

NZX and media announcement – 24 November 2014

Precinct advances capital recycling strategy with SAP Tower sale

Precinct Properties New Zealand (NZX: PCT) announced today that it has entered into an unconditional agreement to sell SAP Tower, located on Auckland's Queen Street, to Robert Jones Holdings for \$97 million.

Scott Pritchard, Precinct's Chief Executive, said, "This sale is a further step in advancing our long term vision for the company. Over the past three years we have secured active opportunities at Downtown Shopping Centre and Wynyard Central in Auckland and Bowen Campus in Wellington that will improve the quality of the portfolio. With these progressing well we have begun divesting out of our non-core assets to help fund these opportunities."

The asset, constructed in 1988, formed part of Precinct's original portfolio and was acquired in 1997. The sale is expected to settle in February 2015.

"The team have done a great job in positioning the asset for sale. In 2010 occupancy was 61% and it was valued at \$66.8m; following a number of leasing successes the asset is now fully let. In addition to this, the asset has recently undergone significant capital improvement works."

Precinct previously announced that it was in negotiations with Quattro Asset Management for the sale of 125 The Terrace in Wellington and SAP Tower in Auckland. Those negotiations have now ceased.

The proceeds from the sale will initially be used to repay bank debt. Following the sale gearing is expected to sit around 30%.

SAP Tower - Asset overview

The 17,800sqm building is a 29 level A-grade office tower with 760sqm floor plates and is located on Queen Street in Auckland. Built in 1988 the property includes 5 levels of basement carparking, an iconic Auckland health club and 2 retail tenancies fronting Queen Street.

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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.