

NZX and media announcement – 3 September 2013

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Precinct announces \$60 million equity issue

Equity raising overview

- Targeting to raise \$60 million of equity through two initiatives, with the ability to take up to \$70 million
 - \$50 million underwritten placement
 - \$10 million non-underwritten share purchase plan (“SPP”) with ability to take up to an additional \$10 million
- Placement price underwritten at \$1.00
- Equity raised will repay bank debt and provide additional capacity to deliver on existing medium term opportunities
- Reduces 30 June 2013 pro forma gearing from 37.3% to 33.8%
- Previously announced dividend guidance of 5.4 cents per share confirmed
- Previously announced earnings guidance of 6.2 cents per share confirmed

Precinct Properties New Zealand Limited (Precinct) (NZX: PCT) announced today that the company is targeting to raise \$60 million of new equity through two separate initiatives.

A trading halt in Precinct shares has been granted by NZX to facilitate a Placement to institutional and habitual investors.

In addition, Precinct plans to undertake an SPP during September and October, providing an opportunity for retail shareholders who are not eligible to participate in the Placement.

Scott Pritchard, Precinct's CEO, said over the past two years Precinct has deployed approximately \$320 million to strengthen the business and provide future growth opportunities. “To acquire such unique and strategic assets at a low point in the property cycle has been very pleasing and puts us in a strong position for the future.”

The decision to raise equity, along with the ability to divest non-core assets identified earlier this month, positions Precinct with sufficient capital to deliver on the existing medium term opportunities within its portfolio. “Downtown Shopping Centre and Bowen Campus are two exciting opportunities within the CBDs of Auckland and Wellington. The equity being raised helps position us to deliver our vision.” Mr Pritchard said.

Assuming a successful \$60 million raising, pro forma gearing at 30 June 2013 will reduce from 37.3% to 33.8%.

Precinct recently announced a strong result for the year ended 30 June 2013, underpinned by growth in rental income from acquisitions, higher occupancy, reduced funding costs and a lower tax expense. Precinct also experienced an increase in net tangible assets to 99 cents per share due to revaluation gains and a reduced deferred tax liability.

With occupancy sitting at 97%, no significant lease expiries and a positive outlook for occupier markets, Precinct is positioned for continued earnings growth. Earnings guidance for the year ended 30 June 2014 is confirmed at 6.2 cents per share before performance fees. Dividends for the year ended 30 June 2014 are expected to be 5.4 cents per share, an increase of 5% over the year ended 30 June 2013.

The placement will be managed and underwritten by Macquarie Securities (NZ) Limited and the Placement issue price will be established via a book build with new shares planned to be allotted on 9 September 2013.

Precinct also intends to undertake an SPP for eligible New Zealand resident shareholders (with a record date of 19 September 2013). The SPP is targeting \$10 million of new equity and is subject to a \$20 million cap. Applications will be able to be made for up to \$15,000 of shares, in parcels which are multiples of \$1,000. Applications may be scaled depending upon demand. The number of shares to be issued to each subscriber will be rounded up to the nearest share.

The issue price for the SPP will be the lower of the final Placement price and the average end of day market price of shares during the period 10 - 16 September 2013 (inclusive) rounded down to the nearest half cent. Precinct will not proceed with the SPP if it considers the issue price to be inadequate.

Shares issued under the Placement and SPP will not be eligible for the FY13 fourth quarter dividend of 1.28 cents per share to be paid on 19 September 2013.

The SPP price will be confirmed on 17 September 2013, with the offer opening on 23 September 2013 and closing on 9 October 2013. The allotment date for the shares issued under the SPP is planned for 10 October 2013.

The shares to be issued under the SPP and the placement have been accepted for quotation on the NZX Main Board (a registered market operated by NZX Limited, which is a registered exchange under the Securities Markets Act 1988). However, NZX Limited accepts no responsibility for any statement in this announcement.

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About Precinct (PCT)

Precinct is New Zealand's only specialist listed investor in prime and A-grade commercial office property. Listed on the New Zealand Exchange, PCT currently owns 17 New Zealand buildings – Auckland's PricewaterhouseCoopers Tower, ANZ Centre, SAP Tower, AMP Centre, Zurich House, HSBC House and Downtown Shopping Centre; and Wellington's State Insurance Tower, Vodafone on the Quay, 171 Featherston Street, 125 The Terrace, No. 1 and 3 The Terrace, Pastoral House, Mayfair House, 80 The Terrace, Deloitte House and Bowen Campus.