

NZX RELEASE
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SALE OF FINANCE CENTRE

Augusta Capital is pleased to announce the sale of the Finance Centre, Auckland for \$96 million to a private investor. The sale is unconditional from the purchaser's perspective and only conditional on approval of the shareholders of Augusta Capital (as a major transaction), which will be sought at a special meeting expected to be held in late July.

The transaction is staged, with each of the four components of the Finance Centre being sold in different tranches between October 2016 and April 2019. The stages of the transaction are:

Property	Purchase Price	Deposit payable	Settlement Date
Augusta House – 19 Victoria Street	\$30 million	\$3 million upon shareholder approval being obtained	1 October 2016
Podium Retail – 22 Durham Street West	\$25 million	\$2.5 million payable upon shareholder approval being obtained \$2.5 million payable on 1 June 2017	1 April 2018
Carpark – 22 Durham Street West	\$30 million	\$3 million payable upon shareholder approval being obtained \$3 million payable on 1 June 2017	1 April 2019
Podium – 22 Durham Street West	\$11 million	\$1.1 million payable upon shareholder approval being obtained \$1.1 million payable on 1 June 2017	1 April 2019

Settlement dates are subject to new titles from the current subdivision being issued – Augusta Capital expects those titles within the next month.

Under the agreements, Augusta has committed to \$1.16 million of capital expenditure on the Podium Retail, Carpark and Podium properties, with no further liability for capital expenditure. Taking into account the capital expenditure and other sale costs and fees, the effective net sale price represents a 3.8% gain on the current carrying book value of the Finance Centre. The gross purchase price represents an effective capitalisation rate of 6.5%, based on current market rents.



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Augusta's current intention is to utilise the net sale proceeds to re-invest into its funds management business. Augusta believes that the staged nature of the transaction provides a timeframe over which the proceeds can be invested in the funds management business, while maintaining a level of recurring income from the Finance Centre properties, while that transition/investment occurs.

The sale will create material balance sheet capacity to enable the warehousing of assets for future syndication, greater levels of underwriting with respect to new deals as well as the ability to make a direct investment in new fund initiatives as has been previously signalled to the market.

Further information will be provided in the explanatory memorandum for the special shareholder meeting to vote on the sale. Augusta will confirm the date for the meeting as soon as possible.

-ENDS-

For further information please contact:

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