

Sale of real estate and domestic infrastructure equity business

AMP Limited has today announced it has entered into an agreement for the sale of Collimate Capital's real estate and domestic infrastructure equity business to Dexus Funds Management Ltd (Dexus), a leading Australian real estate and asset management group for an upfront cash consideration of A\$250 million.

In addition, Dexus will acquire all of AMP's existing (A\$180 million¹) and committed (A\$270 million) sponsor stakes in the platform for cash consideration expected to be up to approximately A\$450 million², subject to discussions with fund investors, pre-emptive rights processes and applicable consents.

AMP will also be eligible to receive a further cash earn-out of up to A\$300 million, subject to Assets Under Management (AUM) retention over a nine-month period after completion. AMP considers it unlikely the full earn-out will be received given current expected loss of AUM of approximately A\$3.0 billion.

The transaction will unlock value for AMP shareholders. It will also create greater clarity for our people and clients while allowing them to benefit from the experience and successful investment performance track record of Dexus, as well as from increased scale and access to liquidity.

Transaction details

The transaction perimeter for the sale of the real estate and domestic infrastructure equity business includes:

- A\$31 billion invested AUM³, including domestic real estate AUM of A\$21 billion and infrastructure equity AUM of A\$10 billion
- The management platform, including all domestic funds and mandates
- Real estate and infrastructure business unit teams and a range of support teams
- All of AMP's sponsor investments in real estate funds, including the future committed investments AMP announced as part of its FY 21 result.

AMP will retain its 24.99 per cent equity stake in PCCP and sponsor stake in PCCP Fund VIII (total book value of A\$208 million as at 31 December 2021).

This transaction will significantly strengthen AMP's capital position and it intends to use the proceeds to pay down some of its corporate debt and to return capital to shareholders following the sale completion. The capital return will be subject to regulatory and shareholder approval.

Update on international infrastructure equity business

AMP remains in discussions on Collimate Capital's international infrastructure equity business, after receiving a number of approaches from parties interested in acquiring the business.

AMP will continue these discussions with a focus on maximising the value for shareholders by achieving the best outcome for clients and other stakeholders.

¹ Based on current unit values

² Final proceeds are dependent on current unit value at time of acquisition

³ Represents Net Asset Value as at FY 21; invested AUM excludes uncalled commitments and JV-related AUM

Collimate Capital is a top 10 global manager in infrastructure equity and has A\$9 billion in invested AUM in international infrastructure equity, with prime international assets including transport and logistics, energy and utilities, and digital.

Subject to completion of the sale of the real estate and domestic infrastructure equity business, AMP will no longer pursue a demerger of Collimate Capital.

AMP will provide a further update to the market as material developments occur.

AMP Limited Chair, Debra Hazelton commented:

“The sale of the real estate and domestic infrastructure equity business is a strong outcome for AMP shareholders and Collimate Capital stakeholders.

“As we work towards completing the transaction, a key priority for our board will be returning capital to AMP shareholders in acknowledgement of their patience as we have pursued options to maximise value for them.

“We continue our discussions on the remaining international infrastructure equity business in order to achieve the best outcomes for AMP shareholders, clients and our teams.”

AMP Chief Executive, Alexis George commented:

“The transaction announced today accelerates the realisation of value for our shareholders.

“In Dexus we have found a strong owner for the real estate and domestic infrastructure equity businesses, which will add significant value through their strong track record and experience in real estate and asset management. Their depth of talent will strongly complement our specialist teams.

“Discussions with interested parties on the sale of our international infrastructure equity business continue. Any decisions will be driven by our focus on delivering value for shareholders, leveraging the expertise of our investment teams and working closely with our clients to align an outcome that best supports them.”

Conditions precedent

Completion of the transaction is subject to conditions precedent, including:

- Regulatory approvals required in China for the transfer of AMP’s interest in China Life AMP Asset Management from the sale perimeter
- Completion of a restructure to deliver the necessary sale perimeter
- Necessary debt financier consents arising from the transaction
- Necessary consents from certain other counterparties.

Dexus also has termination events exercisable before completion linked to:

- Unremedied breaches of warranties or indemnities before completion likely to cause substantial loss to Dexus or target entities
- Consents, contractual triggers or other defaults arising from the transaction likely to cause substantial loss to fund investors and other clients.

The transaction is expected to complete during 2H 2022.

About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, proudly managing a high-quality Australian property portfolio valued at \$45.3 billion. Dexus believes that the strength and quality of their relationships will always be central to their success and is deeply committed to working with its customers to provide spaces that engage and inspire. Dexus invests only in Australia, and directly owns \$18.3 billion of office and industrial properties. The group manages a further \$27.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$17.8 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across Dexus's business, and its sustainability approach is the lens it uses to manage emerging ESG risk and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 30,000 investors from 23 countries. With over 35 years of expertise in property investment, funds management, asset management and development, Dexus has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors.

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Authorised for release by the Market Disclosure Committee.

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