



28 March 2019

Capital Allocation Update – Auckland Sale & Leaseback

MaxiTRANS Industries Limited (ASX:MXI) is pleased to announce the sale and leaseback of the Takanini, Auckland manufacturing and service facility.

The sale and leaseback of the Auckland facility is part of the ongoing capital allocation review being undertaken by MaxiTRANS to support the group's strategic agenda.

Property for Industry Limited (NZX:PFI) will purchase the property for a net purchase price of NZD\$17.2m (approx. AUD\$16.5m), at a rental rate which represents a lease capitalisation rate of 5.35%. MaxiTRANS will enter into a 12-year lease on settlement and the lease contains an opportunity for PFI and MaxiTRANS to work together to further develop the site. PFI is a NZX listed property vehicle specialising in industrial property.

The sale and leaseback, together with the development option, provides MaxiTRANS with the potential to grow the Auckland service business and further improve the efficiencies of the manufacturing operation.

In the short term, the proceeds from the sale of the Auckland facility will be used to reduce debt.

As previously announced, the group has also executed a contract for the sale and leaseback of the Richlands manufacturing facility. The MaxiTRANS Queensland manufacturing facility will be relocated following the development of a new purpose-built, more efficient, leased facility over the next 12 to 18 months.

Each property has been sold for a price above its carrying value. In line with MaxiTRANS' group accounting policies, the properties will be revalued to reflect their sale value. Accordingly, there will be no profit on sale reflected in the FY19 results, although costs associated with the transactions will be classified in non-underlying expenses.

Both sales are scheduled to settle this week.

About MaxiTRANS Industries

MaxiTRANS Industries Limited (ASX:MXI) is one of the largest suppliers of truck and trailer parts to the road transport industry in Australia. MaxiTRANS is also the largest supplier of locally manufactured, high quality heavy road transport trailer solutions, including trailer repairs and service, in Australia and New Zealand.

Dean Jenkins
Managing Director & CEO