

NZX RELEASE
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NON-BINDING AGREEMENT TO EXTERNALISE MANAGEMENT OF NPT

Augusta Capital Limited (NZX: AUG) is pleased to advise that it has submitted a proposal to NPT Limited (NZX: NPT) to externally manage NPT and has now entered into a non-binding agreement with NPT regarding the proposal.

The non-binding agreement is subject to due diligence by both parties, negotiation of the terms of the management agreement and the approval of NPT shareholders. Augusta will pay \$4.5 million to NPT to acquire the management rights and considers that the remaining key terms, including management fees and termination rights, are best in class compared to other external management agreements in the New Zealand listed property sector.

Augusta and NPT will now work towards agreeing the full terms of the management agreement so that NPT can call a shareholder meeting to seek approval for the transaction as quickly as possible. As Augusta is a related party of NPT (due to its shareholding in NPT), the externalisation of management requires approval by an ordinary resolution of NPT shareholders, whereby Augusta is unable to vote its shares.

Augusta believes that the externalisation of management will be accretive to NPT's earnings.

Augusta has proposed a 'yield plus growth' investment strategy for NPT which Augusta believes will strongly differentiate NPT from other investment options in the listed property sector and suits the current low-yield environment. Augusta has a track record of identifying and adding value to assets. The strategy would see Augusta tasked with re-positioning the existing portfolio of assets as well as identifying assets for acquisition which it believes have strong yield and growth opportunities.

If approved, the externalisation would increase Augusta's recurring management fee income by approximately \$0.9 million based on NPT's current balance sheet. Further details will be available once a binding agreement is entered into and a notice of meeting issued by NPT to its shareholders.

-ENDS-

For further information please contact:

Mark Francis
Managing Director

Guy French-Wright
Chief Operating Officer