

Quarterly update

June 2016

Financial information is shown as at 31 March 2016



Artist impression of the Mason Brothers building.
Complete December 2016

DEAR SHAREHOLDER,

We are excited to have recently announced that major international fashion retailer H&M will open its New Zealand flagship store at Commercial Bay on Auckland's waterfront. This comes at a key milestone in the project with the closure of the existing Downtown Shopping Centre and construction works commencing.

HSBC Bank also confirmed their commitment to Commercial Bay, relocating to 188 Quay Street and taking naming rights over the building.

The signing of H&M and HSBC Bank confirm Commercial Bay's attraction as both a retail and commercial precinct. Both companies are internationally recognised brands and we're delighted with their early commitment to Commercial Bay.

WYNYARD QUARTER - STAGE 1

Construction of the 5,000m² Mason Brothers building and the 8,100m² Innovation building is progressing well. Installation of the Mason Brothers roof began in April and the building is anticipated to be watertight by July.

Mason Brothers is expected to reach practical completion in December 2016 while the Innovation building remains on track for completion in mid 2017.

Since December pre-leasing has increased from 70% to 86%. Interest in the remaining space located within the Mason Brothers buildings remains strong and it is expected the first stage will be fully let by year end.

The project remains on budget and is expected to generate a yield on cost of 8% and a return on cost of around 15%.

OUTLOOK

Full-year operating earnings after tax are expected to be around 6.0 cents per share. Dividend guidance for the 2016 financial year remains unchanged at 5.4 cents per share, consistent with the 90% pay out dividend policy.

Our 2016 year end results announcement will be on the 18th of August where the Board will provide 2017 earnings and dividend guidance.

Yours faithfully,

Craig Stobo
Chairman

DIVIDEND

Payment date	10 June 2016
Excluded dividend per share	0.8099 cents per share (cps)
Fully imputed dividend per share	0.5401 cps
Cash dividend per share	1.35 cps
Imputation credits	0.2100 cps

INDICATIVE DIVIDEND PAYMENT DATES

	Proposed
4 th Quarter 2016 financial year	29 September 2016
1 st Quarter 2017 financial year	15 December 2016

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.

FINANCIAL SUMMARY

as at 31.03.2016

Year to date (Unaudited)

Dividends declared	4.05 cps
Full year forecast operating earnings per share (before performance fees)	6.00 cps
Full year forecast dividend per share	5.40 cps

Balance sheet	Unaudited 31 March 16	Audited 30 June 15
Total assets	\$1,625 m	\$1,753 m
Net equity	\$1,332 m	\$1,338 m
Number of shares on issue	1,211.1 m	1,211 m
Net tangible assets per share	\$1.10	\$1.11
Bank covenant gearing (%)	13.5%	20.1%

SHAREHOLDER RETURNS

Total gross return	Precinct (NZX: PCT)	Listed Property
March quarter	1.6%	5.2%

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

Commercial Bay – update

CONSTRUCTION UPDATE

The Downtown Shopping Centre's last day of trade was on the 28th May 2016. This milestone represents the start of one of the most transformational projects we believe Auckland has ever seen – Commercial Bay.

The site has now been handed over to our construction partner, Fletcher Construction, who will secure the site and commence demolition of the existing centre.

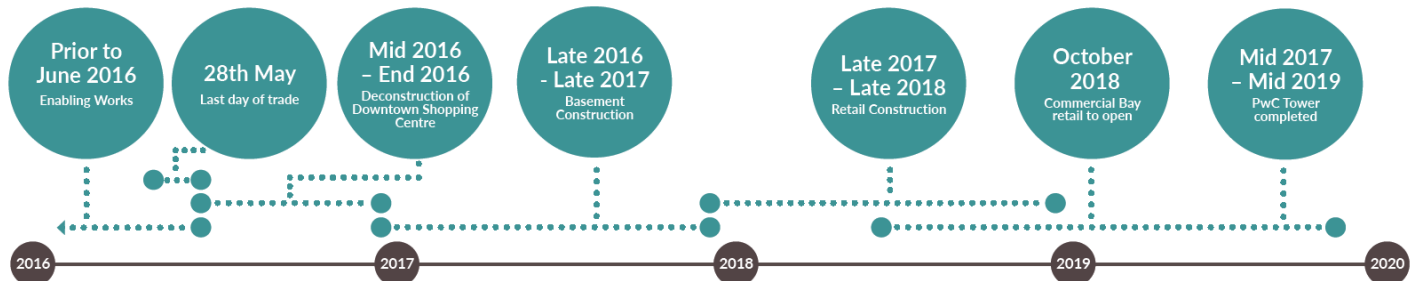
Enabling works in and around the site are progressing well. These works have included the removal of the pedestrian canopy on lower Queen Street and communication, water and gas diversions.

The project remains on programme (shown in the graphic below). Demolition is expected to be complete by the end of the year with excavation and retaining completed in the middle of 2017.

During the construction of Commercial Bay Auckland Transport are also working on the City Rail Link, the underground rail line linking Britomart and the city centre with the existing western line near Mt Eden. We're all working closely to ensure that construction in the CBD runs as smoothly as possible.



DEVELOPMENT TIMELINE



PRECINCT KEY METRICS (31.03.16)

\$1.5bn

Portfolio value

97%

Overall occupancy

4.8years

Weighted average lease term

\$1.6bn

Market cap

7.0%

Weighted average cap rate

67%

Weighting to Auckland (by value)

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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

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