

# DEXUS Property Group (ASX: DXS)

ASX release

8 August 2016

## Asset sales to progressively fund development pipeline

DEXUS Property Group (DEXUS) announced that it has entered into agreements to sell two investment properties: 108 North Terrace, Adelaide and Southgate Complex, Melbourne.

Darren Steinberg, DEXUS CEO said: “These sales demonstrate our willingness to capitalise on the continued strength of investor demand for quality properties. The proceeds of all sales will initially be used to repay debt and will progressively fund projects in DEXUS’s pipeline of development opportunities.”

### 108 North Terrace, Adelaide

Gross proceeds achieved for the sale of 108 North Terrace, Adelaide are \$86.5 million<sup>1</sup>. Post expected settlement adjustments, net sale proceeds are in line with the property’s book value at 30 June 2016. The property is owned by the DEXUS Office Partnership (“Partnership”), in which DEXUS has a 50% interest.

Settlement is expected to occur on 7 September 2016.

The sale of 108 North Terrace is consistent with DEXUS’s strategy of divesting assets from non-core markets and follows the Partnership’s sale of 36 George Street, Burwood late last year and the recent sale of DEXUS’s interest in the Zenith in Chatswood. This strategy enables DEXUS to focus on its core office markets of Sydney, Melbourne, Brisbane and Perth.

### Southgate Complex, Melbourne

DEXUS has entered into an agreement to sell its 100% interest in Southgate Complex, Melbourne across two equal tranches for net sale proceeds of \$578.0 million<sup>2</sup>, which reflects a circa \$62 million or 12% premium to the property’s book value at 30 June 2016.

The sale is subject to the purchaser receiving FIRB approval, with settlement to occur in two tranches. Settlement of the initial 50% tranche is expected to occur in the December 2016 quarter. The remaining 50% tranche is expected to settle on or after 31 July 2017.

Ross Du Vernet, DEXUS Chief Investment Officer said: “This transaction is an excellent opportunity for us to divest one of our office properties at a significant premium to book value at what we believe is an opportune time, following recent leasing success and the receipt of several unsolicited offers.”

DEXUS will continue to manage the property until final settlement.

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<sup>1</sup> Gross sale proceeds are before settlement adjustments and transaction costs and are for the Partnership’s 100% interest in the property, of which DEXUS has a 50% interest.

<sup>2</sup> Net sale proceeds are before transaction costs.

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## About DEXUS

DEXUS Property Group is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With \$21.5 billion of assets under management, the Group also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. The Group manages an office portfolio of 1.8 million square metres located predominantly across Sydney, Melbourne, Brisbane and Perth and is the largest owner of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 32,000 investors from 21 countries. With 30 years of expertise in property investment, development and asset management, the Group has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for its investors. [www.dexus.com](http://www.dexus.com)

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