

Dexus (ASX: DXS)

ASX release



4 March 2020

Transition of Australian Mandate

Dexus advises it will cease the management of the Australian Mandate, comprising a \$1.6 billion property portfolio from 30 June 2020.

The diversified Australian Mandate comprises properties managed by Dexus on behalf of NSW Treasury Corporation ("TCorp") for more than 30 years, and TCorp remains a long-term investor on the platform via other vehicles.

The Australian Mandate has achieved outperformance versus benchmark over 1, 3, 5, 7 and 10 years¹.

Dexus's funds management business has achieved significant growth since FY12 and has recently attracted new like-minded partners such as GIC and M&G Real Estate to invest alongside through the cycle.

There are currently several opportunities in the pipeline for Dexus to onboard investors with open investment periods and growth strategies.

The transition of the Australian Mandate is expected to have no impact on either Dexus's Adjusted Funds From Operations or distribution per security in FY20, with market guidance² of distribution per security growth maintained at circa 5.5% for the 12 months ended 30 June 2020.

Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited.

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About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$33.8 billion. We believe that the strength and quality of our relationships is central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia and directly own \$16.8 billion of properties, with a further \$17.0 billion of properties managed on behalf of third party clients. The group's \$11.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 55 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 27,000 investors from 20 countries. With 35 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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¹ MSCI Benchmark as at 31 December 2019.

² Barring unforeseen circumstances, guidance is supported by the following assumptions: Impacts of announced divestments and acquisitions; FFO per security growth of circa 4%, underlying FFO per security growth of circa 4%, underpinned by Dexus office portfolio like-for-like income growth of 4.5-5.5%, Dexus industrial portfolio like-for-like income growth (excluding one-offs) of 3-4%, management operations FFO of circa \$60 million, cost of debt of mid-3%; trading profits of \$35-45 million net of tax; maintenance capex, cash incentives, leasing costs and rent free incentives of \$170-180 million; and excluding any further transactions.