

NZX and media announcement – 12 December 2014

Precinct announces interest rate for its retail bond offer

On 28 November 2014, Precinct Properties New Zealand Limited (**Precinct**) announced that it had registered its Simplified Disclosure Prospectus (**SDP**) for its offer of up to \$50 million (with the ability to accept up to \$25 million oversubscriptions) fixed rate senior secured bondsⁱ (**Bonds**) to the New Zealand public.

Following the successful bookbuild for its offer of seven year Bonds, Precinct confirms that the issue has closed and that the whole offer amount of \$50 million plus oversubscriptions of \$25 million has been reserved for clients of the participants in the bookbuild process. There was no public pool for the offer.

The interest rate for the Bonds has been set at 5.54% per annum. This reflects a margin of 1.40% p.a. over the seven year swap rate.

The Bonds will be issued on 17 December 2014.

Investors should contact any of the Joint Lead Managers, Co-Manager or their usual financial advisor to request a free copy of the SDP for the Bonds. A free copy of the SDP can also be reviewed at www.precinctbondoffer.co.nz.

Joint Lead Managers:

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| ANZ | 0800 269 476 | www.anzsecurities.co.nz |
| Deutsche Craigs | 0800 226 263 | www.craigsip.co.nz |
| First NZ Capital | 0800 005 678 | www.fnzc.co.nz |

Co-Manager:

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| Macquarie Capital (New Zealand) Limited | 0800 742 737 | www.macquarie.com |
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Application has been made to NZX Limited for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this advertisement have been duly complied with.ⁱⁱ However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this advertisement. The NZX Debt Market is a licensed market operated by NZX Limited which is a licensed market operator regulated under the Financial Markets Conduct Act 2013.

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For further information, contact:

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About Precinct (PCT)

Precinct is New Zealand's only specialist listed investor in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns 17 New Zealand buildings – Auckland's PwC Tower, SAP Towerⁱⁱⁱ, AMP Centre, ANZ Centre, Zurich House, HSBC House and Downtown Shopping Centre; and Wellington's State Insurance Tower, Vodafone on the Quay, 171 Featherston Street, 125 The Terrace, No. 1 and No. 3 The Terrace, Pastoral House, Mayfair House, 80 The Terrace^{iv}, Deloitte House and Bowen Campus.

ⁱ The Bonds benefit (on an equal ranking basis with other secured creditors, including Precinct's bank lenders, USPP noteholders, hedging provider and any future secured creditors) from mortgages over real property granted by Precinct's property holding subsidiaries (Precinct Properties Downtown Limited and Precinct Properties Holdings Limited). In an insolvency of those security providers, the claims of the senior secured creditors will (by virtue of that security) rank ahead of all other creditors of the relevant security provider other than certain statutorily preferred creditors.

ⁱⁱ Precinct has received a waiver from NZX to NZX Main Board/NZX Debt Market Listing Rule 5.2.3 in respect of the offer of the Bonds.

ⁱⁱⁱ Precinct has entered into an unconditional agreement to sell SAP Tower in Auckland for \$97 million. Settlement is expected to take place in February 2015.

^{iv} 80 The Terrace in Wellington is currently being marketed for sale. At present no agreement for the sale of this property has been entered into and there is no certainty whether a transaction will proceed.