

DEXUS Wholesale Property Fund

Media release

22 July 2014

DEXUS Wholesale Property Fund acquires two shopping centres

DEXUS Wholesale Property Fund (DWPF) today announced the acquisition of Deepwater Plaza in Woy Woy and Sturt Mall in Wagga Wagga for a total consideration of \$159.7 million, plus acquisition costs.

Deepwater Plaza and Sturt Mall are sub-regional shopping centres located in New South Wales and their acquisition reinforces the Fund's commitment to Australian retail.

DWPF Fund Manager, Graham Pearson said: "These acquisitions support the Fund's active investment strategy of investing in high quality sub-regional shopping centres which focus on non-discretionary food, convenience and service retailing."

Both retail centres represent core investment opportunities that can leverage DEXUS's specialist retail platform, which has expertise in managing smaller sub-regional centres and delivering upside through successful leasing outcomes and centre expansions.

The acquisitions will improve the diversification of DWPF's \$2.4 billion retail portfolio by strategically increasing the Fund's overall allocation to non-discretionary retail.

The acquisitions follow an active period for DWPF with the Fund acquiring over \$1 billion of office, retail and industrial properties and raising over \$1 billion of equity from existing and new investors since June 2012.

The acquisitions will be funded from existing debt facilities and will result in an increase of the Fund's total assets to \$5.2 billion.

Deepwater Plaza is expected to settle on 25 July 2014 and Sturt Mall is expected to settle on 28 July 2014.

Deepwater Plaza, Woy Woy

Deepwater Plaza is an 18,200 square metre sub-regional shopping centre located in the heart of Woy Woy's town centre, occupying a prominent position opposite one of the busiest railway stations in regional New South Wales.

The centre holds a dominant trading position that services a main trade area with a population of 62,500 and retail spending in the area is forecast to grow by an average 4.0% per annum to 2026.

Deepwater Plaza was acquired on a 7.25% capitalisation rate. The centre is 99.5% occupied and has a weighted average lease expiry by income of 7.4 years. The centre presents additional potential to add value through active leasing strategies and long term redevelopment opportunities.

Sturt Mall, Wagga Wagga

Sturt Mall is a 15,250 square metre sub-regional shopping centre located in the south of Wagga Wagga's CBD with development approval for approximately 6,000 square metres of additional gross lettable area.

There is opportunity to enhance the quality of the centre, significantly improve the supermarket offering and provide the opportunity to introduce more specialty tenants to the centre. The redevelopment will enhance the Fund's existing overall \$700 million development pipeline.

Sturt Mall was acquired on a 7.50% capitalisation rate. The centre provides an attractive yield with strong forecast capital returns.

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For further information please contact:

Media enquiries

Louise Murray T: +61 2 9017 1446
M: +61 403 260 754
E: louise.murray@dexus.com

Investor enquiries

Graham Pearson T: +61 2 9017 1231
M: +61 434 072 330
E: graham.pearson@dexus.com

About DWPF

DEXUS Wholesale Property Fund (DWPF) is an open-ended unlisted property fund with a \$5.0 billion diversified portfolio of high quality retail, office and industrial properties in key locations in Australia. DWPF has a Standard & Poor's A (Stable) rating and is supported by over 44 Australian and international wholesale investors. DWPF has outperformed its benchmark, the Mercer IPD Unlisted Property Fund Index over the past one, three and five year periods. DWPF is managed by DEXUS, one of Australia's leading real estate groups with \$17.6 billion of assets under management. www.dexus.com

DEXUS Wholesale Property Limited ABN 47 006 036 442, AFSL 238166, as Responsible Entity for DEXUS Wholesale Property Fund

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 \$17.6 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 1.4 million square metres predominantly focused across Sydney, Melbourne, Brisbane and Perth and is the largest owner 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 32,000 investors from 21 countries. With nearly 30 years of expertise 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 for its investors. www.dexus.com

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

