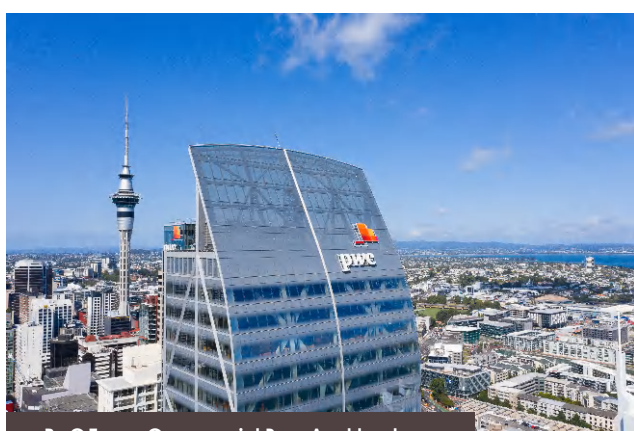


Precinct Quarterly Update

June 2020



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



PwC Tower Commercial Bay, Auckland

Business continuity and outlook through COVID-19

During the quarter, we have all been presented with a number of challenges as a result of the COVID-19 pandemic. Precinct focused on our business continuity. This involved planning ahead and adjusting our operations to operate safely under different COVID-19 alert levels as the New Zealand Government announced changes. Ensuring the right procedures and suitable precautionary measures were in place to protect the health and wellbeing of all our people, while restricting any negative impacts on the business was a key priority. Like many landlords, Precinct proactively engaged with its occupier base and implemented a range of initiatives to support its occupiers during this time.

While uncertainty within the economy remains, Precinct's high quality client base, high occupancy and long term weighted average lease term gives us confidence of meeting our full year dividend guidance. The Board would like to reaffirm Precinct's full year dividend of 6.30 cps. This represents a 5.0% year on year increase in dividend to shareholders.

Precinct's FY20 annual results are scheduled for 13 August 2020.

Yours faithfully,

Craig Stobo, Independent Director and Chair

Dividend

Payment date	12 June 2020
Excluded dividend per share	0.831003 cents per share (cps)
Fully imputed dividend per share	0.743997 cps
Cash dividend per share	1.575 cps
Imputation credits	0.289332 cps

Indicative dividend payment dates

4th Quarter 2020 financial year	25 September 2020
1st Quarter 2021 financial year	11 December 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 31 March 2020

Portfolio value	\$2.9 billion
Overall occupancy	98%
Weighted average lease term	8.6 years
Market capitalisation	\$2.24 billion
Weighted average cap rate	5.7%
Weighting to Auckland (by value)	75%

Financial Summary

as at 31 March 2020

Year to date (Unaudited)

Dividends declared	4.725 cps
Full year forecast dividend per share	6.30 cps

Balance sheet

	Unaudited 31 March 20	Audited 30 June 19
Total assets	\$3,217.8 m	\$2,893.4 m
Net equity	\$1,964.9 m	\$1,954.9 m
Number of shares on issue	1,313.8 m	1,313.8 m
Net asset value per share	\$1.50	\$1.49
Bank covenant gearing	27.2%	22.4%

Shareholder returns

Shareholder returns

Total gross return	Precinct (NZX: PCT)	Listed Property
March quarter	(6.2%)	(20.4%)

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

Sales transaction update

During the quarter, we are pleased to have settled the sale of Pastoral House in Wellington.

Precinct Quarterly Update *(Continued)*

Development projects update

Pleasingly construction re-commenced at Commercial Bay last month following the closure of construction sites in March 2020 as a result of being placed in COVID-19 Alert Level 4 by the New Zealand Government. The closure of the construction site inevitably resulted in delays to the completion of Commercial Bay. Completion is now targeted for June 2020. While it is anticipated that there will be an increase in the total project cost due to impacts associated with COVID-19 including support for retailers, the total increase which is not yet known is not expected to materially affect the project's return metrics.

Following a recent review of future development projects, Precinct advised in May 2020 that the One Queen Street redevelopment project in Auckland will be deferred. The period of deferral will enable us to more reliably assess the long term impacts on the tourism market and broader economy and to position One Queen Street so as to ensure the eventual redevelopment maximises returns.

Construction also re-commenced at 10 Madden Street last month. Construction is progressing well and despite the impacts of COVID-19, the programme for completion remains 2020.

Quality delivers earnings security

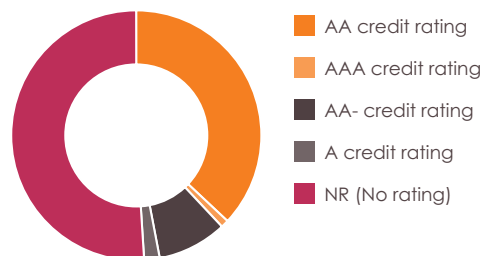
While the long-term impacts of COVID-19 continue to evolve at both a local and global level, we have been able to restrict the negative impacts on our business. This reflects the high quality of our assets and the high quality clients we attract and retain within our portfolio. Successfully executing our long-term strategy in recent years has ensured Precinct remains in a strong position and is able to be confident of meeting its full year dividend guidance. Precinct's earnings security is underpinned by the stable and secure income our portfolio generates. Our investment portfolio metrics include a high occupancy level of 98% and a weighted average lease term of around 9 years which illustrates the average remaining term for all leases to expire in the portfolio. Precinct also benefits from its structured leases. The portfolio is under-rented by 5.2%.

Precinct has a high quality client base with around 50% of all office revenue considered investment grade having a credit rating of AA- or higher and around one third of Precinct's revenue is generated from Government/Crown entities providing a high level of income certainty. As a result, Precinct was able to receive the majority of its rent which was due over the last two months while also being able to support those occupiers who needed assistance.

Lease expiry profile by office NLA



Precinct occupier credit ratings by office revenue



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

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