

DEXUS Property Group

ASX release

18 June 2012

DEXUS Property Group (ASX: DXS) sells industrial development at Erskine Park

DEXUS Property Group is pleased to announce that it completed the simultaneous exchange and settlement of its newly completed industrial property at 94-106 Lenore Drive, Erskine Park in Sydney on Friday 15 June 2012.

The sale was negotiated off-market at a price of \$28 million, reflecting a capitalisation rate of 8.15%. Upon settlement, the transaction will generate approximately \$3.1 million in trading profits for FY12, which is consistent with DEXUS's strategy of generating active earnings from its portfolio. The combination of the \$1.4 million trading profit realised from selling part of the site in July 2011 results in a total project profit of approximately \$4.5 million and a total project IRR of 22.3%.

DEXUS Property Group's General Manager of Developments, Andrew Whiteside said: "This sale follows our success in securing DB Schenker as the tenant in March 2012 and results in the full realisation of our strategic objectives for the site.

In only a 22 month timeframe we acquired the land, sub-divided it for part sale, obtained planning approval, speculatively developed the remaining land parcel, leased the completed property to DB Schenker and sold the property at a profit."

The Erskine Park facility is the second development to be sold this financial year, following the sale of a development for Loscam at Distribution Drive in Laverton North, Victoria, in October 2011, which generated a \$1.3 million trading profit.

As a result of this sale, the total trading profits secured by the active business for FY12 amount to approximately \$5.8 million, exceeding the target of \$4.0 million set in August 2011. The FY12 FFO and distribution guidance remains unchanged.

DEXUS Property Group CEO Darren Steinberg said: "This sale demonstrates the team's success, commitment and ability to generate trading profits in our active business through the development of quality industrial properties. Being able to exceed our targeted trading profits for the financial year is an excellent result and emphasises our focus on enhancing returns for investors."

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About DEXUS

DEXUS is one of Australia's leading property groups specialising in world-class office, industrial and retail properties with total assets under management of \$13 billion. In Australia, DEXUS is the market leader in office and 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. www.dexus.com

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