



**2 December 2020**

## **T&G sale and leaseback of 484 Nayland Road, Nelson**

T&G Global is selling and leasing back its 484 Nayland Road, Nelson site, in a move which will generate \$50,514,000 to support its growth strategy.

The 8.0382 hectare site is being sold to Property Income Fund Limited, a fund recently established by Willis Bond. The property accommodates the majority of T&G's post-harvest operations in the Nelson region, including its packhouse and most of its associated cool stores. T&G Fresh's domestic Nelson operations are also based at the site.

T&G Global's Chief Executive, Gareth Edgecombe, says the transaction will help T&G maximise its capital and fuel its future growth.

"By entering into a sale-leaseback agreement with Property Income Fund Limited, we'll be able to use the funds to reinvest back into our business and new growth activities, such as building out our global markets, new genetics, and investing in our physical assets and technology," says Gareth.

"Nelson is a key region for T&G. We have a great team and strong grower partnerships, and we're committed to the region. Our decision to sell the site and enter into a long-term 15-year leaseback arrangement for the property, enables us to continue to operate our pivotal post-harvest facilities."

The 15-year leaseback has a commencing annual rental of \$2,600,000 plus GST, with annual fixed rent reviews of 2.25%, with an adjustment to market on the seventh anniversary of the lease commencement date.

The unconditional acquisition, which reflects a yield of 5.16% (based on the lease and a small income stream from an existing telecommunications lease) is expected to settle this calendar year. T&G will update the market upon the sale being concluded.

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About T&G Global Established 122 years ago, T&G Global is one of New Zealand's largest fresh produce companies - growing, packing, shipping, marketing and selling fruit and vegetables to consumers around the world. Our success comes from consistent and sustainable growing practices, committed growers, valued customers and a passionate team of people. Our apples, including the premium, kiwi-bred varieties Jazz™ and Envy™, are grown in 14 countries and sold in more than 45 countries year-round. We're passionate about growing healthier futures through fresh fruit and vegetables.