

NZX RELEASE
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INDUSTRIAL FUND – UPDATE

Augusta can advise that it has made an approach by way of a conditional offer to the investors in one of its syndicated properties for the new industrial fund to acquire that property. The offer is subject to an investor vote. If successful, this would be the third and final property in the initial portfolio for the launch of the new fund.

12 Brick Street is an existing property in Augusta's syndicated portfolio and Augusta Funds Management has sent a notice of meeting to the investors in that property requesting approval to a sale to the new fund. It is a relatively new industrial property constructed in 2009 with a long term lease of at least 10 years remaining to D&H Steel Construction Ltd (and potentially a further five years if the tenant does not exercise the break right it has at 10 years). The meeting is scheduled to occur on 2 February with the sale being conditional on sufficient capital being raised under the public offering for the new fund and the existing tenant waiving its right of first refusal.

If the sale of 12 Brick Street is approved, the new fund will be launched with three properties in its initial portfolio – 862 Great South Road, Penrose, The Hub, Wellington and 12 Brick Street. That portfolio has a current valuation of \$87.85 million with 14 tenants supporting a WALT of 7.2 years. Occupancy is expected to be 99% on settlement. The initial equity to be raised by the new fund is expected to be between \$58 and \$60 million. As previously announced, Augusta will underwrite between \$33 and \$35 million of that equity raising and intends to subscribe for at least a 10% stake in the new fund and maintain that holding on a long term basis.

A product disclosure statement for the fund is currently being prepared and is expected to be registered in mid-February. Settlement of the acquisition of the initial portfolio is intended to occur on 29 March 2018.

For further information, contact:

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