

NZX announcement – 25 August 2017

Precinct lodges product disclosure statement for offer of convertible notes

Precinct Properties New Zealand Limited (*Precinct*) has announced an offer of up to \$150 million of subordinated convertible notes (*Notes*), convertible into ordinary shares of Precinct (*Shares*).

The offer is expected to open on 5 September 2017 and consists of:

- a *Priority Offer* of up to \$25 million of Notes to eligible New Zealand resident retail Precinct shareholders (*New Zealand Retail Shareholders*). The Priority Offer is expected to close on 19 September 2017 at 5pm (New Zealand time); and
- a *General Offer* of up to \$100 million (with the ability to accept oversubscriptions of up to \$25 million at Precinct's discretion) of Notes to investors resident in New Zealand and certain overseas institutional investors. The General Offer is expected to close on 22 September 2017 at 5pm (New Zealand time).

The conversion price for conversion of the Notes into Shares has been set at the lesser of:

- \$1.40 per Share; and
- a 2% discount to the market price of the Shares, determined based on the arithmetic average of the daily volume weighted average price of Shares traded through the NZX Main Board in the 20 Business Days prior to (but not including) the date falling 5 Business Days before the conversion date.

Rather than converting the Notes into Shares, Precinct may elect to instead pay a cash amount to Noteholders at the end of the term. In this case, Noteholders would be paid an amount equal to the market price (as described above) of all the Shares that would have otherwise been issued on conversion of their Notes, so that they receive an equivalent value to those Shares (as determined under the terms of the Notes) and will similarly benefit from any appreciation of the Share price above \$1.40.

The indicative margin range above the 4 year swap rate for the Notes is 2.25% to 2.45% per annum, subject to a minimum interest rate of 4.80% per annum. The margin and interest rate will be set on 4 September 2017 following a bookbuild process and will be announced by Precinct via NZX shortly thereafter. Interest payments will be suspended in certain limited circumstances as described in the PDS referred to below.

The Notes are expected to be quoted on the NZX Main Board.

Further details of the offer are contained in the Product Disclosure Statement (*PDS*) lodged today with the Registrar of Financial Service Providers. The PDS is available through www.precinctnotesoffer.co.nz or by contacting a Joint Lead Manager, and must be obtained by investors before they decide to acquire any Notes.

Copies of the PDS, Precinct's roadshow presentation and terms sheet are also attached and available through www.precinctnotesoffer.co.nz.

After the offer opens, New Zealand Retail Shareholders may apply for Notes in the Priority Offer online at www.precinctnotesoffer.co.nz or by filling out and returning the Priority Offer application form in the PDS. There is no public pool for the offer, with all of the Notes in the General Offer being reserved for clients of the Joint Lead Managers, NZX participants and other approved financial intermediaries.

Interested investors should contact a Joint Lead Manager as listed below, or their financial advisor, for more details.

Joint Lead Arrangers and Joint Lead Managers

First NZ Capital Securities Limited



Phone: 0800 005 678

Forsyth Barr Limited



Phone: 0800 367 227

Joint Lead Managers

ANZ



Phone: 0800 269 476

Deutsche Craigs



Phone: 0800 226 263

Ends

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About Precinct (PCT)

Precinct is New Zealand's only listed city centre specialist investing predominately in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns 15 New Zealand buildings – Auckland's PwC Tower, AMP Centre, ANZ Centre, Zurich House, HSBC House, Mason Brothers Building, 12 Madden Street and Commercial Bay; and Wellington's State Insurance Building, 157 Lambton Quay, No. 1 and No. 3 The Terrace, Pastoral House, Mayfair House, Deloitte House and Bowen Campus.