

DEXUS Property Group (ASX: DXS)

ASX release

17 July 2013

Strong leasing activity across industrial portfolio

DEXUS Property Group (DXS) today provided an update on recent leasing activity within the DXS industrial portfolio. DEXUS is one of the largest owners and managers of industrial property in Australia managing a total portfolio of \$2.5 billion, \$1.6 billion of which sits within the DXS portfolio.

Kevin George, Executive General Manager of Office and Industrial said: "Our leasing activity in recent months has been focused on established markets with existing and new tenants. While Australian industrial leasing markets appear to have paused in terms of the strength in demand, solid interest remains for high quality facilities aligned to major road networks and port infrastructure."

Key recent leasing achievements include:

- At **Garigal Road, Belrose** terms were agreed with a substantial localised business for a new 10-year lease over 10,605 square metres, commencing 1 January 2014. This is a significant result considering the difficult conditions in the Sydney north shore industrial market
- At **Knoxfield Industrial Estate** terms were agreed with Toll Transport to extend its lease over 36,123 square metres until July 2015
- At **Axxess Corporate Park, Melbourne** Australian Postal Corporation exercised its option for a five-year extension over 4,354 square metres commencing September 2013. This resulted in a total of 9,911 square metres being leased at this property across 13 transactions over the three months to 30 June 2013
- At **10-16 South Street, Rydalmere** lease terms were agreed with two tenants totalling 8,360 square metres, including Payless Shoes occupying 5,294 square metres for 10 years, Deluxe Wood occupying 1,498 square metres for 4.4 years and Renz Australia occupying 1,568 square metres for four years. This leasing activity results in the occupancy for this property increasing to 93.1% and a WALE improving to 4.1 years
- At **Quarry at Greystanes** Wilson and Bradley signed a five-year lease over 3,976 square metres at 3 Basalt Road and leveraging on DEXUS's long-term relationship with the Wesfarmers Group, Bunnings was secured for a one year term over 12,490 square metres at 2-6 Basalt Road. This leasing activity has resulted in 100% occupancy across all completed developments at Quarry at Greystanes, which comprises over 113,000 square metres
- At **12 Frederick Street, St Leonards** two existing tenants have renewed their leases. Australian Postal Corporation at Unit 9 has extended its term by three years over 1,914 square metres and Metal Manufacturers at Unit C has extended its term for five years across 1,304 square metres

Mark Cuddy, Regional General Manager of Office and Industrial said: "Industrial tenant demand has been driven mainly by logistic providers benefiting from companies outsourcing their supply chains, as well as major retailers as they continue to consolidate their multiple warehouses.

"The recent leasing achievements demonstrate our capabilities to actively manage the industrial portfolio, build on existing tenant relationships and improve occupancy."

Further detail in relation to the DXS industrial portfolio key metrics will be released to the market at the Group's 2013 Annual Results announcement on 19 August 2013.

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For further information please contact:

Investor relations

David Yates
T: +61 2 9017 1424
M: 0418 861 047
E: david.yates@dexus.com

Media relations

Louise Murray
T: +61 2 9017 1446
M: 0403 260 754
E: louise.murray@dexus.com

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 a total of \$13 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 over 900,000 square metres across Sydney, Melbourne, Brisbane and Perth and is one of the largest institutional owners 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 18,000 investors from 15 countries. With over 25 years of experience 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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