

DEXUS Property Group (ASX: DXS)

ASX release

22 March 2016

Investa Office Fund - Panel Receives Application

DEXUS Funds Management Limited notes that it has made an application to the Takeovers Panel in relation to the affairs of Investa Office Fund (“IOF”).

Details of the application are outlined in the attached media release.

For further information please contact:

Investor relations

David Yates

T: +61 2 9017 1424

M: +61 418 861 047

E: david.yates@dexus.com

Media relations

Martin Debelle

Citadel-MAGNUS

T: +61 2 8234 0102

M: +61 409 911 189

E: mdebelle@citadelmagnus.com

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 \$21.1 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 1.8 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 20 countries. With more than 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

Download the DEXUS IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.



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



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/17

Tuesday, 22 March 2016

Investa Office Fund – Panel Receives Application

The Panel has received an application from Dexu s Funds Management Limited¹ in relation to the affairs of Investa Office Fund.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Dexu s has proposed a trust scheme to acquire Investa Office Fund.² On 18 December 2015, an implementation agreement was executed in respect of the acquisition by Dexu s of 100% of the units in Investa Office Fund.

The responsible entity of Investa Office Fund was a company in the Morgan Stanley Group.³ Investa Office Fund also had a separate management agreement with another company in the Morgan Stanley Group. On 4 March 2016, Morgan Stanley completed a “Platform Sale Agreement” under which the responsible entity and the manager of Investa Office Fund were transferred from Morgan Stanley to ICPF Holdco Pty Limited, a subsidiary of a company stapled to Investa Commercial Property Fund (an unlisted scheme).

Morgan Stanley has a relevant interest in approximately 11.8% of the units in Investa Office Fund, of which 8.9% was transferred to Post Sale Portfolio Issuer Pty Ltd as an internal transfer within the Morgan Stanley Group from the entity that was being sold under the Platform Sale Agreement on 1 March 2016.

Investa Office Fund’s responsible entity had established an independent board committee to consider the Dexu s proposal. That committee had recommended that unit holders in Investa Office Fund vote in favour of the Dexu s proposal at a meeting of unit holders to be held on 8

¹ as responsible entity of Dexu s Property Group, comprising Dexu s Diversified Trust, Dexu s Industrial Trust, Dexu s Office Trust and Dexu s Operations Trust

² Comprising Armstong Jones Office Fund and Prime Credit Property Trust, with Investa Listed Funds Management Limited as responsible entity

³ Comprising Morgan Stanley Real Estate Investing, Investa Property Group Holdings Pty Ltd, Post Sale Portfolio Issuer Pty Ltd and Sundown Holdings BV, among others

April 2016. That meeting will consider a resolution under item 7 of section 611⁴ and a change to the Fund's constitution to give effect to the Dexus proposal.

Investa Office Management⁵ opposes the Dexus proposal. Its holding company has published information to unit holders in Investa Office Fund that included a pre-filled proxy form to vote against the resolutions at the unit holders' meeting on 8 April.

Dexus understands that Morgan Stanley intends to vote the 8.9% parcel held by Post Sale Portfolio Issuer against the Dexus proposal, but submits that it and companies in the Investa Commercial Property Fund Group are associated.

Dexus has applied for a declaration of unacceptable circumstances. It submits (among other things) that:

- (a) there are information deficiencies concerning the nature of the interests of parties to the Platform Sale Agreement
- (b) substantial holder notices did not comply with s671B because they did not include a copy of the "Platform Sale Agreement" under which the responsible entity and the manager of Investa Office Fund were transferred from Morgan Stanley to the Investa Commercial Property Fund Group and
- (c) the manager of Investa Office Fund has acted in a way that prevents unit holders in Investa Office Fund having a reasonable and equal opportunity to participate in any benefits of the Dexus proposal. This includes by sending unit holders a pre-filled proxy form for the forthcoming unit holders' meeting to vote on the Dexus proposal, and by having a conflict of interest with its duty to act consistently with the responsible entity of the Investa Office Fund.

Dexus seeks orders, including to the effect that:

- complying substantial holder notices be filed
- parties to the Platform Sale Agreement disclose their interests in the outcome of the Dexus proposal and not vote at the meeting of unit holders and
- the proxy form and information circulated by companies in the Investa Commercial Property Fund Group be withdrawn and those companies cease advocating opposition to the Dexus proposal.

Alan Shaw
Counsel, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
alan.shaw@takeovers.gov.au

⁴ References are to the *Corporations Act 2001* (Cth) unless otherwise indicated

⁵ Provides management services to IOF and is part of the Investa Commercial Property Fund Group