

DEXUS Property Group (ASX: DXS)

ASX release

19 June 2014

DEXUS establishes new partnership with the Future Fund

DEXUS Property Group (DEXUS) is pleased to announce the establishment of a new capital partnership (50:50) with Australian sovereign wealth fund, the Future Fund, in the Australian industrial sector.

The new partnership, known as the DEXUS Industrial Partnership ('Partnership'), will be seeded with the acquisition of a prime industrial development opportunity known as Quarrywest at Greystanes, in outer western Sydney.

DEXUS Chief Executive Officer, Darren Steinberg said: "We are pleased to welcome the Future Fund onto our third party platform and we look forward to partnering with them in the future. This new capital partnership is testament to the strength of our third party platform."

DEXUS Head of Capital, Penny Ransom said: "The Partnership's vision is to leverage DEXUS's specialist skills in accessing, developing and actively managing industrial property to deliver attractive risk-adjusted returns, and the Partnership is anticipated to grow in the future."

Quarrywest at Greystanes

Quarrywest at Greystanes comprises 25.64 hectares of industrial development land located on Reconciliation Road in a core industrial market in Western Sydney and with access to key infrastructure. The land is situated opposite Quarry at Greystanes, an industrial estate which is jointly owned by DEXUS and another capital partner.

The Partnership has exercised a call option to acquire land off-market from Boral for \$50.5 million¹ and a design and construct contract will be entered into with Boral to undertake landform works. The Partnership intends to progressively develop new facilities on a pre-lease or speculative basis over a three year term from FY16 to FY18, targeting risk adjusted returns for the Partnership.

DEXUS Group General Manager, Developments, Andrew Whiteside said: "This investment opportunity builds on the success of our Quarry at Greystanes development where we have developed 170,000 square metres of high quality industrial facilities and secured a high calibre tenant base to anchor the estate.

"Quarrywest at Greystanes will allow us to offer another 115,000 square metres of prime space to the market and continue the development momentum, positioning this unique precinct to become one of Australia's largest premier estates."

The transaction is expected to settle on 26 June 2014.

1. Excluding acquisition costs.

For further information please contact:

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About DEXUS

DEXUS Property Group (DEXUS) is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With \$17.6 billion of assets under management, DEXUS also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. DEXUS manages an office portfolio of 1.4 million square metres across Sydney, Melbourne, Brisbane and Perth and is the largest institutional 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 30,000 investors from 21 countries. With nearly 30 years of expertise in property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns to investors. www.dexus.com

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About the Future Fund

The Future Fund is Australia's sovereign wealth fund responsible for investing the assets of the Future Fund and three Nation-building Funds. At 31 March 2014, the Future Fund portfolio was valued at \$97.57 billion, with \$5.14 billion or 5.3% of the portfolio invested in real estate. The Future Fund has generated a return of 11.2% per annum over five years.

