

NZX announcement – 24 March 2020

Precinct Business Update - Covid-19

Following the announcement made by the New Zealand Government that New Zealand has been placed in Covid-19 alert level 3 and it will be rising to level 4 on Wednesday, Precinct Properties New Zealand Limited (Precinct) (NZX: PCT) advises that all of its buildings and construction sites are in the process of being safely and securely closed. This includes our investment portfolio and both Wynyard Quarter and Commercial Bay in Auckland. All Precinct operated offices in Auckland and Wellington and its Generator business will also be closing until further notice, except to the extent required to allow any businesses conducting “essential services” to operate.

Precinct remains in a strong financial position. Our balance sheet is strong with gearing as measured under borrower covenants, which disregards subordinated debt of 25.4% (covenant level 50%) at 31 December 2019. On a fully committed basis after allowing for all committed projects, our gearing is 31%. Following the \$150 million bank debt facility which was refinanced in February 2020, Precinct's next debt maturity is due in December 2021. Precinct's investment portfolio metrics include occupancy of 99% and a weighted average lease term of around 9 years.

The closure of construction sites will inevitably result in delays to the completion of Commercial Bay and Wynyard Quarter. While the cost of the delay will depend on the duration of the closure, Commercial Bay is close to completion which will help limit the impact of the interruption.

While the impacts of COVID-19 continue to evolve, we will continue to actively implement our business continuity plans to ensure the right procedures and suitable precautionary measures are in place to help protect the health and well-being of all our people, while also restricting any potential negative impacts on the business.

While the negative impacts from the COVID-19 pandemic cannot yet be known and there are risks to the downside, Precinct expects FY20 earnings to be materially in line with previous guidance and to maintain its dividend at 6.30 cps.

Ends

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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 Auckland's PwC Tower, AMP Centre, ANZ Centre (50%), Zurich House, HSBC House, Mason Bros. Building, 12 Madden Street, 10 Madden Street and Commercial Bay; and Wellington's AON Centre, NTT Tower, No. 1 and No. 3 The Terrace, Pastoral House, Mayfair House and Bowen Campus.

Precinct owns Generator NZ, New Zealand's premier flexible office space provider. Generator currently offers 13,600 square metres of space across four locations in Auckland.