

# Dexus (ASX: DXS)

## ASX release



6 April 2020

### Dexus establishes new JV to acquire interest in Rialto Towers, Melbourne

Dexus today announced the establishment of a new Joint Venture ("JV") with GIC that has exchanged contracts to acquire a 50% interest in Rialto Towers, 525 Collins Street, Melbourne, for \$644 million<sup>1</sup>.

GIC will hold a 90% share in the JV and Dexus will hold the remaining 10%. Dexus is the investment manager of the JV and has been appointed as the manager of the entire Rialto Towers complex.

The establishment of the JV and acquisition of Rialto Towers is consistent with Dexus's strategic objective of being a wholesale partner of choice, providing the group with a breadth of capital sources through economic cycles.

Dexus CEO, Darren Steinberg said: "We are pleased to continue to grow our relationship with GIC, enabling them to extend their investments into the Australian office market. In the current environment, we are focused on business continuity, and pleasingly were able to close this off-market transaction within our targeted timeframes."

Rialto Towers is an iconic prime-grade, 55 storey building, and is one of the largest office buildings located in Melbourne's Central Business District. It is well located on Collins Street with good access to transport and other key amenities. The property is 91.7% occupied with a weighted average lease expiry of 4.6 years as at 1 March 2020. Rialto Towers is expected to benefit from the positive supply-demand dynamics of Melbourne's office market over the long term.

The JV increases third party assets under management and reinforces Dexus's ability to secure and transact high quality opportunities off-market.

In these times of elevated uncertainty Dexus continues to focus on preserving capital while selectively investing in assets with long-term value and strong fundamentals.

The property is expected to settle in May 2020 (subject to FIRB approval), with Dexus's interest funded from existing debt facilities.

This transaction follows the settlement of GIC's additional investment in the Dexus Australian Logistics Trust, announced to the Australian Securities Exchange on 1 April 2020, and further strengthens Dexus's growing relationship with GIC.

*Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited.*

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### About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high-quality Australian property portfolio valued at \$33.8 billion. We believe that the strength and quality of our relationships is central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia and directly own \$16.8 billion of properties, with a further \$17.0 billion of properties managed on behalf of third party clients. The group's \$11.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 55 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 27,000 investors from 20 countries. With 35 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. At 31 December 2019, Dexus's gearing (look-through) was 25.5% which is below the 30-40% target range with a debt duration of 7.4 years, \$1.3 billion of cash and committed undrawn bank facilities available and minimal debt financing requirements with circa \$400m of debt maturing in late FY21. [www.dexus.com](http://www.dexus.com)

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<sup>1</sup> Reflecting the net acquisition price for the 50% interest in Rialto Towers (of which GIC will hold a 90% share and Dexus a 10% share) and excludes acquisition costs, incentives and other costs.