

# DEXUS Property Group (ASX: DXS)

ASX release

29 September 2015

## Sale of 36 George Street, Burwood at premium to book value

DEXUS Property Group (DEXUS) today announced that the DEXUS Office Partnership ("Partnership"), in which DEXUS has a 50% interest, has entered into an agreement to sell 36 George Street, Burwood.

The gross sale proceeds of \$95 million<sup>1</sup> reflect a \$29 million or 44% premium to book value. Settlement is expected to occur on 23 November 2015 and DEXUS's share of net sale proceeds will be used to repay debt.

Darren Steinberg said: "This transaction is consistent with our strategy of divesting non-core assets and reflects our continued focus on enhancing value for our investors and capital partners, with an IRR of 32% delivered over the life of the Partnership's investment in this property.

"While there is future development opportunity at the site, we have made the decision to capitalise on strong current investor demand and DEXUS's share of the gain on sale will flow through to our NTA. The sale follows more than \$930m of property divestments completed or exchanged across the Group in FY15".

DEXUS reiterates its guidance<sup>2</sup> for the 12 months ending 30 June 2016 for 5.5-6.0% growth in FFO per security, with FFO from the underlying business (excluding trading profits net of tax) expected to grow by 3.0-3.5%. Distributions will be paid in line with free cash flow which is expected to deliver growth in distribution per security of 5.5-6.0% for the 12 months ending 30 June 2016.

For further information please contact:

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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 \$19.1 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 1.7 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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DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS Property Group (ASX: DXS)

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

<sup>2</sup> Barring unforeseen circumstances guidance is supported by the following assumptions: flat like-for-like income across the DEXUS combined portfolio, weighted average cost of debt of circa 4.9%, trading profits of approximately \$60m net of tax, Management Operations FFO of \$45-50m (including third party development management fees), approximately \$150m net proceeds from non-core property divestments during FY16, excluding any buy-back of DEXUS securities, and excluding any further transactions.