

NZX and media announcement – 21 June 2013

Reduced financing costs and positive valuation outcome

Precinct Properties New Zealand (NZX: PCT) today reported reduced financing costs following signing of a new \$660 million bank facility, and an expected revaluation gain of approximately \$40 million.

Reduced financing costs

Precinct has secured a new \$660 million secured bank debt facility, delivering material savings for the company due to lower margins and replacing Precinct's existing \$635 million unsecured facility.

The new facilities provide Precinct's lenders with the benefit of security by way of mortgages over certain Precinct properties, which has enabled Precinct to negotiate reduced margins. Covenants under the new facility are substantially unchanged.

Funding is provided by the existing syndicate of ANZ, BNZ and CBA, with Precinct also welcoming Bank of Tokyo-Mitsubishi UFJ to the syndicate.

The new facility has tranches expiring in July 2016, July 2017 and July 2018, increasing the weighted average term to expiry from 3 to 4 years.

30 June 2013 Valuations

The valuations show an increase compared to forecast end of year book values, across the portfolio of around \$40 million (2012: \$5.5 million) or 2.6%.

The valuations were carried out by independent valuers, are subject to final audit and will be confirmed in the financial results for the year ended 30 June 2013, to be announced mid-August.

Auckland valuations, compared with forecast end of year book values increased by around 5% while Wellington remained stable. The Auckland increases were mainly attributable to increased positive sentiment due to an improving investment market, asset specific leasing success and improving market rental levels. Stable capitalisation rates, supported by recent sales evidence and stable market rents, resulted in Wellington valuations being consistent with forecast end of year book values.

Collectively, the revaluation, the redevelopment of ANZ Centre, the Downtown Shopping Centre acquisition and the HSBC House acquisition increased the value of Precinct's portfolio to around \$1.64 billion (2012: \$1.33 billion).

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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.