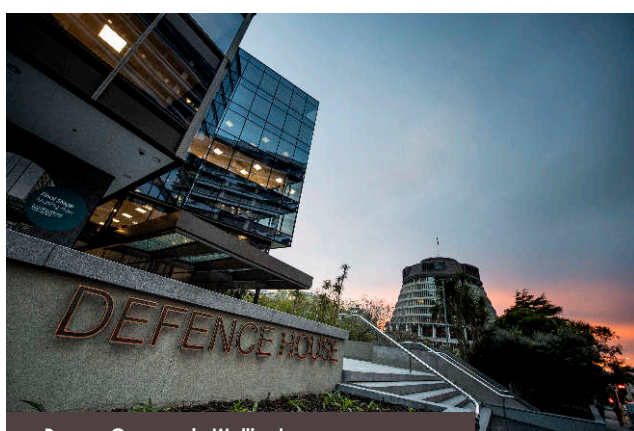


# Precinct Quarterly Update

December 2019



**Dear Shareholders,**  
Welcome to the December edition of our quarterly update.



Bowen Campus in Wellington

## Annual General Meeting (AGM)

The AGM of shareholders was held at The Maritime Room in Auckland on 20 November 2019. We were delighted to again see many of our shareholders in attendance.

Shareholders passed all three resolutions which were considered on the day. This included the election of Anne Urlwin as an Independent Director. Any feedback from shareholders is welcome in advance of our 2020 AGM.

## Outlook

The Board expects full year earnings for the 2020 financial year of approximately 6.80 cps, before performance fees and expects to pay a dividend of 6.30 cps. This represents a 5.0% increase in dividend to shareholders.

Precinct's 2019 interim results are scheduled to be announced on the 20th February 2020. On behalf of my Board colleagues and the Management team, we wish you all a Merry Christmas and happy new year, and we look forward to delivering on another successful year in 2020.

Yours faithfully,

Craig Stobo, Independent Director and Chair

## Dividend

Payment date	12 December 2019
Excluded dividend per share	1.535662 cents per share (cps)
Fully imputed dividend per share	0.039338 cps
Cash dividend per share	1.575 cps
Imputation credits	0.015298 cps

## Indicative dividend payment dates

2nd Quarter 2020 financial year	26 March 2020
3rd Quarter 2020 financial year	19 June 2020

*These dates represent the current expectation of Precinct(PCT) as at the date of publication, are subject to PCT board approval, may change without notice and are not a guarantee or warranty as to the payment of a dividend or the actual payment dates.*

## Key metrics at 30 September 2019

Portfolio value	\$2.8 billion
Overall occupancy	99%
Weighted average lease term	8.6 years
Market capitalisation	\$2.45 billion
Weighted average cap rate	5.7%
Weighting to Auckland (by value)	75%

## Financial Summary

as at 30 September 2019

### Year to date (Unaudited)

Dividends declared	1.575 cps
Full year forecast operating earnings per share (before performance fees)	6.80 cps
Full year forecast dividend per share	6.30 cps

### Balance sheet

	Unaudited 30 Sept 19	Audited 30 June 19
Total assets	\$2,938.4 m	\$2,893.4 m
Net equity	\$1,941.7 m	\$1,954.9 m
Number of shares on issue	1,313.7 m	1,313.7 m
Net tangible assets per share	\$1.48	\$1.47
Bank covenant gearing	24.2%	22.4%

## Shareholder returns

### Shareholder returns

Total gross return	Precinct (NZX: PCT)	Listed Property
September quarter	6.2%	8.6%

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

# Precinct Quarterly Update *(Continued)*

## Development update

### Bowen Campus

The first stage of the Bowen Campus redevelopment is now complete. This is a major achievement for our business and all those who have been involved in transforming the government precinct. The Charles Ferguson Building reached practical completion in December 2018 and is now occupied by Ministry of Primary Industries. At Defence House, New Zealand Defence Force is now in occupation.

We are pleased to have completed these projects with return metrics that have been ahead of our feasibility due to increased rent, lower capitalisation rates and higher occupancy.

### Commercial Bay

Commercial Bay in Auckland is now 98% leased across the retail space and we are delighted with the composition and mix of retailers, and excited to bring some new entrants to the New Zealand market. Total office commitments are around 82% with a number of leases under negotiation. The office tower continues to attract good interest from the market where occupiers are looking to locate in a world class modern workspace with remarkable views across the harbour.

As outlined in August of this year, our opening dates are March 2020 for the retail centre and April 2020 for the PwC Tower.

### Wynyard Quarter Stage 2

Stage Two at Wynyard Quarter has significantly advanced over the last 12 months. The office space is now fully leased, one year ahead of practical completion. This reinforces the quality of 10 Madden Street and our ability to attract occupiers to this prime location.

Construction is also progressing well with the 6<sup>th</sup> floor slab complete and roof structure now being installed. Pleasingly, we remain on budget and have advanced works slightly ahead of programme.

## Sustainability at Precinct

### GRESB

Precinct received a 2019 GRESB score of 77. We are very pleased to have increased this from a score of 69 last year. We are now trending ahead of the global average of 72 and we rate a public disclosure level B against the global average of C.

Global Real Estate Sustainability Benchmark (GRESB) assesses a company's performance against environmental, social and corporate governance and it is the overarching measure for Precinct to benchmark its sustainability performance. This year GRESB included 964 participants globally, representing USD 4.5 trillion in gross asset value.

### Partnerships and community

During the quarter, we are extremely proud to have partnered with Mates in Construction, a charity established to reduce the high level of suicide in the construction industry. Originally set up in Australia, Precinct has been a key member of the steering group established locally. Working together with Mates in Construction and alongside other corporates in the industry, the initiative was formally launched in New Zealand on 30 October 2019.

Sadly, each year approximately 600 New Zealanders die from suicide, of which 75% are men, with construction workers having the highest rate by occupation of suicide. Mates in Construction recognises the importance of raising the general awareness of mental health, wellbeing and suicide risk of workers on site. It is about creating a pathway to professional help for those who are most vulnerable. As a team, Precinct is committed to supporting this initiative.

Other social investments in the past year were made by Precinct to Auckland and Wellington City Mission, Keystone Trust, Tuputoa and the Tania Dalton Foundation. Our current annual memberships include NZ Green Building Council, Property Council, GRESB, Council on Tall Buildings & Urban Habitats, Heart of the City and Diversity Works.

### 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](mailto:enquiry@computershare.co.nz)

If you have any questions please feel free to email us at [hello@precinct.co.nz](mailto:hello@precinct.co.nz)

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