

Disclosure of beginning to have substantial holding

Section 276, Financial Markets Conduct Act 2013

Note: This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited

and

To Property for Industry Limited

Date this disclosure made: 23 September 2016

Date on which substantial holding began: 21 September 2016

Substantial product holder(s) giving disclosure

Full name(s): Bank of New Zealand

Summary of substantial holding

Class of quoted voting products: Ordinary Shares (NZSX:PFI)

Summary for Bank of New Zealand

For this disclosure—

- (a) total number held in class: **22,575,321**
- (b) total in class: **451,358,075**
- (c) total percentage held in class: **5.00164%**

Details of relevant interests

Details for Bank of New Zealand

Nature of relevant interest(s): Power to control the exercise of a right to vote and to control the disposal of the financial product ("First Relevant Interest"). This relevant interest arises only from the powers of investment contained in an investment management contract for Bank of New Zealand's discretionary investment management service. This relevant agreement is not required to be attached under regulation 139.

For that relevant interest—

- (a) number held in class: **13,426,102**
- (b) percentage held in class: **2.97460%**
- (c) current registered holder(s): FNZ Custodians Limited
- (d) registered holder(s) once transfers are registered: Not applicable

Nature of relevant interest(s): Conditional power to control the disposal of the financial product ("Second Relevant Interest"). The relevant interest arises only from the powers of investment contained in an investment management contract for Bank of New Zealand's portfolio execution service. This relevant agreement is not required to be attached under regulation 139.

For that relevant interest—

- (a) number held in class: **9,149,219**
- (b) percentage held in class: **2.02704%**
- (c) current registered holder(s): FNZ Custodians Limited
- (d) registered holder(s) once transfers are registered: Not applicable

Details of transactions and events giving rise to substantial holding

Details of the transactions or other events requiring disclosure: The on-market trades under which each relevant interest in the substantial holding was acquired in the 4 months before the date on which the Bank of New Zealand began to have the substantial holding are as follows:

First Relevant Interest

Date of the beginning and end of the period of aggregated on-market trades: 21 May 2016 to 21 September 2016

Nature of the transaction or event: Normal on-market trading activity under discretionary investment management mandates.

The total consideration paid for aggregated on-market trades:

Acquisitions: \$1,945,999

Disposals: \$592,731

The total number of financial products to which the aggregated on-market trades related:

Acquisitions: 1,190,507

Disposals: 381,619

Second Relevant Interest

Date of the beginning and end of the period of aggregated on-market trades: 21 May 2016 to 21 September 2016

Nature of the transaction or event: Amendments were made to the investment management agreement effective 1 April 2015, which created this relevant interest.

The total consideration paid for aggregated on-market trades:

Acquisitions: \$ 1,243,155

Disposals: \$ 746,291

The total number of financial products to which the aggregated on-market trades related:

Acquisitions: 831,950

Disposals: 531,477

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable
- (b) details of derivative: Not applicable
- (c) parties to the derivative: Not applicable
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable

Additional information

Address(es) of substantial product holder(s): Level 4, 80 Queen Street, Auckland Central, Auckland 1010

Contact details: Paul Hay, 021 159 8172, Paul_Hay @bnz.co.nz

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Not applicable

Certification

I, Paul Hay, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.