

NZX announcement – 7 July 2017

Precinct records \$89 million revaluation gain

Precinct Properties New Zealand Limited (Precinct) (NZX: PCT) today reported a revaluation gain on its property portfolio of around \$89 million (2016: \$81 million) or 4.5%, increasing the value of Precinct's portfolio to over \$2.0 billion.

The valuations were carried out by independent valuers, are subject to final audit, finalisation of year end book values and will be confirmed in the financial results for the year ending 30 June 2017, to be announced 17 August.

Excluding Deloitte House, the overall portfolio valuations, compared with forecast book values, increased by 5.3%, with Auckland recording a 6.8% increase and Wellington increasing by 1.5%. The increases in both Auckland and Wellington were mainly attributable to continued compression in capitalisation rates together with market rental growth. Deloitte House in Wellington recorded a valuation decline of \$14 million, with further work completed in respect of costs to remediate and seismically improve the building following the November 2016 Kaikoura earthquake.

Precinct's active development pipeline has contributed strongly to the value uplift. Commercial Bay and Bowen Campus "on completion" values have increased by around \$94 million to \$1,176 million. This was mainly due to an increase in the value on completion of Commercial Bay of \$88 million to \$941 million. Forecast net profit from both developments combined has increased to be around \$250 million, of which approximately \$160 million as at 30 June 2017 has yet to be recognised.

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About Precinct (PCT)

Precinct is New Zealand's only listed city centre specialist investing predominately in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns 15 New Zealand buildings – Auckland's PwC Tower, AMP Centre, ANZ Centre, Zurich House, HSBC House, Mason Brothers Building, 12 Madden Street and Commercial Bay; and Wellington's State Insurance Building, Dimension Data House, No. 1 and No. 3 The Terrace, Pastoral House, Mayfair House, Deloitte House and Bowen Campus.

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