

NZX RELEASE
11 December 2017

ACQUISITION OF INDUSTRIAL PROPERTY AS SEED FOR INDUSTRIAL FUND

Augusta Capital Limited is pleased to announce it has unconditionally purchased an industrial property in Seaview, Wellington for a purchase price of \$44.9 million. It is the company's intention to initially acquire and hold the asset on its balance sheet and to then use the property as a seed asset for a new open ended Industrial Fund. The property is known as The Hub Industrial Park and is located across various titles at 17 Toop Street, 25 Toop Street, 101-103 and 109-117 Port Road, Seaview, Wellington.

Key highlights of the property are:

- Substantial Industrial Complex on 4.06 hectares of land with a net lettable area of approximately 32,600 sqm of warehouse and office.
- Major tenants include Peter Baker Transport, Toll Logistics, Downer, Fujitsu and Jets Transport.
- WALT of 5.7 years.
- Recent earthquake strengthening work completed to bring all buildings above 70% NBS.
- Purchase price of \$44.9 million reflects a 7.46% passing yield following completion of current works.
- Settlement date for the acquisition is 20 December 2017.

The acquisition of the property by Augusta (ahead of the establishment of the Industrial Fund) will be funded by a mixture of cash reserves and bank debt from ASB.

Augusta is also currently investigating and undertaking due diligence on several Auckland based industrial properties and expects to launch the fund in the New Year with a mixture of Auckland and Wellington industrial properties (but with a weighting towards the Auckland market).

The fund is expected to initially raise between \$50 and \$70 million of equity. Augusta Capital will underwrite \$35 million of the fund's initial equity raising and is working with a consortium of high net worth private investors to underwrite the balance.

Augusta is excited about the launch of the new fund, which will be its first open ended unlisted multi-asset fund (as compared to the closed-end Value Add Fund and Augusta's single asset funds). The establishment is consistent with the previously identified strategy to broaden our funds management offerings to appeal to a wider range of investors and to give existing investors more choice, in addition to our typical offerings of single asset syndications. It will also assist in providing further recurring management fee income at a meaningful level.

Augusta expects the fund's initial offering to be open by the start of February 2018 ahead of a settlement for the new fund at the end of March 2018. A further announcement will be made once this timing is confirmed.

For further information, contact:

Mark Francis
Managing Director

Guy French-Wright
Chief Operating Officer