

NZX and media announcement – 28 November 2014

Precinct announces its retail bond offer

Precinct Properties New Zealand Limited (**Precinct**) today announced that it has registered its Simplified Disclosure Prospectus (**SDP**) for an offer of up to \$50 million (with the ability to accept up to \$25 million of oversubscriptions) fixed rate senior secured bondsⁱ (**Bonds**) to the New Zealand public.

The Bonds benefit (on an equal ranking basis with other secured creditors, including Precinct's bank lenders, USPP noteholders, hedging provider and any future secured creditors) from mortgages over real property granted by Precinct's property holding subsidiaries (Precinct Properties Downtown Limited and Precinct Properties Holdings Limited).

The offer is expected to open on Monday 8 December 2014 and close on Friday 12 December 2014 at 5.00pm.

The indicative margin range for the bonds is 1.30% - 1.45% per annum. An announcement of the margin and the fixed rate of interest applying to the Bonds will be made following the bookbuild process, expected to be on Friday 12 December 2014. Interest on the Bonds will be paid semi-annually in arrears on 17 June and 17 December of each year and the Bonds, which have a seven year tenor, will mature on 17 December 2021.

There is no public pool for the Bond offer, with 100% of the Bonds, including oversubscriptions, reserved for clients of the Joint Lead Managers, Co-Manager, institutional investors and other market participants.

Investors can register their expressions of interest by contacting any of the Joint Lead Managers, Co-Manager or their usual financial advisor to request a free copy of the SDP for the Bonds. A free copy of the SDP can also be reviewed at www.precinctbondoffer.co.nz.

Joint Lead Managers:

ANZ	0800 269 476	www.anzsecurities.co.nz
Deutsche Craigs	0800 226 263	www.craigsip.co.nz
First NZ Capital	0800 005 678	www.fnzc.co.nz

Co-Manager:

Macquarie Capital (New Zealand) Limited	0800 742 737	www.macquarie.com
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The minimum holding for the Bonds is an aggregate principal amount of \$5,000 of Bonds and applications must be for a minimum of \$5,000 and in multiples of \$1,000 thereafter. You should read the whole of the SDP before deciding to invest.

Application has been made to NZX Limited for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this advertisement have been duly complied with. ⁱⁱ However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this advertisement. The NZX Debt Market is a registered market operated by NZX (which is a registered exchange) under the Securities Markets Act 1988.

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For further information, contact:

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About Precinct (PCT)

Precinct is New Zealand's only specialist listed investor in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns 17 New Zealand buildings – Auckland's PwC Tower, SAP Towerⁱⁱⁱ, AMP Centre, ANZ 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 No. 3 The Terrace, Pastoral House, Mayfair House, 80 The Terrace^{iv}, Deloitte House and Bowen Campus.

ⁱ The Bonds benefit (on an equal ranking basis with other secured creditors, including Precinct's bank lenders, USPP noteholders, hedging provider and any future secured creditors) from mortgages over real property granted by Precinct's property holding subsidiaries (Precinct Properties Downtown Limited and Precinct Properties Holdings Limited). In an insolvency of those security providers, the claims of the senior secured creditors will (by virtue of that security) rank ahead of all other creditors of the relevant security provider other than certain statutorily preferred creditors.

ⁱⁱ Precinct has received a waiver from NZX to NZX Main Board/NZX Debt Market Listing Rules 5.2.3 and 11.1.1 in respect of the offer of the Bonds.

ⁱⁱⁱ Precinct has entered into an unconditional agreement to sell SAP Tower in Auckland for \$97 million. Settlement is expected to take place in February 2015.

^{iv} 80 The Terrace in Wellington is currently being marketed for sale. At present no agreement for the sale of this property has been entered into and there is no certainty whether a transaction will proceed.