

## MARKET RELEASE

### Argosy Acquires Wellington Industrial Properties and Restructures Banking Facility

#### Wellington Industrial Property Acquisition

Argosy Property Limited (Argosy) is pleased to announce the unconditional agreement to acquire a portfolio of five industrial properties in the Wellington region for a total of \$59 million.

The portfolio comprises four industrial properties located in the Seaview/Gracefield precinct of Lower Hutt, and one industrial property in the industrial precinct of Grenada North.

The portfolio provides a combined lettable area of approximately 42,600 sqm and the properties have a weighted average lease term of 5.19 years. The overall WALT of the portfolio will be 5.42 years following the acquisition. Settlement is expected to occur this month.

Property	Market Value	Initial Yield	WALT (by rental)	Major tenant
14 Tunnel Grove, Gracefield	\$ 2,640,000	8.24%	5.89	Wesfarmers Industrial & Safety NZ
147 Gracefield Road, Gracefield	\$ 11,700,000	8.23%	2.08	Linfox Logistics (NZ)
19 Barnes Street, Seaview	\$ 10,930,000	7.72%	8.75	New Zealand Van Lines
39-49 Randwick Road, Moera	\$ 17,070,000	8.68%	3.77	Debonaire Furniture
56/68 Jamaica Dr, Grenada North	\$ 16,600,000	7.90%	6.66	Recall NZ
<b>Totals</b>	<b>\$ 58,940,000</b>	<b>8.18%</b>	<b>5.19</b>	

The acquisition improves geographic diversification by gaining an exposure to the Wellington industrial market. Portfolio sector allocations remain in line with the levels targeted in the strategic plan.

The acquisition will be fully funded by the drawdown of debt from Argosy's syndicated bank facility.

The Company's debt to total asset ratio at 31 March 2015, following the acquisition and the previously announced disposal of the Waitakere Mega Centre in Henderson, is expected to be approximately 38%.

## **Bank Facility**

Argosy is also pleased to announce that it has restructured its syndicated bank facility with ANZ Bank New Zealand Limited, Bank of New Zealand and the Hongkong and Shanghai Banking Corporation on improved terms.

Tranche A has been increased from \$250 million to \$275 million and now expires on 30 November 2017. Tranche B has also been increased from \$250 million to \$275 million and now expires on 30 November 2019.

As part of the restructure Argosy will receive immediate margin and line fee reductions and achieve overall annual savings of \$0.2m (after including all upfront costs and line fees on the additional facility).

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### **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 \$1.22 billion portfolio of 63 properties across the retail, office and industrial sectors, excluding property held for sale. Argosy is, and will remain, invested in a portfolio that is diversified by sector, grade, location and tenant mix. The portfolio is located in the Auckland and Wellington markets with modest tenant-driven exposure to provincial markets.