auckland and Chairman of the Auckland City Sculpture Trust.
- **Jim Syme** - Jim is also a director of ASB Bank and ASB Group (Life) Limited, the holding company for Sovereign Assurance Limited and Chairman of Software of Excellence and Abano Healthcare.
- **John Duncan** – John chairs the Compliance Boards of ASB Bank Group Investments Limited and Sovereign Superannuation Trustees Limited, and is a director of Colonial Fiji Life Limited and the National Bank of Fiji Limited.

Unfortunately Wal Edgell is unable to attend today.

Also joining us as at the table is the Chief Executive, Angus McNaughton and the Chief Financial Officer, Gavin Parker.

Welcomes are also extended to:

- Our Trustee, Philip Dyer from New Zealand Permanent Trustees;
- Pip Greenwood from our solicitors, Russell McVeagh; and
- Alan McIntyre and Sam Shuttleworth from our auditors, PricewaterhouseCoopers.

The 2006 financial year was very profitable for the Trust, with a record profit and portfolio revaluation gain. The Trust reported a profit after tax of \$72.1 million for the year to 31 March 2006, an increase of 36.9% over the previous year. In addition to this, the Trust recorded a record revaluation gain across the portfolio of \$103.2 million. The revaluation gain contributed 15 cents towards the 17 cent rise in net asset backing to \$1.44 per unit. The result continues a strong period of performance for the Trust, and reinforces the benefits of the Trust's focus on a well diversified, superior quality property portfolio. Unit Holders enjoyed an exceptional gross return over the year to 31 March 2006 of 22.5%. Further unit price appreciation has resulted in a gross return over the year to 31 July 2006 of 33.8%, well ahead of the property and general share market indices.

The Trust was delighted to commence the main construction works at Sylvia Park, and the strong progress made since last year is evidenced by the successful opening of Stage I on 8 June 2006, 100% leased and on programme. Stage II is on track to open, fully leased, on 24 August. Works on the balance of the retail project are progressing extremely well, with the Centre on track to be completed by mid-2007.

I would like to outline again that opportunities to invest in this tightly held prime retail sector are very limited, and an opportunity of the scale, quality and superior growth potential of Sylvia Park is unlikely to be seen again in New Zealand.

Other added-value projects during the year included the purchase of the former The Warehouse building in Hamilton's CBD, which adjoins the Trust's Downtown Plaza, and the high quality Fisher & Paykel Finance Building in East Tamaki, Auckland. The AUT Building in Auckland was sold during the year at a profit of \$1.8 million. In October last year the Trust also sold its 19.2% stake in Capital Properties New Zealand Limited, realising a profit of \$13.2 million after costs. This was an excellent outcome for the Trust, with the sale proceeds of \$68.8 million repaying debt.

Looking ahead, property sector fundamentals are expected to remain resilient, underpinning solid rental growth in the Trust's retail and office portfolios. The strength and quality of the Trust's assets, together with the energy, experience and commitment of our people, provide an excellent platform to continue delivering attractive, stable, long-term returns to investors.