2018 has been another year of strong results for Precinct. We continue to enhance our portfolio and have progressed our major initiatives.

Widening our investment into other city centre real estate to include retail, hotels and co-working space, is offering greater opportunity for Precinct to create value for shareholders.

ASSET RECYCLING
During the quarter, Precinct sold $191 million of assets. This includes the sale of a 50% interest of the ANZ Centre in Auckland for $181 million, to a fund controlled by Invesco and the disposal of 10 Brandon Street in Wellington. These sales have further strengthened the balance sheet and reduced Precinct’s debt. Both sales have now settled.

ANNUAL GENERAL MEETING (AGM)
The AGM of shareholders was held at The Maritime Room in Auckland on 1 November 2018. It was great to see so many of our shareholders attend the meeting this year. An example of changes made following shareholder feedback, voting at the AGM was conducted by way of a poll this year.

Shareholders passed all four resolutions which were considered on the day. This included both Don Huse and Graeme Wong being re-elected as independent directors. Precinct welcomes any feedback from shareholders in advance of it’s 2019 AGM.

OUTLOOK
The Board expects full year earnings for the 2019 financial year of approximately 6.60 cps, before performance fees and expects to pay a dividend of 6.00 cps. This represents a 3.4% increase in dividend to shareholders.

Precinct’s 2019 interim results are scheduled to be announced on the 19th February 2019. On behalf of the board and executive team, I would like to thank you, our shareholders, for your continued investment in Precinct. We look forward to another successful year ahead. Merry Christmas and a very happy new year.

Yours faithfully,

Craig Stobo, Chairman

DEAR SHAREHOLDER,

DIVIDEND
Payment date 3 December 2018
Excluded dividend per share 0.79 cents per share (cps)
Fully imputed dividend per share 0.71 cps
Cash dividend per share 1.50 cps
Imputation credits 0.002754 cps

INDICATIVE DIVIDEND PAYMENT DATES

OUTLOOK

SHAREHOLDER RETURNS

Total gross return Precinct (NZX: PCT) Listed Property
September quarter 7.7% 5.7%

Returns are based on close price, and assume reinvestment of dividend (returns exclude imputation credits). Listed property is the S&P/NZX All Real Estate Gross index. Source IRESS

FINANCIAL SUMMARY
as at 30.09.2018

Year to date (Unaudited)
Dividends declared 1.50 cps
Full year forecast operating earnings per share (before performance fees) 6.60 cps
Full year forecast dividend per share 6.00 cps

Balance sheet

Total assets $2,600.3 m $2,561.7 m
Net equity $1,686.1 m $1,690.7 m
Number of shares on issue 1,211.1 m 1,211.1 m
Net tangible assets per share $1.39 $1.40
Bank covenant gearing (%) 26.4% 25.0%

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PRECINCT KEY METRICS (30.09.18)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio value</td>
<td>$2.6bn</td>
</tr>
<tr>
<td>Overall occupancy</td>
<td>99%</td>
</tr>
<tr>
<td>Weighted average lease term</td>
<td>8.6 years</td>
</tr>
<tr>
<td>Market cap</td>
<td>$1.7bn</td>
</tr>
<tr>
<td>Weighted average cap rate</td>
<td>75%</td>
</tr>
<tr>
<td>Weighting to Auckland(by value)</td>
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</tbody>
</table>
DEVELOPMENT UPDATE

COMMERCIAL BAY

ONE QUEEN STREET

In August we announced our commitment to Precinct’s next major investment, One Queen Street. The $298 million redevelopment will enhance the Commercial Bay area and provide a further dynamic use to this precinct, bringing the waterfront to life.

One Queen Street is currently HSBC House. It will comprise a luxury hotel, premium office accommodation above and a variety of unique food and beverage options including a roof-top hospitality venue. The new flagship hotel will be known as InterContinental Auckland, managed and operated by InterContinental Hotels Group (IHG).

SPARK

New Zealand’s leading digital services company, Spark, will open its flagship store in late 2019 within Commercial Bay.

The new flagship store will be across three levels and will offer leading edge technology solutions.

Located on Customs Street and Little Queen Street, Spark will use this premium location to redefine the experience of visiting a Spark store providing its customers with a unique offering.

We are excited to welcome Spark to Commercial Bay and pleased to be adding another significant retailer to the diverse offering available to consumers at the precinct.

WYNYARD QUARTER

During the quarter, we are also pleased to have announced that Precinct has now committed to the development of Wynyard Quarter Stage Two, advancing the next stage at Wynyard’s Innovation Precinct.

The second stage of Wynyard, 10 Madden Street, is being developed on an uncommitted basis. It will comprise a single level basement and seven upper levels providing a net lettable area of 8,290 square metres.

Having developed The Mason Bros. building during Stage One on an uncommitted basis, we have confidence that the quality and location of this development will attract occupiers with the majority of tenancies expected to be committed prior to completion. We are already seeing good levels of enquiry from businesses wanting to be located in the Innovation Precinct.

The development will be undertaken by Precinct in partnership with Panuku Development Auckland. Leading construction company, Hawkins, will be the main contractor for this development under a fixed price construction contract.

Construction is expected to begin later this month with practical completion programmed for the end of 2020.

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Please contact our registrar, Computershare

• To change investment details such as name, postal address or method of payment, and
• For questions on your dividend and shareholding

REGISTRAR: Computershare Investor Services Limited. T +64-9-488-8777 Email: enquiry@computershare.co.nz

If you have any questions please feel free to email us at hello@precinct.co.nz