

DEXUS Wholesale Property Fund

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DEXUS Wholesale Property Fund acquires industrial portfolio

DEXUS Wholesale Property Fund (DWPF) today announced the acquisition of an industrial portfolio comprising 13 properties for \$231 million plus acquisition costs, with an initial yield of approximately 9%. The acquisition will diversify DWPF's portfolio and is expected to increase the Fund's income yield.

The properties are located within key industrial markets across Australia, with eight properties in Sydney, three properties in Melbourne and two properties in Brisbane. Twelve of the properties are stabilised, income-producing properties and one is a 6.7ha development site in Richlands, Queensland, a key industrial market.

The acquisition achieves DWPF's strategic objective to construct a diversified portfolio by acquiring quality industrial properties at levels below long term fair value, thereby providing an opportunity to enhance returns.

Graham Pearson, DWPF Fund Manager said: "Our objective is to increase DWPF's portfolio allocation to industrial property to between 10% and 20%, by constructing a diversified industrial portfolio of properties primarily located near key infrastructure and employment hubs on the Eastern seaboard. The acquisition meets this aim, increasing DWPF's allocation to industrial property to 11%, from 4% prior to the acquisition.

"We are securing both a portfolio of good quality, stabilised industrial properties and a pipeline of industrial development land at a level that is below our view of long term investment value. By making the acquisition at a low-point of the valuation cycle and holding the properties for the long-term we are able to enhance returns to investors."

The acquisition will be initially funded with debt. In addition, DWPF is seeking to raise \$300 million of new equity, with the potential for up to \$500 million, from new and existing investors. The offer is scheduled to commence later this month. The proceeds of the offer will be allocated to the development pipeline and to enhance the portfolio quality as well as to maintain gearing within the fund long term target range of 10% to 20%.

Tenants in the acquired portfolio include Bonds, Mercedes-Benz Australia, DHL and Fairfax Media. The vendor of the properties is Colonial's Direct Property Investment Fund.

Following the acquisition, the DWPF portfolio allocation will be approximately 11% industrial, 57% retail and 32% office.

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About DWPF and DEXUS

DWPF is one of the largest unlisted property funds in Australia with approximately \$3.15 billion of properties under management and approximately 50 institutional investors from Australia and overseas.

DWPF is managed by DEXUS, one of Australia's leading property groups specialising in owning, managing and developing superior quality office, industrial and retail properties, with total assets under management of \$13.3 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 Wholesale Property Limited ABN 47 006 036 442, AFSL 238166, as Responsible Entity for DEXUS Wholesale Property Fund

