
MARKET RELEASE

Argosy announces 1:7 pro rata renounceable rights issue

Argosy Property Limited ("Argosy") today announced it intends to raise approximately \$87 million of new equity capital through a 1:7 pro rata renounceable offer of new shares to existing shareholders (the "Offer"). The Offer is fully underwritten by First NZ Capital.

Mike Smith, Chairman of the Board, said "As part of its ongoing capital management strategy, the Board considers it appropriate to raise equity capital to repay bank debt incurred by Argosy to complete its recent acquisitions and to provide financial flexibility for future acquisitions. These recent acquisitions added attractive earning streams to Argosy and fit well with our acquisition strategy.

In determining how to raise capital, the Board wished to provide all shareholders the opportunity to participate pro-rata. Those shareholders who do not participate are eligible to receive value for their rights by way of the sale of their share entitlements under a shortfall bookbuild at the end of the offer. The board considers this form of equity raising is likely to be fairest to all shareholders."

Under the Rights Offer, eligible shareholders are entitled (but not obliged) to subscribe for 1 New Share for every 7 Existing Shares held (that is, registered in their names on Argosy's share register) as at 5.00 pm on 15 July 2013, at a price of \$0.89 per Share (with entitlements to fractions of a Share rounded down to the nearest whole number).

Further details relating to the Offer will be provided in a simplified disclosure prospectus that will be mailed to shareholders, a document which shareholders should consider carefully. Shareholders will receive documentation from 17 July 2013, with rights trading commencing on the NZX Main Board on 11 July 2013 and ceasing on the NZX Main Board on 29 July 2013. Subscriptions under the rights offer must be lodged by 5pm on 2 August. New shares will be allotted on 9 August 2013 following completion of the shortfall bookbuild. The new shares will rank equally with existing shares for future dividends.

Mike Smith also said "Argosy will continue to investigate property acquisitions that fit our investment criteria, but based on the Board's current expectations, we envisage that any activity will be funded by the balance sheet flexibility created by this equity issuance and our on-going divestment programme."

– ENDS –

Press enquiries

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Argosy Property Limited

Argosy Property Limited is one of the largest diversified property funds listed on the New Zealand Stock Exchange. It has a \$1,051 million portfolio of 64 properties across the retail, commercial and industrial sectors. Argosy is, and will remain, invested in a portfolio that is diversified by primary sector, grade, location and tenant mix. The portfolio is located in the primary Auckland and Wellington markets with modest tenant-driven exposure to provincial markets.