

Annual results

year ended
30 June 2013

20.08.2013



Agenda

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Precinct Properties New Zealand Limited

Scott Pritchard, CEO

George Crawford, CFO

Note: All \$ are in NZD

Highlights

Financial performance

\$157.5m

net profit after tax

\$58.3m

net operating income

+13.6%

increase in net operating income

\$46m

revaluation gain

+5%

Forecast increase in FY14 dividend

Portfolio performance

97%

occupancy

ANZ Centre Supreme Winner

Property Council RLB Awards 2013

Auckland acquisitions

Strong results
and
operational
gains



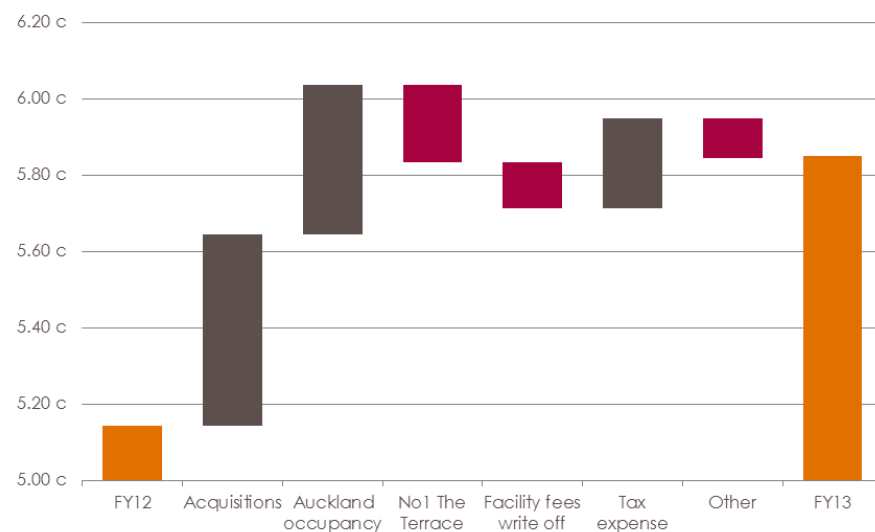
Section 1

Financial Results
and Capital
Management

Financial performance

For the 12 months ended (\$m)	FY13 Audited	FY12 Audited	Δ
Net property income	\$104.0 m	\$90.9 m	+ \$13.1 m
Indirect expenses	(\$1.9 m)	(\$1.8 m)	+ \$0.1 m
Performance fee	(\$3.4 m)	(\$3.2 m)	+ \$0.2 m
Base fees	(\$7.5 m)	(\$6.6 m)	+ \$0.9 m
EBIT	\$91.2 m	\$79.3 m	+ \$11.9 m
Net interest expense	(\$28.0 m)	(\$20.8 m)	(\$7.2 m)
Operating profit before tax	\$63.2 m	\$58.5 m	+ \$4.7 m
Current tax expense	(\$4.9 m)	(\$7.2 m)	+ \$2.3 m
Operating profit after tax	\$58.3 m	\$51.3 m	+ \$7.0 m
Investment properties revaluation	\$46.3 m	\$5.5 m	+ \$40.8 m
Realised gain on sale	-	(\$0.3 m)	+ \$0.3 m
Deferred tax benefit / (expense)	\$39.7 m	(\$6.3 m)	+ \$46.0 m
interest rate swap gain/ (loss)	\$13.2 m	(\$5.1 m)	+ \$18.3 m
Net profit after tax and unrealised gains	\$157.5 m	\$45.1 m	+ \$112.4 m
Net operating income before tax - gross (cps)	6.33 cps	5.86 cps	+ \$0.48 cps
Net operating income after tax - (cps)	5.85 cps	5.14 cps	+ \$0.71 cps
Dividend	5.12 cps	5.04 cps	0.08 cps
Payout ratio	87.5%	97.9%	(10.4%)

EPS Reconciliation

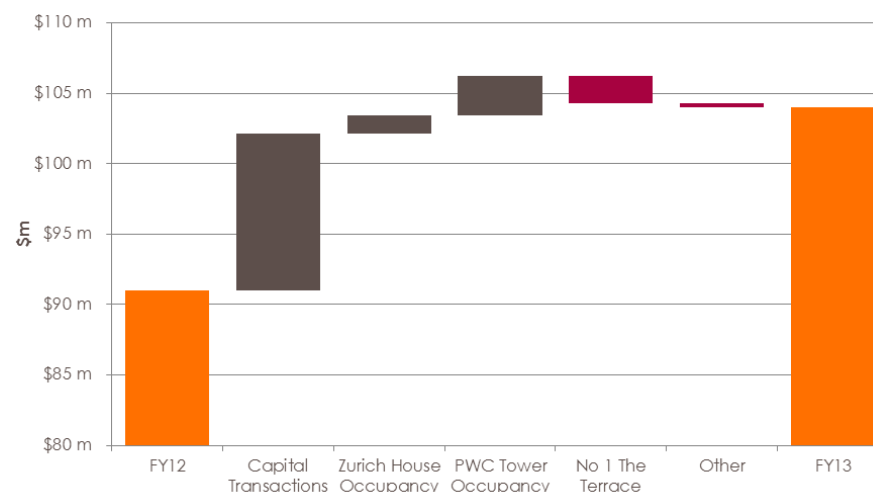


Net property income

\$m	FY13	FY12	Δ
AMP Centre	\$7.5	\$7.2	+ \$0.3
SAP Tower	\$5.5	\$6.6	(\$1.2)
PwC Tower	\$15.1	\$12.3	+ \$2.9
Zurich House	\$5.4	\$4.2	+ \$1.2
Auckland	\$33.6	\$30.3	+ \$3.3
125 The Terrace	\$5.3	\$4.9	+ \$0.4
171 Featherston Street	\$5.8	\$5.4	+ \$0.4
Pastoral House	\$4.6	\$4.5	+ \$0.1
Vodafone on the Quay	\$7.0	\$7.3	(\$0.3)
State Insurance Tower	\$7.3	\$8.0	(\$0.7)
Mayfair House	\$3.1	\$3.2	(\$0.1)
80 The Terrace	\$2.8	\$2.7	+ \$0.1
Deloitte House	\$3.9	\$3.8	+ \$0.2
No 1 The Terrace	\$6.1	\$8.1	(\$2.0)
Wellington	\$45.9	\$47.8	(\$1.9)
Sub Total	\$79.5	\$78.1	+ \$1.4
Transactions and Developments			
ANZ Centre	\$13.3	\$12.7	+ \$0.5
Downtown Shopping Centre	\$4.5		+ \$4.5
HSBC House	\$1.0		+ \$1.0
Bowen Campus	\$5.7	\$0.0	+ \$5.7
Total	\$104.0	\$90.9	+ \$13.1

- Overall net property income (NPI) was \$13 million or 14% up
 - Excluding transactions and the ANZ Centre redevelopment NPI was 1.8% up
 - Adjusting for No1 The Terrace rent review, NPI was 2.5% higher due to higher occupancy within Zurich House and PWC Tower

Reconciliation of movement in net property income



Taxation impacts

- Lower tax charge:
 - Higher depreciation following acquisitions and ANZ Centre redevelopment
 - Deduction for assets scrapped at ANZ Centre redevelopment
- FY14 expected effective tax rate of 13% to 15%
 - No up front deductions for leasing incentives following legislative changes
- Reduced deferred tax liability:
 - Previous approach assumed no economic depreciation of fixtures and fittings
 - Revised approach assumes economic depreciation matches tax depreciation
 - Revised approach aligns with Precinct's experience e.g. ANZ Centre redevelopment

Tax expense reconciliation

Reconciliation of tax expense	\$m
Net profit before taxation	\$122.7
Less non assessable income	
Unrealised revaluation movement	(\$46.3)
Unrealised interest rate swap movement	(\$13.2)
Operating profit before Tax	\$63.2
Other deductible expenses	
Depreciation	(\$24.0)
Disposal of depreciable assets	(\$8.7)
Leasing fees and incentives in the period	(\$7.5)
Other	(\$5.5)
Taxable income	\$17.5
Current tax expense	\$4.9

Balance sheet

Financial Position as at (\$m)	30 June 13 Audited	30 June 12 Audited	Δ
Assets			
Property assets	\$1,640.4 m	\$1,332.1 m	\$308.3 m
Fair value of swaps	\$3.8 m	-	\$3.8 m
Other	\$14.3 m	\$18.3 m	(\$4.0 m)
Total Assets	\$1,658.5 m	\$1,350.4 m	\$308.1 m
Liabilities			
Bank debt	\$603.0 m	\$346.5 m	\$256.5 m
Deferred tax depreciation	\$40.3 m	\$83.7 m	(\$43.4 m)
Fair value of swaps	\$18.0 m	\$0.1 m	\$17.9 m
Other	\$13.4 m	\$42.9 m	(\$29.5 m)
Total liabilities	\$674.7 m	\$473.2 m	\$201.5 m
Equity	\$983.8 m	\$877.2 m	\$106.6 m
Liabilities to total assets - Loan Covenants	37.3%	27.0%	10.4%
Shares on issue (m)	997.1 m	997.1 m	-
Net tangible assets per security	0.99	0.880	0.107

Reconciliation of NTA movement (cps)

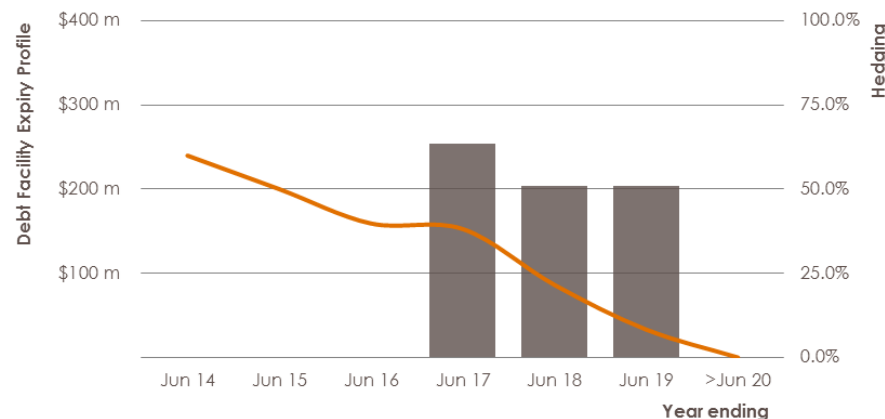
Reconciliation of NTA movement	cps
NTA 30 June 2012	88
Revaluation	5
Deferred tax	4
Interest rate swap movement	1
Retained Earnings	1
NTA 30 June 2013	99

Capital management

- Gearing of 37.3%
 - \$256m debt drawn funding acquisitions and ANZ Centre
 - Increases to 38% post commitments
- New \$660m secured debt facility
 - Reduces margin by 0.3% p.a.
- Active hedging approach
 - \$260m of hedging entered into maintaining cover around 60%
 - Average term of 3.2 years
 - Average rate of 3.2%
- Hedging and refinancing gains see WACD decline to 5.6%

Key metrics	June 2013	June 2012
Debt drawn	\$603m	\$347m
Gearing - Banking Covenant	37.3%	27.0%
Weighted facility expiry	4.0 yrs	3.2 yrs
Weighted average debt cost (incl fees) (WACD)	5.6%	6.8%
Hedged	57%	63%
ICR	3.0 times	3.6 times
Weighted average hedging	2.2 yrs	2.8 yrs
Notional value of swaps	\$491m	\$239m

Debt Facility Expiry and Hedging Profile



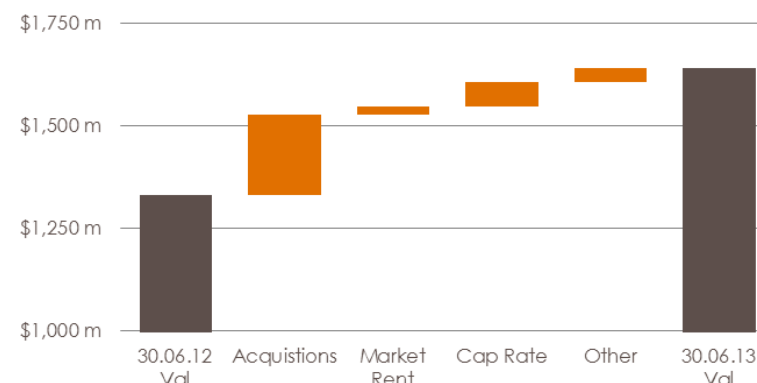
Strategic capital management

- Current gearing levels comfortable given:
 - Stage of valuation cycle
 - Outlook for occupier markets
 - Sustainable dividend policy not reliant on debt funding capital expenditure
- Gearing levels not expected to increase materially from here
- Medium term development opportunities at Bowen Campus and Downtown Shopping Centre expected to be largely organically funded:
 - Timing likely to be 2016 onwards
 - Anticipated asset sales over the next 5 years will provide substantial funding

Valuation outcome

- Revaluation of \$46 million or 2.9%
- Valuation increases due to yield compression, leasing success and increase in market rentals
- Underlying portfolio cap rate compressed from 8.0% to 7.7% (ex ANZ and acquisitions)
- Over renting of 1.8% compared to 3% at 30 June 2012

Change in property assets



Portfolio valuation movement

	Valuation	2012 Additions	Book Value	2013 Valuation	▲ \$m	▲ %	2012	2013	▲ bps
Wellington	\$662 m	\$11 m	\$673 m	\$674 m	\$1.0 m	0.1%	8.2%	8.0%	(17 bps)
Auckland	\$478 m	\$14 m	\$492 m	\$517 m	\$25.0 m	5.1%	7.7%	7.3%	(45 bps)
Sub Total	\$1,140 m	\$25 m	\$1,165 m	\$1,191 m	\$26.0 m	2.2%	8.0%	7.7%	(30 bps)
ANZ Centre	\$193 m	\$41 m	\$233 m	\$250 m	\$16.9 m	7.2%	7.0%	6.8%	(25 bps)
Downtown Shopping Centre	-	\$92 m	\$92 m	\$96 m	\$4.5 m	4.9%		7.0%	
HSBC House	-	\$104 m	\$104 m	\$103 m	(\$1.1 m)	(1.1%)		7.5%	
Total	\$1,332 m	\$262 m	\$1,594 m	\$1,640 m	\$46.3 m	2.9%	7.9%	7.5%	(35 bps)

Insurance update

- Reviewed and restructured our property and general liability insurance program
 - Engaged directly with a wide range of insurers
 - A saving of 12% has been achieved when compared to last year's costs, and the scope of our cover has not been compromised.

- Basis of cover:

- Generally, buildings insured at full replacement cost plus allowance for demolition costs and inflation
- Loss of rents cover maintained at between 2 and 4 years
- Deductibles for a seismic event sit at \$30m for Wellington and \$20m for Auckland

Comparison to prior year

	FY13	FY12	% Δ
Total Premium ¹	\$4.7 m	\$5.3 m	-11.6%
Wellington (m ²)	\$22 /m ²	\$25 /m ²	-11.9%
Auckland (m ²)	\$8 /m ²	\$9 /m ²	-10.5%
Total (m ²)	\$16 /m ²	\$18 /m ²	-11.6%

Note 1: Total excludes Downtown Shopping Centre and HSBC House for comparison purposes

Earnings outlook

6.2 cents per share

FY14 net operating income after tax, before performance fees

5.4 cents per share

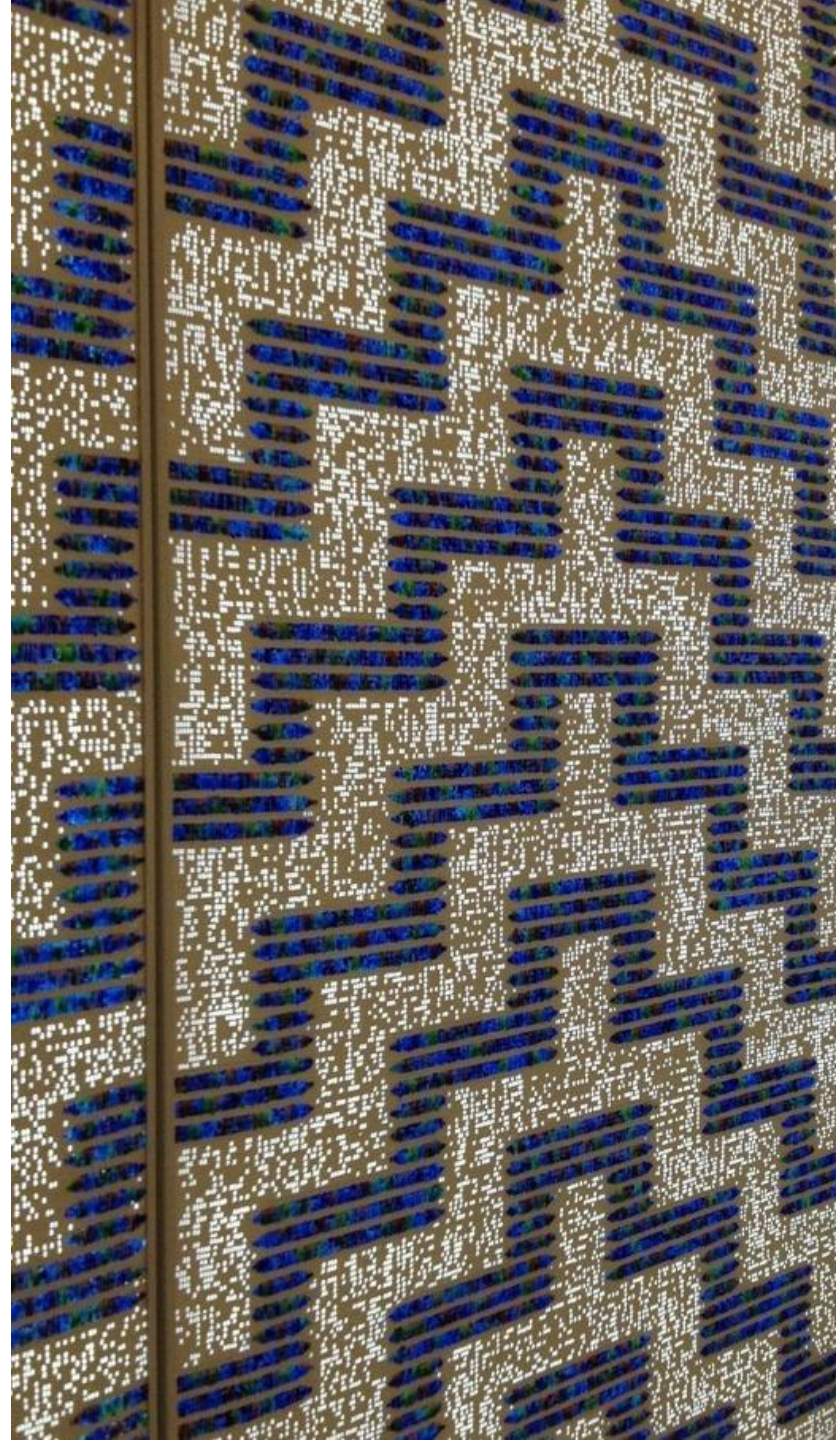
FY14 dividend guidance

+5%

Forecast increase in dividend

Adding value beyond FY14:

- Occupancy improvements driving earnings growth
- Market rental growth, particularly in Auckland
- Delivering on value add opportunities, particularly Downtown Shopping Centre and Bowen Campus



Section 2

Market and Portfolio Overview



Portfolio activity

- 60 leasing transactions totalling 35,000m² or \$11 million in contract rent
 - Secured on a 6 year WALT
 - 1% Premium to valuation
- 27,000m² of new leasing
 - 67% of new leasing was in Wellington
 - 21 new clients
- WALT 5.7 years
- Occupancy increased to 97%
- 52,000m² of settled rent reviews
- Portfolio over renting reduced now 1.8% above market (2012: 3%)

Leasing events

New Leasing	Number	Area
Auckland	25	9,317 m ²
Wellington	25	18,147 m ²
Sub Total	50	27,464 m²

ROR and Extensions

Auckland	6	2,680 m ²
Wellington	4	5,056 m ²
Sub Total	10	7,736 m²
Total Leasing	60	35,200 m²

Rent reviews

Auckland	27	18,035 m ²
Wellington	21	33,697 m ²
Total reviews	48	51,732 m²

Events in review

- Compared with previous contract rent
 - ROR and extensions were 2% lower than passing
 - Settled rent reviews were 2% down, excluding 1-3 The Terrace rent review settled rent reviews were consistent with contract
- Settled market rent reviews, were 2% higher than valuation

Major successes:

- Chorus committed to 4,200m² at State Insurance Tower
- Post balance date Crowe Horwath secured at PWC Tower

Major new leasing transactions during year

Property	Client	Area m ²	Term years
171 Featherston Street	ANZ	4,070 m ²	12 years
80 The Terrace	NZFS	2,700 m ²	6 years
80 The Terrace	MWH	1,456 m ²	6 years
State Insurance Tower	Chorus	4,200 m ²	8 years
AMP Centre	AMP	1,563 m ²	6 years
SAP Tower	SAP	750 m ²	3 years
PwC Tower	Martelli	1,025 m ²	9 years
Other		11,700 m ²	
Total Leasing		27,464 m ²	6.9 years

Transactions in Review

- Strategy to secure value add opportunities on Auckland's CBD waterfront
- Almost 2 hectares of contiguous land under common ownership

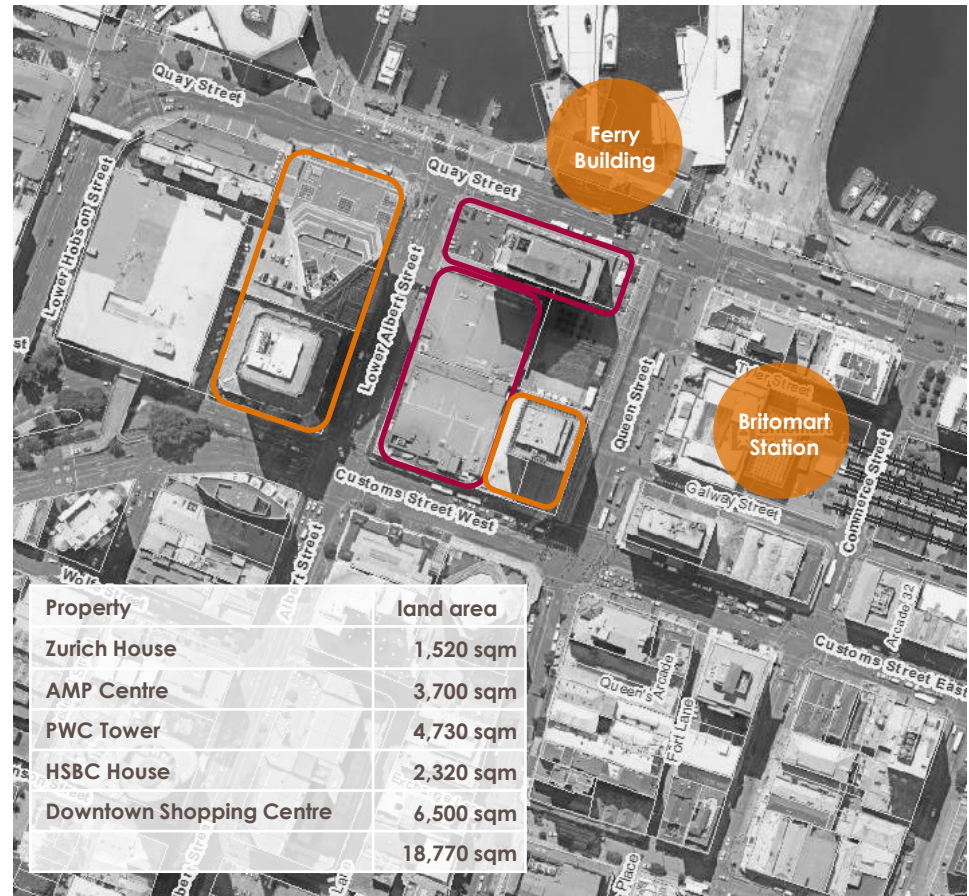
Downtown Shopping Centre

- Settlement October 2012
- Purchase price \$90 million

HSBC House

- Settlement May 2013
- Purchase price \$103 million
- Vendor underwrite covering 2 floors

Waterfront Precinct

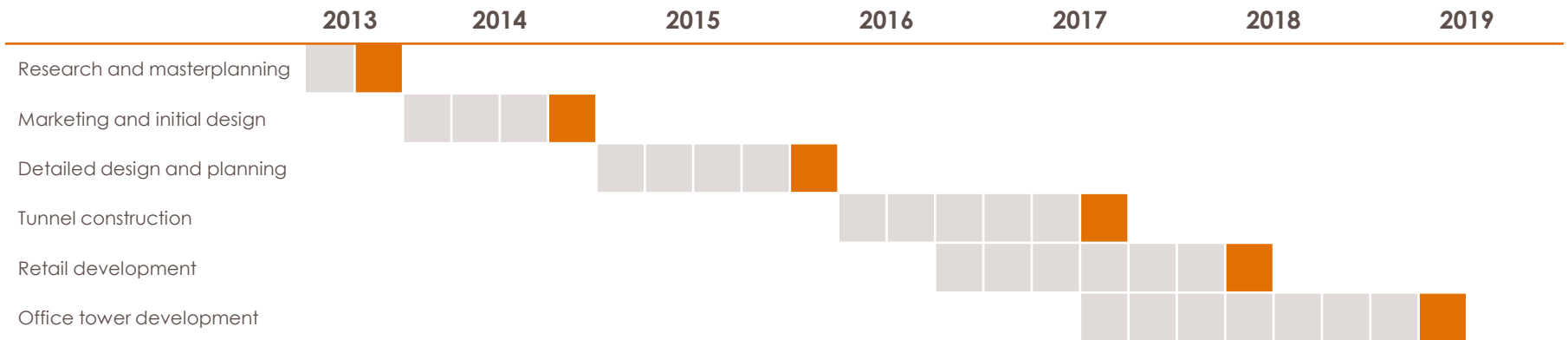


- Recent acquisitions – Downtown Shopping Centre, HSBC House
- Zurich House, AMP Centre and PwC Tower

Downtown development

- In negotiations with Auckland Council to coordinate:
 - Timing of City Rail link (CRL)
 - Development of site
- Phase 1 – Research and masterplanning
 - Retail research is now complete and ahead of expectations
 - Office demand research supportive of timing
 - Masterplan RFP in progress

Indicative 'best case' timeline



ANZ Centre redevelopment

Context

- PCT faced with falling market rents, additional new supply and trending upward vacancy rates
- Deal secured March 2011
 - ANZ agreeing to a 15 year lease over 18 floors or 17,700sqm
 - PCT committing to \$76m refurbishment
- PCT faced with delivery risk

Outcome

- Supply risks mitigated and stable occupier market provided growth in market rents
- Enhancement of ANZ Centre back to a premium quality building
- Reduction in Auckland prime vacancy rates
- Project delivered under budget
- ANZ committing to 21,500sqm

Financials and key metrics

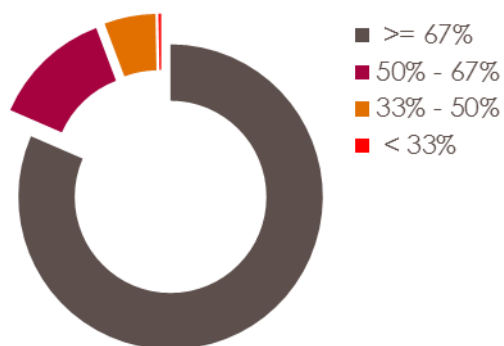
Book Value June 2010	\$170m
Potential Value if ANZ departed	\$153m
Potential Loss	(\$17m)
Actual project cost	\$75m
Total Cost	\$245m
Value at Completion	\$250m
Valuation cap rate	6.75%
Gain on book value	\$5m
Gain compared to ANZ departure	\$22m



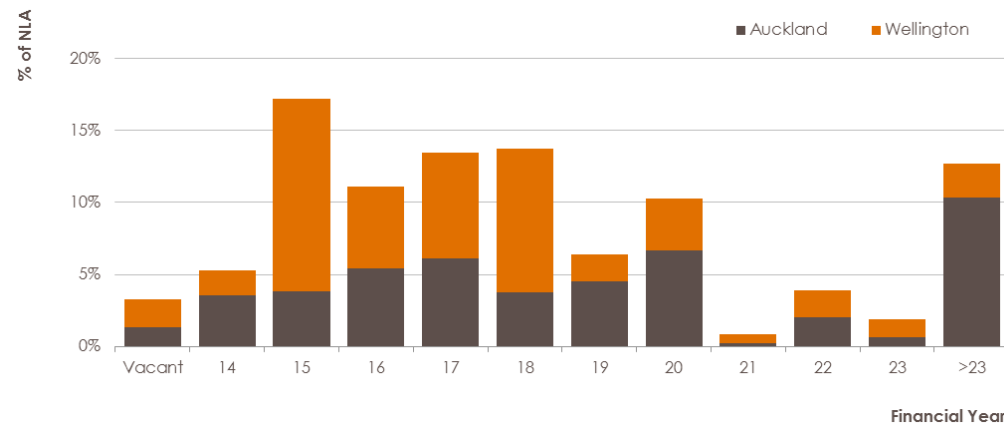
Portfolio metrics

Seismic performance rating (by value)

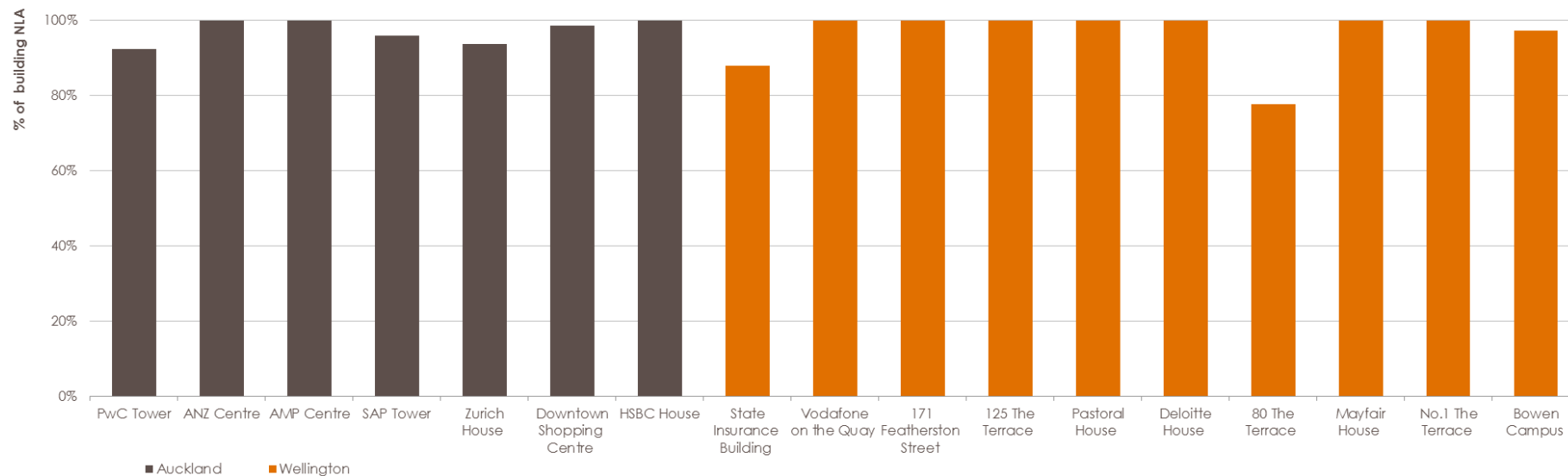
% of NBS score



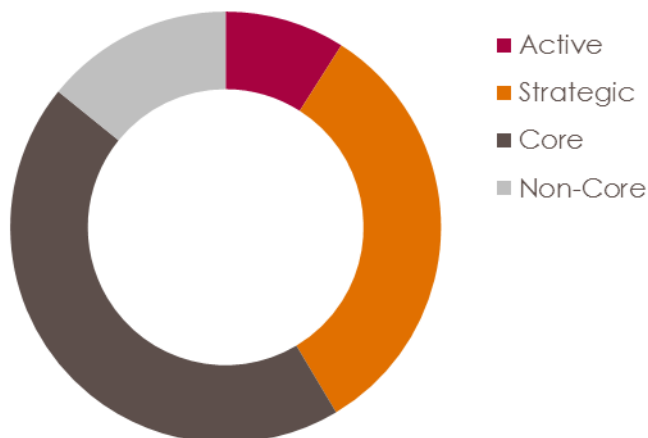
Weighted average lease term (by NLA)



Occupancy (by NLA)



Portfolio composition



Composition other

80%
proportion of office revenue

59%
weighting (by value) to Auckland

38%
weighting (by value) to Auckland waterfront precinct

Classification	Value \$m	Description
Active	148	– Assets with significant development or redevelopment potential
Strategic	532	– Assets required in order to deliver on core strategies – Assets are inherently well located with relatively higher risk adjusted returns
Core	728	– Well located A grade and premium assets that provide core client accommodation with efficient floorplates
Non-Core	232	– Assets with sub optimal characteristics and expectation of lower risk adjusted returns

FY14 lease events

- 34% of portfolio (by NLA) subject to lease event in FY14
- 11% of portfolio subject to market review
 - 4% relates to Ministry for Primary Industry rent review
- Around 17,000m² or 5% of portfolio expiring
 - 67% of expiries are in Auckland

Major expiries FY14

Property	Client	Area
ANZ Centre	Chapman Tripp	1,050m ²
HSBC House	Vendor underwrite	2,400m ²
PWC Tower	Todd Land Holding Limited	1,350m ²
PWC Tower	Servcorp	1,350m ²
Deloitte House	Chorus	776m ²
Total		6,926 m²

% of expiries

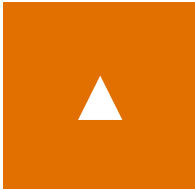


FY14 event profile



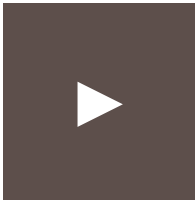
Auckland CBD office market

Occupier Demand



Occupier options continue to dwindle in prime space. Strong CBD employment growth forecasts

Supply



Stable with no quality CBD office development expected in next 3-5 years

Rental Growth



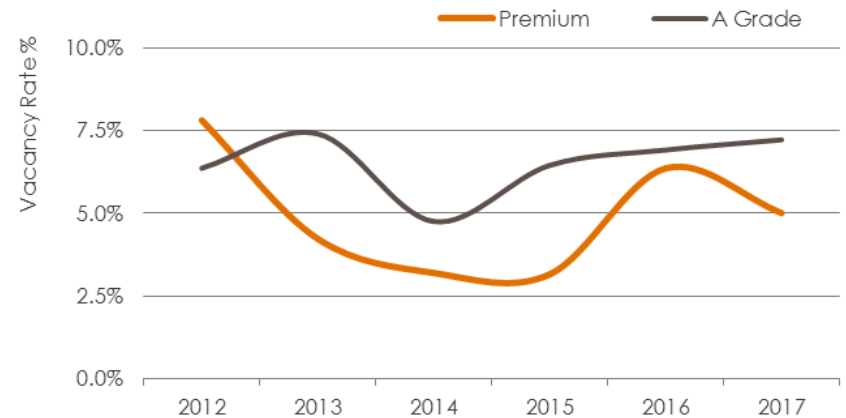
Growth as incentive levels decrease due to lower vacancy

Cap Rates

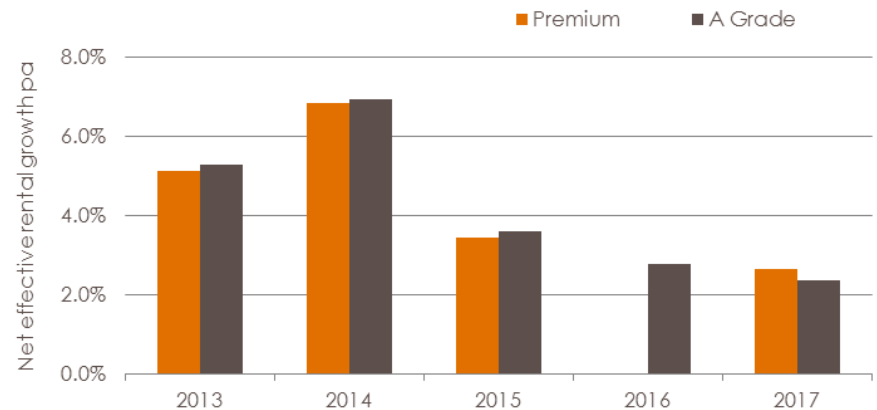


Overall improving fundamentals support firming of capitalisation rates

Forecast vacancy (CBRE, June 2013)



Forecast net effective rent growth (CBRE, June 2013)

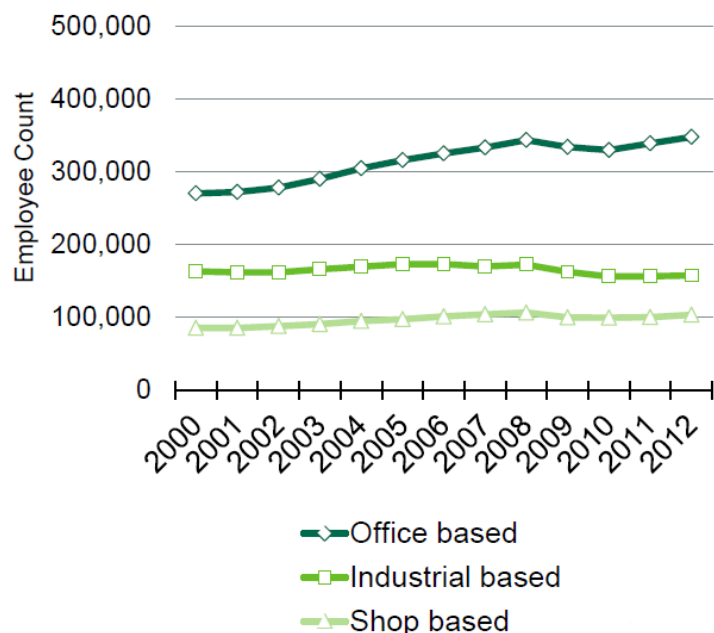


Auckland office employment

- Office and CBD experiencing strong employment growth
 - 10,000 new workers since 2010
- CBRE forecast that CBD office employment will increase by 10,000 workers over the next 5 years. This equates to around 150,000sqm of office space

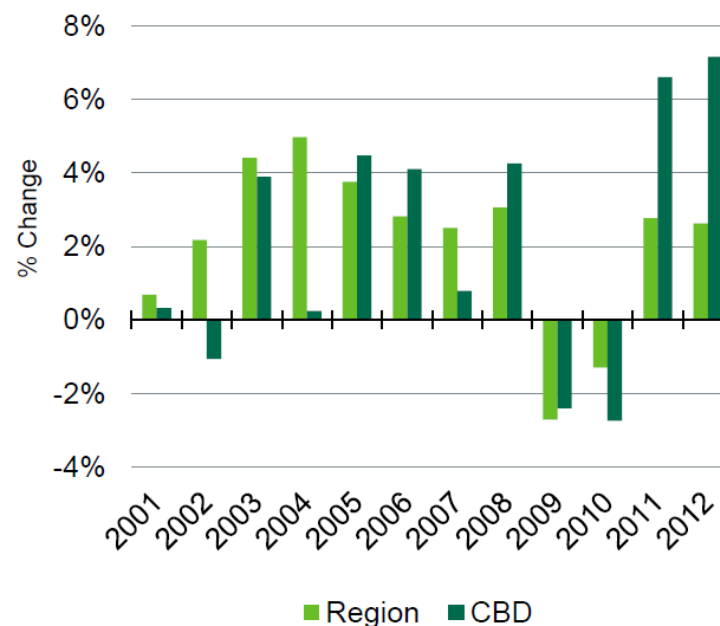
Auckland employment trends by property sector

(CBRE, Statistics NZ)



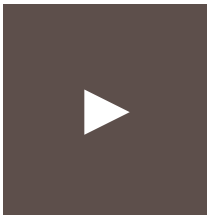
Auckland office employment growth

(CBRE, Statistics NZ)



Wellington CBD office market

Occupier Demand



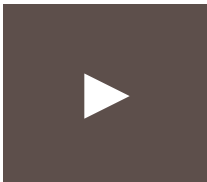
Market uncertainties over stock quality, Government continue to focus on targeting optimistic density ratios

Supply



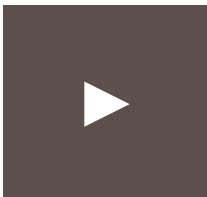
Obsolescence accelerated due to seismic concerns leading to reduction in existing supply

Rental Growth



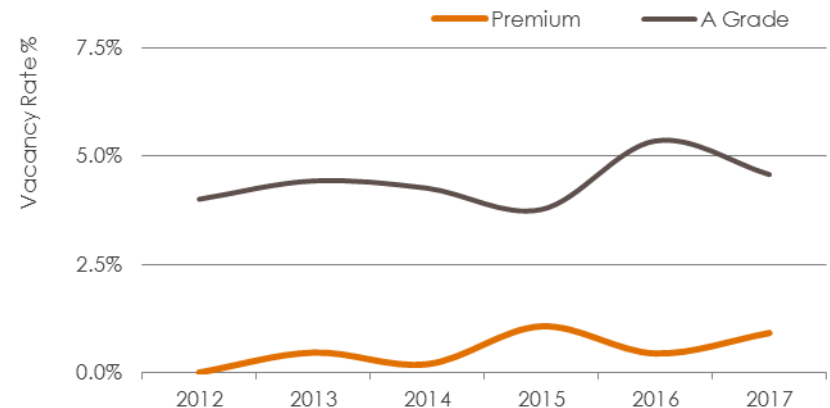
Rental declines have now occurred with stability expected in next 12 months

Cap Rates

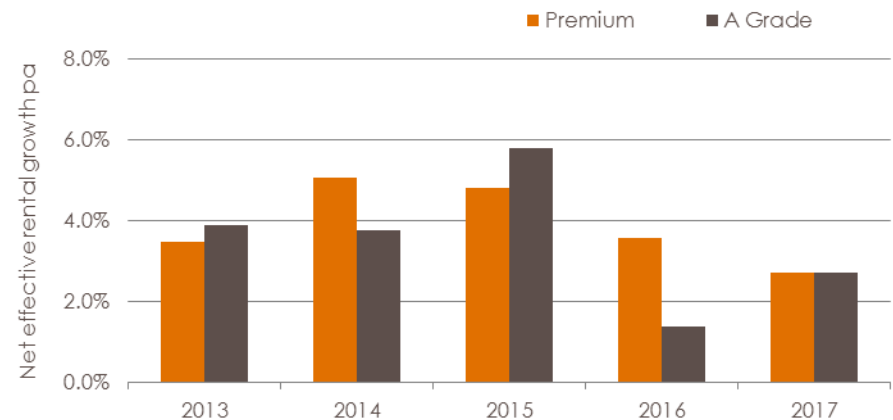


Dependant on occupier market and seismic performance of specific asset

Forecast vacancy (CBRE, June 2013)



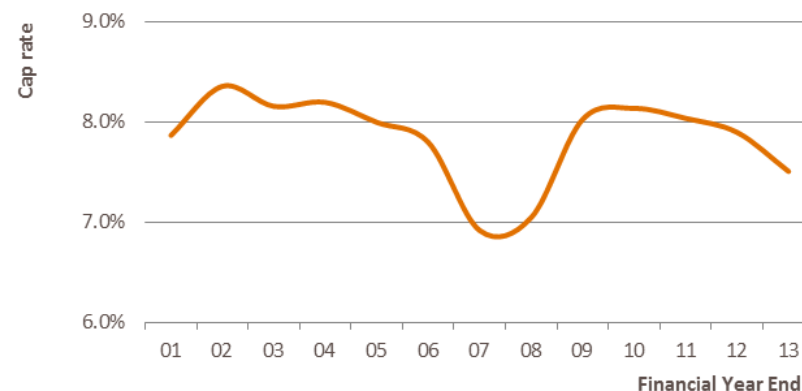
Forecast net effective rent growth (CBRE, June 2013)



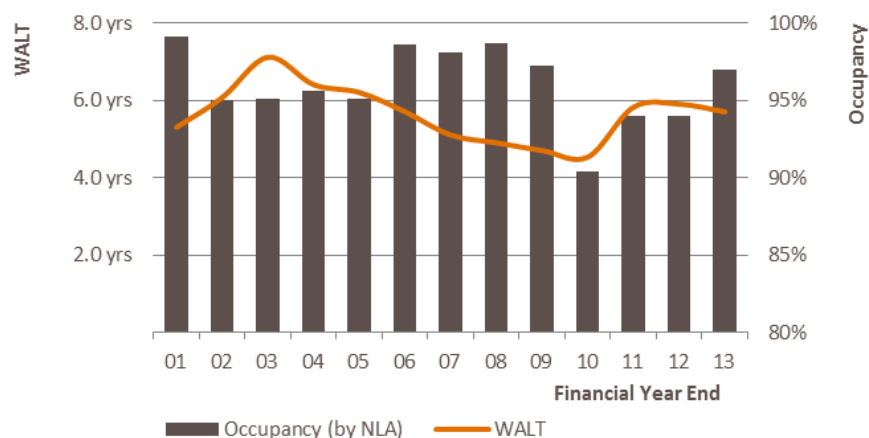
Historical performance

- Occupancy back to historical average
- Negative rental reversion largely complete and market rent growth returning

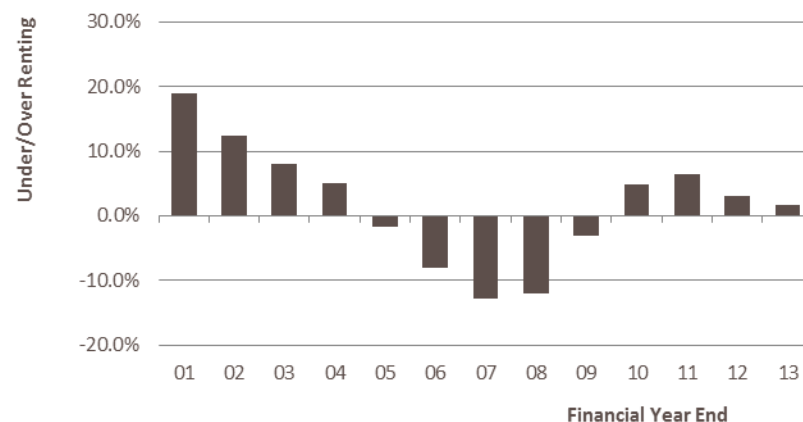
Historical cap rate



Occupancy and WALT by NLA



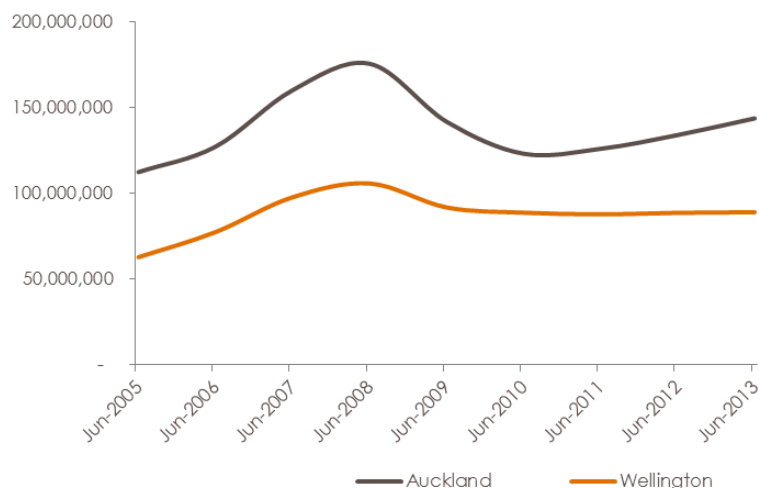
Under / over renting



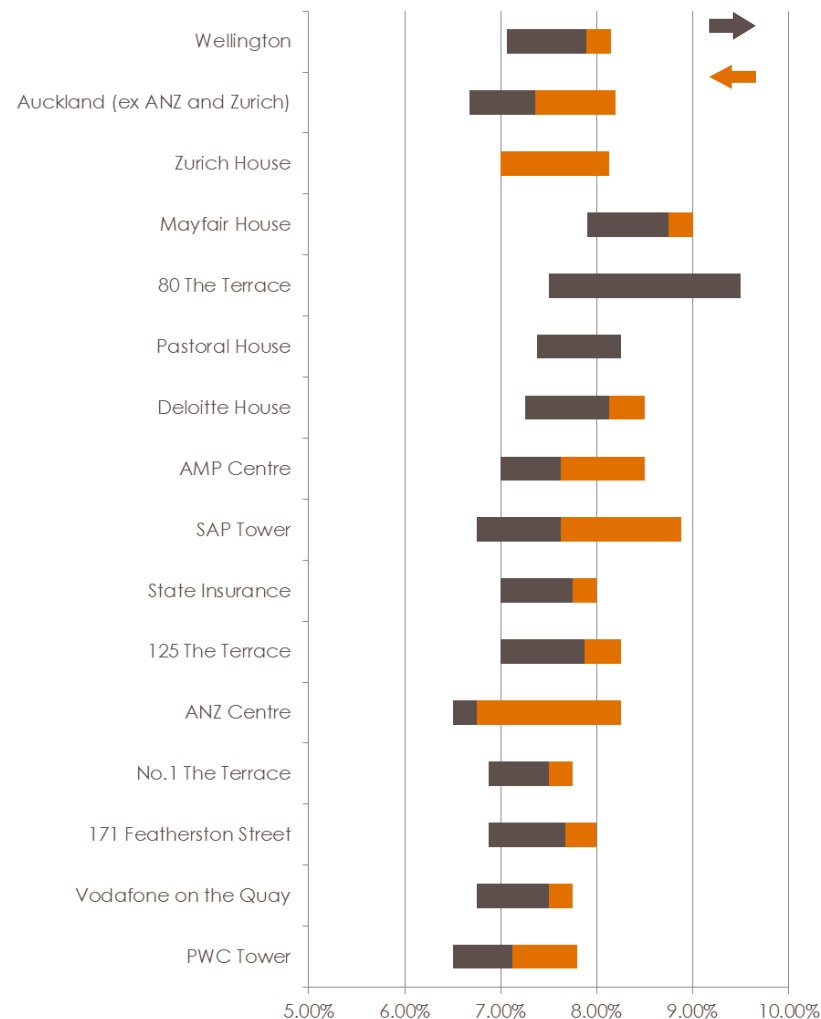
Historical values

- Limited yield compression in Wellington
- Over the past year Auckland has experienced a good level of yield compression
- Auckland ahead of Wellington in cycle
- Historically Wellington values have been more stable

Average historical values

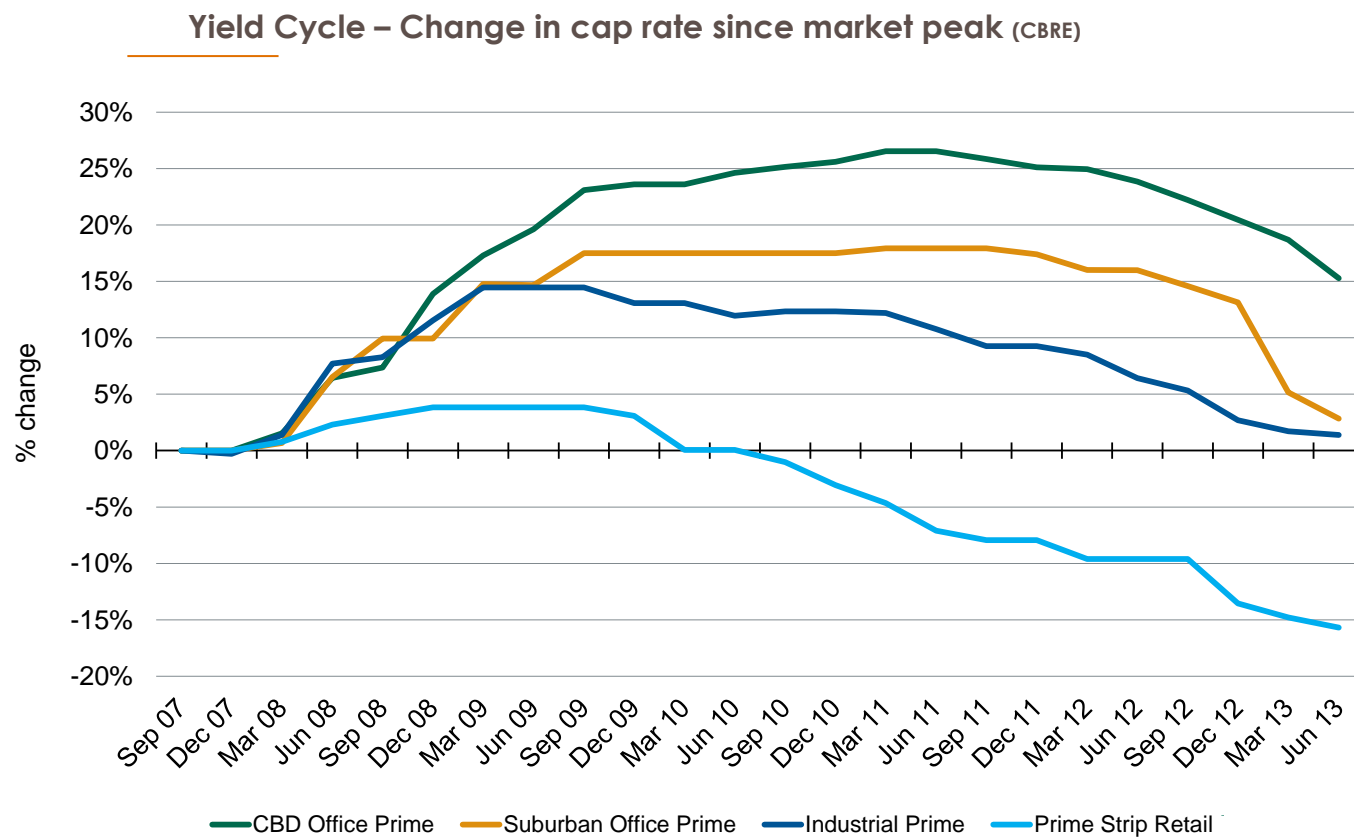


Market cap rate movement from peak



Yield cycle

- Prime industrial and suburban prime office yields back to 2007 levels
- CBD Office yields 15% off peak



CBRE



Section 3

Conclusions and
Outlook

Conclusion

- New Zealand economy growing and is well positioned:
 - Population growth
 - Christchurch rebuild, and
 - Low interest rates
- Property market improving:
 - Auckland very active and generating rental growth
 - Wellington resilient with flight to quality
 - Investment market active as investors seeking yielding assets
 - Yield compression now occurring and set to continue
- Following strategic acquisitions Precinct is well positioned for future growth in earnings and NTA

- Earnings growth continuing underpinned by growth in occupancy
- Expiry risk very low supporting further earnings growth
- Leasing activity remains elevated in prime and A grade in Auckland
- Focus in wellington intensified upon seismic integrity
- Investment market divergent with prime and A grade attracting strong pricing
- Precinct well positioned due to:
 - Prime assets
 - Bias to Auckland
 - Growth in market rents
 - Value add opportunities



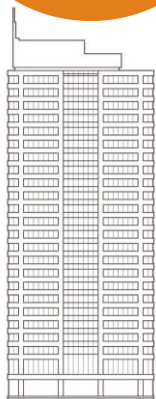
Appendices

Asset level valuations

Asset level valuations

	Cap rates %			Valuation		Fair value movement	
	FY13	FY12		FY13	FY12	\$	%
125 The Terrace	7.9%	8.0%	(13 bps)	\$66.8 m	\$64.0 m	\$2.0 m	3.0%
80 The Terrace	9.5%	9.5%		\$26.4 m	\$26.1 m	(\$2.8 m)	-9.6%
Deloitte House	8.1%	8.5%	(38 bps)	\$48.4 m	\$47.0 m	\$1.1 m	2.3%
171 Featherston Street	7.7%	8.0%	(33 bps)	\$72.3 m	\$69.4 m	\$2.4 m	3.5%
Mayfair House	8.8%	8.8%		\$37.1 m	\$38.2 m	(\$1.1 m)	-2.9%
No. 1 The Terrace	7.5%	7.6%	(13 bps)	\$76.1 m	\$78.0 m	(\$2.3 m)	-2.9%
No. 3 The Terrace	n/a	n/a		\$10.7 m	\$10.7 m		0.0%
Pastoral House	8.3%	8.3%		\$53.7 m	\$54.8 m	(\$1.1 m)	-2.1%
State Insurance Tower	7.8%	7.9%	(15 bps)	\$135.2 m	\$129.5 m	\$4.1 m	3.2%
Vodafone on the Quay	7.5%	7.8%	(25 bps)	\$95.6 m	\$92.5 m	(\$1.7 m)	-1.7%
Bowen Campus	9.8%	9.9%	(13 bps)	\$51.9 m	\$51.5 m	\$0.4 m	0.8%
Wellington portfolio	8.0%	8.2%	(17 bps)	\$674.0 m	\$661.6 m	\$1.0 m	0.1%
SAP Tower	7.6%	8.3%	(63 bps)	\$88.7 m	\$80.0 m	\$5.2 m	6.2%
PwC Tower	7.1%	7.4%	(25 bps)	\$233.1 m	\$222.4 m	\$2.4 m	1.0%
Zurich House	7.0%	7.6%	(62 bps)	\$85.2 m	\$75.4 m	\$8.3 m	10.8%
AMP Centre	7.6%	8.3%	(63 bps)	\$110.0 m	\$100.2 m	\$9.1 m	9.0%
ANZ Centre	6.8%	7.0%	(25 bps)	\$250.0 m	\$192.5 m	\$16.9 m	7.2%
Auckland portfolio	7.1%	7.5%	(41 bps)	\$767.0 m	\$670.5 m	\$41.9 m	5.8%
HSBC House	7.5%	-	-	\$103.2 m	n/a	(\$1.1 m)	-1.1%
Downtown Shopping	7.0%	-	-	\$96.2 m	n/a	\$4.5 m	4.9%
Total	7.5%	7.9%	(35 bps)	\$1,640.4 m	\$1,332.1 m	\$46.3 m	2.9%

Auckland Property Portfolio



01.

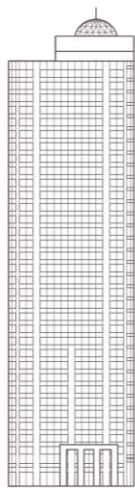
PwC Tower
Occupancy **92%**
WALT **5.9 years**
Clients
PwC, Buddle Findlay, Hesketh Henry, Jones Lang LaSalle

Quay Street, Auckland

The PricewaterhouseCoopers Tower is one of New Zealand's most sought after office addresses. Completed in 2002 with state-of-the-art building technology, the 29-level tower is set in a first-class location in Auckland's waterfront precinct and features some of the country's largest floor plates, a hotel-style lobby and high-speed lifts, along with 11 retail premises and 358 car parks.

CBRE Valuation

As at 30 June 2013 **\$233.1 million**
Total NLA **31,298 sqm**
Typical Office Floor **1,350 sqm**



02.

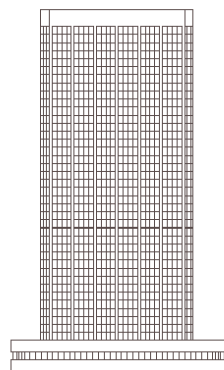
ANZ Centre
Occupancy **100%**
WALT **11.5 years**
Clients
ANZ National Bank, Chapman Tripp, Mighty River Power, Vero, First NZ Capital

Albert Street, Auckland

Topped by a unique geodesic dome, the ANZ Centre is one of New Zealand's tallest and most recognisable buildings at 39 levels, occupying a key site on Auckland's Albert Street. 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. The ANZ Centre has undergone a major upgrade.

Colliers International Valuation

As at 30 June 2013 **\$250.0 million**
Total NLA **33,351 sqm**
Typical Office Floor **1,054 sqm**



03.

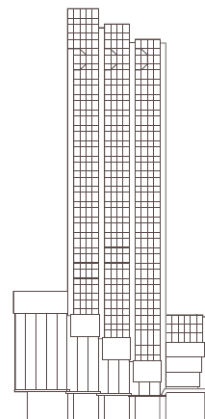
AMP Centre
Occupancy **100%**
WALT **6.0 years**
Clients
AMP Financial Services, Aon, AJ Park, QBE Insurance, Southern Cross, Thales New Zealand

Customs Street West, Auckland

The AMP Centre is a 25-level building with excellent views to Viaduct Harbour and the Hauraki Gulf. It occupies a prominent site adjoining the PwC Tower in Auckland's waterfront precinct, and has large flexible plates, making it attractive to organisations requiring extensive areas of efficient working space.

Colliers International Valuation

As at 30 June 2013 **\$110.0 million**
Total NLA **25,137 sqm**
Typical Office Floor **1,097 sqm**



04.

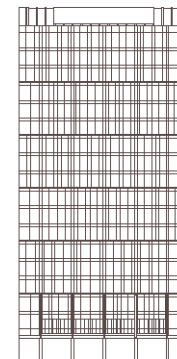
SAP Tower
Occupancy **96%**
WALT **4.2 years**
Clients
SAP, Marsh, Colliers International

Queen Street, Auckland

Located in the heart of Auckland's Queen Street, this prime office building comprises 21 levels of high-quality office accommodation, as well as two levels of retail and a health club that includes a tennis court and swimming pool. SAP Tower was built in 1989 to a striking design, and its distinctive architecture has made it an Auckland landmark. The building's rectangular shape, together with the positioning of the service core, provides a high level of flexibility of use.

Jones Lang LaSalle Valuation

As at 30 June 2013 **\$88.7 million**
Total NLA **17,630 sqm**
Typical Office Floor **762 sqm**



05.

Zurich House
Occupancy **94%**
WALT **5.6 years**
Clients
Zurich, Willis New Zealand, CBRE, NZ Funds Management, Guardians of NZ Superannuation

Queen Street, Auckland

Zurich House was redeveloped by Precinct to a 5-Star Green Star rating, achieved by incorporating highly innovative energy-efficient and environmentally-friendly materials while recycling some of the existing building structure and using sustainable business practices. The building features 15 levels of high-quality office accommodation, with a two-storey entrance gallery and lobby. The entire façade of Zurich House is clad in energy-efficient glazing to maximise natural light.

Jones Lang LaSalle Valuation

As at 30 June 2013 **\$85.2 million**
Total NLA **14,445 sqm**
Typical Office Floor **910 sqm**



06.

Downtown Shopping Centre
Occupancy **99%**
WALT **2.2 years**
Clients
The Warehouse, Burger King, McDonald's, ASB

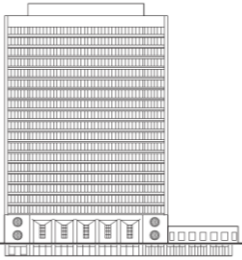
Customs Street West, Auckland

First opened in 1975, the Downtown Shopping Centre has a land area of approximately 6,500 square metres and existing resource consent for a 71,000 sqm (GFA) mixed-use office and retail development. With excellent access to public transport and positioned by Auckland's waterfront, this property has to be one of New Zealand's best long term investment opportunities.

CBRE Valuation

As at 30 June 2013 **\$96.2 million**
Total NLA **13,950 sqm**

Auckland Property Portfolio



07.

HSBC House

Occupancy **100%**

WALT **4.1 years**

Clients

**HSBC Bank, NZTA Limited, Baldwins
Limited**

Queen Street, Auckland

HSBC House comprises a 21 level commercial office tower situated on a prime waterfront CBD site. This is a landmark building occupying one of the most prominent and sought after positions in the Auckland CBD. The building enjoys excellent natural light on all sides together with virtually uninterrupted harbour views.

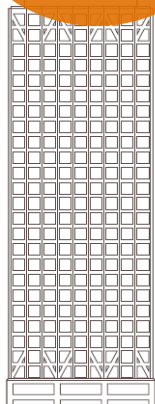
CBRE Valuation

As at 30 June 2013 **\$103.2 million**

Total NLA **19,200 sqm**

Typical Office Floor **1,059 sqm**

Wellington Property Portfolio



01.

State Insurance Tower

Occupancy 88%

WALT 5.1 years

Clients

State Insurance, Air New Zealand, AJ Park, Buddie Findlay, Hudson Global Resources

Willis Street, Wellington

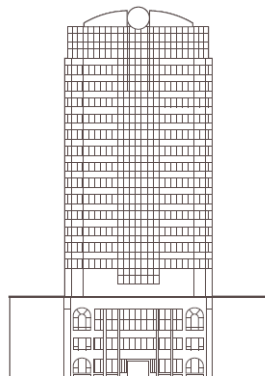
One of New Zealand's best-known office buildings, located in the corporate precinct of the Wellington CBD, State Insurance Tower was completed in 1984. The building is adjacent to Willis Street and Lambton Quay and is a short stroll from Frank Kitts Park and the Wellington harbour waterfront. The office floors enjoy excellent harbour views and natural sunlight from all cardinal points. The property also offers one level of street-level retail, one-and-a-half levels of car parking and an enclosed subterranean retail level.

Bayleys Valuation

As at 30 June 2013 \$135.2 million

Total NLA 26,641 sqm

Typical Office Floor 1,050 sqm



02.

Vodafone on the Quay

Occupancy 100%

WALT 5.1 years

Clients

Vodafone, Russell McVeagh, Microsoft, Fonterra, Rabobank

Lambton Quay Street, Wellington

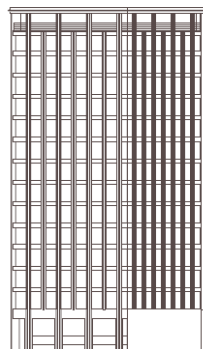
Vodafone on the Quay is a landmark property in the heart of Wellington fronting Midland Park. The building has a distinctive presence on Lambton Quay, with its integrated architectural styles and green-tinted glazing. Vodafone on the Quay is close to the Courts, Parliament and Treasury. The office floors have panoramic views of the harbour and inner city, and provide column-free office space and efficient floor layouts.

Colliers International Valuation

As at 30 June 2013 \$95.6 million

Total NLA 16,762 sqm

Typical Office Floor 1,000 sqm



03.

No. 1 The Terrace

Occupancy 100%

WALT 5.3 years

Clients

The Treasury, Ministry of Health, Parliamentary Services

The Terrace, Wellington

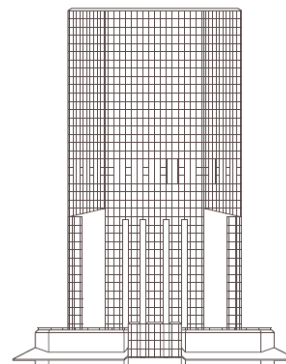
No. 1 The Terrace occupies the prestigious corner location of The Terrace and Bowen Street in Wellington, in the heart of the parliamentary precinct. After redevelopment in 2006, it is an 18-level building with an adjoining low-rise annex featuring some of the largest CBD floor plates in New Zealand.

Colliers International Valuation

As at 30 June 2013 \$76.1 million

Total NLA 18,851 sqm

Tower 768 sqm, Podium 2,080 sqm



04.

171 Featherston Street

Occupancy 100%

WALT 8.0 years

Clients

Bell Gully, First NZ Capital, Cameron & Partners, ANZ

Featherston Street, Wellington

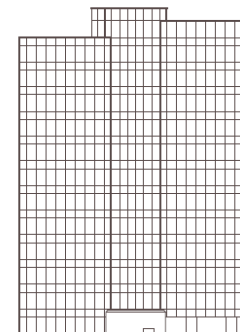
171 Featherston Street is the office tower component of a 26-level dual office/hotel complex occupying a key Wellington waterfront location, with uninterrupted views of the harbour. The office tower comprises the upper 13 levels, the three basement levels of car parks and part of the ground floor. The building features distinctive bronze-tinted glass cladding and strong vertical lines and offers a premium Wellington business address.

Bayleys Valuation

As at 30 June 2013 \$72.3 million

Total NLA 11,352 sqm

Typical Office Floor 915 sqm



05.

125 The Terrace

Occupancy 100%

WALT 5.5 years

Clients

Minter Ellison Rudd Watts, New Zealand Qualifications Authority, Canadian High Commission

The Terrace, Wellington

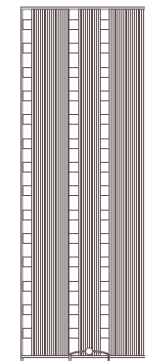
125 The Terrace is in the heart of Wellington's central business and retail district and enjoys some of the region's highest measured pedestrian traffic flows. The building comprises 13 levels of prime office accommodation, two levels of retail and four levels of car parks. The blue laminated reflective glass and distinctive blue granite exterior finishes merge to create an attractive landmark that provides some of Wellington's best-appointed office accommodation.

Bayleys Valuation

As at 30 June 2013 \$66.8 million

Total NLA 12,069 sqm

Typical Office Floor 869 sqm



06.

Pastoral House

Occupancy 100%

WALT 3.6 years

Clients

Ministry of Primary Industries, Bank of New Zealand

The Terrace, Wellington

Pastoral House is an 18-level A-grade building comprising 17 levels of office accommodation and one ground floor retail level. It has 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 and the Lambton Quay frontage enjoys good retail pedestrian exposure. Precinct completed a refurbishment of Pastoral House in 2005.

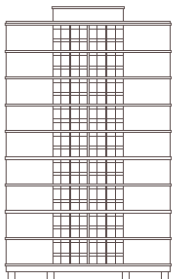
CBRE Valuation

As at 30 June 2013 \$53.7 million

Total NLA 15,555 sqm

Typical Office Floor 827 sqm

Wellington Property Portfolio



07.

Bowen Campus

Occupancy **97%**

WALT **1.7 years**

Clients

Ministry of Social Development

Bowen Street, Wellington

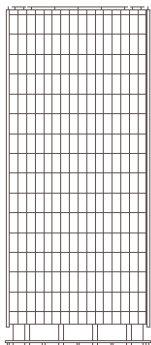
Bowen Campus encompasses approximately one hectare of land and is situated in the heart of the parliamentary precinct next to the Beehive. This includes the 10-storey Bowen State Building and the 15-storey Charles Fergusson Tower which were built between the early 1960s and mid-1970s. The property offers a redevelopment opportunity with resource consent currently in place for 60,000 sqm of office space.

CBRE Valuation

As at 30 June 2013 **\$51.9 million**

Total NLA **30,167 sqm**

BS **1,485 sqm**, CFT **802 sqm**



08.

Deloitte House

Occupancy **100%**

WALT **3.3 years**

Clients

**Deloitte, Medsafe,
Real Estate Agents Authority**

Featherston Street, Wellington

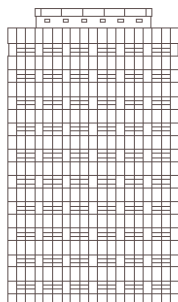
Deloitte House is located in the heart of the Wellington corporate precinct and enjoys triple frontages to Brandon and Featherston Streets and Customhouse Quay. Originally built in 1983, the building was extended and refurbished in 2005/07 and now comprises 16 office floors, ground floor retail and a basement car parking level. There is good natural light for all levels and unobstructed harbour views from level five and above.

Colliers International Valuation

As at 30 June 2013 **\$48.4 million**

Total NLA **12,972 sqm**

Typical Office Floor **775 sqm**



09.

Mayfair House

Occupancy **100%**

WALT **2.9 years**

Clients

Department of Corrections

The Terrace, Wellington

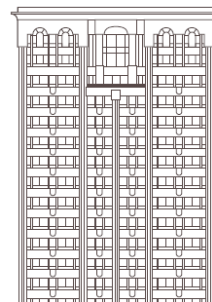
Mayfair House was constructed in 1986. It is well-located, enjoying a favourable aspect at the northern end of The Terrace, close to the parliamentary precinct and close to key Government departments. It comprises 13 office floors, being some of the largest and most efficient plate sizes in the area. The property includes 251 car parks.

Colliers International Valuation

As at 30 June 2013 **\$37.1 million**

Total NLA **12,332 sqm**

Typical Office Floor **1,103 sqm**



10.

80 The Terrace

Occupancy **78%**

WALT **4.7 years**

Clients

**AXA, New Zealand Fire Service,
Transport Accident
and Investigation Commission**

The Terrace, Wellington

80 The Terrace is located on The Terrace, conveniently positioned near Government offices, car parks, bus and rail transport links, with nearby on- and off-ramps to the urban motorway. The set-back frontage and motorway to the rear ensure good natural light to all levels and harbour views from the upper floors. Completed in 1987, the building comprises 14 levels of office accommodation on top of four levels (eight split levels) of car parks.

CBRE Valuation

As at 30 June 2013 **\$26.4 million**

Total NLA **10,563 sqm**

Typical Office Floor **778 sqm**

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