

# Quarterly update

## June 2015

Financial information is shown as at 31 March 2015



## DEAR SHAREHOLDER,

### DIVIDEND

Shareholders will receive a third-quarter dividend of 1.35 cents per share (cps) plus imputation credits of 0.3754 cps. The payment date will be 4 June 2015. The next dividend is expected to be paid on 24 September 2015.

### DOWNTOWN DEVELOPMENT UPDATE

At Downtown we have now moved from preliminary design (high level design) to developed design. This is a key milestone for the project and has allowed us to tender the construction contract with leading domestic and international construction companies.

During the 'developed design' phase we will look to finalise the type of materials used, structural design, and building services, among other items.

We continue to engage with potential office occupiers with a number of pre-leasing presentations being undertaken in the period. Feedback on the new Tower and the surrounding amenity has been overwhelmingly positive.

We have also begun to engage with key anchor retailers who have shown strong interest in this proven retail location. Over the past 12 months total sales in the existing Centre have increased by 10%.

We continue to progress consenting. Regional consent was uplifted at the end of April with land use consent or resource consent lodged at the end of March.

### OUTLOOK

The Board expects full year earnings for the 2015 financial year of approximately 6.1 cps (before performance fees). We expect to maintain a dividend of 5.4 cps for the remainder of the 2015 financial year, consistent with the 90% payout dividend policy.

I thank you for your continued support and look forward to announcing our annual results on the 19<sup>th</sup> of August.

Yours faithfully,

**Craig Stobo**  
Chairman

## DIVIDEND

Payment date	4 June 2015
Excluded dividend per share	0.3848 cents per share (cps)
Fully imputed dividend per share	0.9652 cps
Cash dividend per share	1.35 cps
Imputation credits	0.3754 cps

### INDICATIVE DIVIDEND PAYMENT DATES

	Proposed
4 <sup>th</sup> Quarter 2015 financial year	24 September 2015
1 <sup>st</sup> Quarter 2016 financial year	17 December 2015

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 31.03.2015

### Year to date (Unaudited)

Dividends declared	4.05 cps
Full year forecast operating earnings per share (before performance fees)	6.10 cps
Full year forecast dividend per share	5.40 cps

Balance sheet	Unaudited 31 Mar 15	Audited 30 June 14
Total assets	\$1,662 m	\$1,748 m
Net equity	\$1,297 m	\$1,107 m
Number of shares on issue	1,211.1 m	1,059.7 m
Net tangible assets per share	\$1.07	\$1.04
Bank covenant gearing (%)	19.1%	33.8%

## SHAREHOLDER RETURNS

Total gross return	Precinct (NZX: PCT)	Listed Property
Mar quarter	0.6%	4.9%

Returns are based on close price, calculated monthly and assume reinvestment of dividend (returns exclude imputation credits), Source IRESS

# Auckland CBD office market outlook

Vacancy in Auckland prime (including both Premium and A-Grade) CBD office buildings sits at historic lows. According to Colliers the prime vacancy rate is just 1.4% compared to the historic twenty year average of 8.2%.

Strong CBD employment growth over the past few years has led to vacancy rates falling. The CBD's market share of regional employment has also grown steadily. This growth and centralisation reflects the CBD's enhanced amenity through successful developments such as Britomart and its improved retail offering and is a trend

which Auckland has in common with other global cities.

Vacancy is anticipated to remain low in the CBD given Auckland's strong economy, high net migration, improved CBD amenity and improved public transport. In particular, occupiers have indicated a preference to be located on the CBD waterfront due to its unrivalled views and level of amenity.



## PRECINCT KEY METRICS (31.03.15)

\$1.63bn

Portfolio value

98%

Overall occupancy

5.1 years

Weighted average lease term

\$1.4bn

Market Capitalisation

7.3%

Weighted average cap rate

58%

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

**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)