

NZX RELEASE
22 December 2016

Augusta to acquire 33 Broadway, Newmarket development for offering to market

Augusta Capital Ltd is pleased to announce that its wholly owned subsidiary Augusta Funds Management Ltd has entered into an agreement with Mansons Broadway Limited to acquire the current development at 33 Broadway, Newmarket, Auckland. Under the agreement, an Augusta nominated syndicate or fund will ultimately acquire the property following an equity raising. Mansons will continue to construct the building for that investment entity.

The total consideration is \$143,111,878 with a fixed amount payable at settlement, further drawdowns made on a cost to complete basis as the development progresses and retention amounts payable on achievement of certain development and leasing milestones. Mansons will, during the development phase, pay interest on the equity component of the consideration and all bank interest costs of the syndicate/fund that acquires the development. The agreement is conditional on (a) the terms of the loan facility agreement and associated documents being agreed by all parties by 24 January 2017; (b) the approval of the anchor tenant to the development being sold to an Augusta fund/syndicate by 31 January 2017; and (c) Mansons obtaining, by 28 February 2017, the anchor tenant's agreement to a 3 month extension to the current sunset date for the development or being satisfied that an extension is not required. Settlement of the acquisition by the relevant investment entity is currently scheduled for 1 July 2017, subject to earthworks and piling having been completed.

Augusta Funds Management has also entered into unconditional underwriting commitments for the equity component of the consideration (including from Augusta Capital for \$33 million). The ultimate structure of that investment entity is still being finalised.

Augusta believes this transaction signals a key strategic step as it moves from not simply being a buyer of investment grade assets but into funding and development of investment grade assets.

-ENDS-

For further information please contact:

Mark Francis
Managing Director