

DEXUS Property Group - ASX release

9 June 2010

DEXUS Property Group (ASX:DXS) DRP pricing discount reduced to zero

DEXUS Property Group (DXS) provides a copy of a letter sent to security holders today who are participating in the Distribution Reinvestment Plan (DRP).

The letter advises that after considering the capital position of the Group, the Board has determined that the discount to be applied to the June 2010 DRP will be reduced to zero (0%). This change will apply to the operation of DRP until further notice.

This decision reflects the securities trading at a discount to their net tangible asset backing, weighed against the desire to maintain the DRP, particularly for existing retail investors.

The Group's ability to reduce the discount, and hence the reliance on the DRP, is due to the financial strength of the Group. As at 31 December 2009, the Group had gearing of 31.9%, substantially below 40%, the maximum target gearing level.

For further information contact:

Media Relations

Emma Parry
T: (02) 9017 1133
M: 0421 000 329
E: emma.parry@dexus.com

Investor Relations

Daniel Rubinstein
T: (02) 9017 1336
M: 0466 016 725
E: daniel.rubinstein@dexus.com
Karol O'Reilly
T: (03) 8611 2930
M: 0405 134 856
E: karol.oreilly@dexus.com

About DEXUS

DEXUS is one of Australia's leading property groups specialising in owning, managing, developing world-class office, industrial and retail properties with total assets under management of \$13 billion. In Australia, DEXUS is the number 1 owner/manager of office, number 3 in industrial and, on behalf of third party clients, a leading manager and developer of shopping centres. DEXUS is committed to being a market leader in Corporate Responsibility and Sustainability and has been recognised for the second year running as one of the Global 100 Most Sustainable Corporations at the World Economic Forum in Davos. www.dexus.com

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

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DEXUS Funds Management Limited
ABN 24 060 920 783
AFSL: 238163

Level 9, 343 George Street
Sydney NSW 2000

PO Box R1822
Royal Exchange NSW 1225

Telephone 02 9017 1100
Direct 03 8611 2930
Facsimile 03 8611 2910

Email: karol.oreilly@dexus.com

Dear Investor

Change in DEXUS Property Group's Distribution Reinvestment Plan discount rate

We are writing to you as a security holder participating in the Distribution Reinvestment Plan (DRP).

We wish to advise you that, after considering the capital position of the Group, the Board has determined that the discount to be applied to the June 2010 DRP will be reduced to zero (0%). This change will apply to the operation of DRP until further notice.

This decision reflects the high and dilutive cost of issuing securities which are trading at a discount to their net tangible asset backing of 95 cents per security (31 December 2009), weighed against the desire to maintain the DRP, particularly for existing retail investors, as an efficient mechanism to increase their investment in the Group.

The Group's ability to reduce the discount and hence its reliance on the DRP, is due to the financial strength of the Group. As at 31 December 2009, the Group had gearing of 31.9%, substantially below 40%, its maximum target gearing level.

In future, changes to the operation of the DRP discount will be advised to you by way of an Australian Securities Exchange (ASX) announcement and posted on our website at www.dexus.com. Changes will be effective from the date of any such ASX announcement.

If you do not wish to change your DRP Election you do not need to take any action.

If you wish to change your DRP election, please complete a "Reinvestment Plan Application or Variation" form and return it to our security registry, Link Market Services. Specific instructions for completing the form are outlined on the form. For your convenience we enclose a DRP variation form and a reply paid envelope.

For a DRP election variation to be effective for the June 2010 distribution, your completed form must be received by our security registry by 5.00pm on Wednesday, 30 June 2010.

A copy of the terms and conditions of the DRP may be obtained from our website at www.dexus.com/Investor-Centre/DXS/Investor-Information/Distributions alternatively you may call the Infoline on 1800 819 675.

On behalf of the Board I would like to thank you for your support of DEXUS Property Group.

Yours sincerely,



Victor P Hoog Antink
Chief Executive Officer