

DEXUS Property Group

2014 Performance Pack

Overview

In 2013 DEXUS Property Group detailed its FY14 commitments based on material issues which have the greatest impact on its stakeholders to ensure outcomes are aligned to the interest of investors, stakeholders and the wider community.

DEXUS has delivered on the majority of its FY14 commitments and the results relating to each stakeholder group are detailed in the 2014 Annual Review supported by non-financial and operational data supplied in this Performance Pack.

Materiality

The Group uses the GRI Sustainability Reporting Guidelines (version 3.1) to set the 2014 Annual Review boundary in relation to material issues and key performance indicators reporting across stakeholder groups, including current and prospective investors, employees, tenants, customers, suppliers and the community.

In 2014, the Group developed a plan to transition from GRI version 3.1 to its materiality-based G4 sustainability reporting guidelines for reporting in FY15. The plan involves four phases in which the Group will systematically:

1. Scan internal and external collateral and **review** existing and emerging material issues that are known to be or potentially relevant to the Group as identified by local and international best-practice peers, investment bodies, sustainability benchmarking tools and industry associations
2. Engage with a wide range of stakeholders to **consult** with them on existing and emerging material issues and gather feedback on current reporting disclosure
3. Conduct workshops and business forums with the Group's employees to **prioritise** material issues based on their significance and likely impact to DEXUS and its stakeholders
4. **Prepare** to report in FY15 by reviewing the Group's strategy and set targets against the developed list of material issues and proceed to collect and report against these issues

The Group completed the review phase in FY14 and will continue its transitional work in preparation for reporting against GRI G4 in FY15.

Boundaries

In the DEXUS Performance Pack, references to 'DEXUS Property Group', 'the Group', 'we', 'us' and 'our' refer to DEXUS Property Group comprising the ASX listed entity and the Third Party Funds Management business, unless otherwise stated. References to 'DEXUS' relate specifically to the portfolio of properties in the ASX listed entity.

Any reference in this report to a 'year' relates to the financial year ended 30 June 2014.

All dollar figures are expressed in Australian dollars unless otherwise stated.

Independent assurance

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select data from Australia and New Zealand within the 2014 Annual Reporting Suite. This covers the 12 months to 30 June 2014 in accordance with the reporting criteria (www.dexus.com/crs). The Assurance Statement, the GRI verification report and associated reporting criteria documents are available in the 2014 Online Reporting Suite.

Please visit the 2014 DEXUS Annual Review to view:

- The PricewaterhouseCoopers Assurance Statement
- The criteria guidelines used for the assurance of selected data

For a list of CR&S memberships, awards and affiliations visit www.dexus.com/crs

DEXUS Property Group

2014 Performance Pack

Investors

MARKET LEADERSHIP, SUSTAINABLE GROWTH, FINANCIAL PERFORMANCE AND CAPITAL MANAGEMENT

FY14 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY14 ACHIEVEMENTS
INVESTORS		
Deliver FFO earnings of 8.15 cents per security	☑	Delivered FFO of 8.34 cents per security exceeding the 8.15 cents per security Refer to the CEO's report and Financial Highlights sections
Deliver a return on equity of 9-10%	☒	Delivered return on equity (ROE) of 8.7%, slightly below the target range of 9-10% through the cycle (including the impact of the CPA transaction ROE was 6.7%) Refer to the CEO's report and Financial Highlights sections
Deliver long term top quartile return performance relative to DEXUS's target peer group, industry benchmarks and global indices	☑	Delivered a total security holder return of 14.8% over the five year period, relative to DEXUS's target peer group of 16.1% and industry benchmarks of 14.3% over five years Refer to the CEO's report
CAPITAL MANAGEMENT		
Maintain strong credit rating metrics	☑	Achieved credit ratings upgrades from Standard & Poor's and Moody's Refer to the Capital Management section
Optimise cost of debt	☑	Reduced cost of debt by 50bps to 5.4% Refer to the Capital Management section
Utilise on-market securities buy-back, where accretive to investor returns	☑	Acquired 73.7m DEXUS securities at an 8.1% discount to NTA through an on-market securities buy back, providing accretive investor returns Refer to the Capital Management section

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Investors

OFFICE AND INDUSTRIAL

Deliver like-for-like income growth of circa 4% in the office portfolio	☑	Delivered 3.6% like-for-like income growth in the office portfolio, in line with circa 4% target Refer to DEXUS Office and Financial Highlights sections
Reduce the Sydney office portfolio lease expiries in FY15 and FY16 to under 7.5% and 10.0% respectively	→	Reduced Sydney office portfolio lease expiries to 7.5% for FY15 and 10.4% for FY16 relative to the 7.5% and 10.0% respective targets Refer to DEXUS Office section
Deliver like-for-like income growth of circa 2% in the industrial portfolio	☒	Delivered 1.5% like-for-like income growth in the industrial portfolio, marginally below the 2% target Refer to DEXUS Industrial and Financial Highlights sections
Deliver over 75,000sqm of industrial developments and complete over 65,000sqm of industrial development leasing	☑	Delivered 90,214sqm of industrial development and secured 41,034sqm of industrial development leasing Refer to DEXUS Industrial and Developments sections
Deliver trading profits of circa \$4-5m	☑	Delivered \$4.3m in trading profits within the targeted range of \$4-5m Refer to the Trading section
Generate additional income of \$1.5m from alternative income opportunities	☒	Generated \$0.7m of additional income through the PLATFORM by DEXUS initiative, below the \$1.5m target Refer to the DEXUS Office section
Maintain a focus on selectively divesting non-strategic properties when supported by investment fundamentals	☑	Selectively divested \$588m of properties Refer to the DEXUS Office and DEXUS Industrial sections

THIRD PARTY FUNDS MANAGEMENT

Continue to drive the performance of capital partners	☑	DWPF achieved top quartile performance over 3 and 5 years and DEXUS continued to deliver on its capital partners' investment objectives Refer to the DWPF section
Seek further investment opportunities with capital partners	☑	The Group acquired 30 properties for \$2.3bn on behalf of its capital partners and in line with its investment objectives Refer to the Third Party Funds Management, Retail and DWPF sections
Attract additional sources of capital for long term co-investment	☑	DEXUS secured two new capital partners for long term co-investment Refer to the Delivering on Strategy, CEO's report and Third Party Funds Management sections

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Investors

DEXUS PORTFOLIO SNAPSHOT

Key metrics		FY10	FY11	FY12	FY13	FY14 (post CPA)	FY14 (pre CPA)
Portfolio value (\$A)	DEXUS portfolio	\$7.3bn	\$7.5bn	\$6.9bn	\$7.3bn	\$9.1bn	\$7.4bn
	Office	\$4.1bn	\$4.5bn	\$4.7bn	\$5.7bn	\$7.7bn	\$5.9bn
	Industrial	\$1.5bn	\$1.6bn	\$1.7bn	\$1.6bn	\$1.4bn	\$1.4bn
	Industrial US* (US\$)	\$1.2bn	\$1.3bn	\$549.5m	-	-	-
Net lettable area (sqm)	DEXUS portfolio	4,522,770	4,236,274	2,468,446 ¹	1,775,487 ¹	1,993,729	1,724,800
	Office	542,400	558,000	596,111	682,207	926,606	657,678
	Industrial	1,175,200	1,125,300	1,194,309	1,093,267	1,067,123	1,067,123
	Industrial US* (sqf)	24.7m	23.7m	6.4m	-	-	-
Net operating income (\$A)	Office	\$245.1m	\$255.2m	\$289.9m	\$309.2m	\$394.9m	\$350.5m
	Industrial	\$109.9m	\$116.4m	\$120.0m	\$112.3m	\$117.3m	\$117.3m
	Industrial US* (US\$)	\$87.3m	\$78.6m	\$77.1m ¹	-	-	-
Like-for-like income growth	Office	0.4%	3.3%	5.4%	1.8%	-	3.6%
	Industrial	1.6%	1.1%	(1.6%)	1.1%	1.5%	1.5%
	Industrial US*	(12.3%)	(4.5%)	3.8%	-	-	-
Occupancy (by area)	DEXUS portfolio	89.9%	88.7%	93.4%	95.3%	-	94.1%
	Office	95.7%	96.2%	97.1%	94.4%	94.3%	94.7%
	Industrial	98.4%	96.2%	91.7%	95.9%	93.1%	93.1%
	Industrial US*	86.4%	97.7% ³	97.1%	-	-	-
Occupancy (by income)	DEXUS portfolio	93.2%	93.6%	95.8%	94.9%	-	94.7%
	Office	96.2%	95.3%	96.8%	94.6%	94.6%	95.2%
	Industrial	97.9%	95.1%	92.8%	96.1%	93.0%	93.0%
	Industrial US*	84.3%	97.4% ³	98.2%	-	-	-
Lease duration (by income)	DEXUS portfolio	5.1 years	5.0 years	4.7 years	4.8 years	-	4.7 years
	Office	5.4 years	5.3 years	4.9 years	5.0 years	4.7 years	4.9 years
	Industrial	4.9 years	4.7 years	4.4 years	4.1 years	4.0 years	4.0 years
	Industrial US*	4.9 years	4.5 years ³	4.4 years	-	-	-
Weighted average capitalisation rate	DEXUS portfolio	8.0%	7.7%	7.51% ²	7.47%	-	7.13%
	Office	7.6%	7.4%	7.30%	7.17%	-	6.87%
	Industrial	8.8%	8.6%	8.59%	8.55%	8.32%	8.32%
	Industrial US*	8.4%	6.6% ³	6.3%	-	-	-
1 year total return	Office	6.9%	9.0%	9.5%	10.6%	-	9.2%
	Industrial	7.9%	9.4%	8.0%	8.8%	9.0%	9.0%
	Industrial US*	-	14.3%	10.0%	-	-	-

1. Reduction is due to the sale of the US and European portfolios.

2. 7.68% on a like-for-like basis excluding discontinued operations.

3. Industrial US west coast portfolio only at FY11.

*The Industrial US portfolio was completely sold as at 30 June 2013.

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COMMONWEALTH PROPERTY OFFICE FUND TRANSACTION

The Commonwealth Property Office Fund (CPA) transaction leveraged the Group's core capabilities across many areas of the business and increased the scale of the DEXUS office portfolio to \$7.7 billion and total office properties under management to \$11.9 billion.

\$3.4bn

TRANSACTION VALUE

87%

PRIME GRADE
PORTFOLIO

21

OFFICE
PROPERTIES

>9.5%

BLENDED
UNLEVERED IRR¹

DEXUS identified value in CPA in late FY13, progressively acquiring units and then announcing a 14.9% interest in CPA via an efficient derivative structure in July 2013.

Recognising the benefits and synergies of the properties in the CPA portfolio, DEXUS formed a partnership with Canada Pension Plan Investment Board (CPPIB) (the Consortium) in October 2013 to launch a proposal to acquire the remaining units in CPA.

DEXUS undertook due diligence and, following an offer from a competing party, the Consortium's initial proposal developed into an off-market takeover offer (DEXUS Offer) in December 2013. The DEXUS Offer gained the endorsement of CPA's responsible entity, Commonwealth Managed Investments Limited (CMIL).

In January 2014 the Consortium entered into an agreement to sell four of the 25 CPA properties to a wholesale fund associated with the competing party for \$679 million, reducing the likelihood of the competing party's offer being increased.

The DEXUS Offer gained the acceptance of more than 90% of CPA unitholders in March 2014, enabling DEXUS to become the responsible entity and allowing the Consortium to commence compulsory acquisition of the remaining CPA units, resulting in the creation of the DEXUS Office Partnership.

As a result of the CPA transaction, DEXUS manages 24% of prime grade property in Sydney's CBD and has a strong presence in the core CBD office markets of Melbourne, Brisbane and Perth.

DEXUS successfully completed the transition of asset and facilities management systems for each of the 21 remaining CPA properties onto the Group's platform in July 2014.

1. Forecast 10 year unlevered Internal Rate of Return on properties acquired.



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Investors

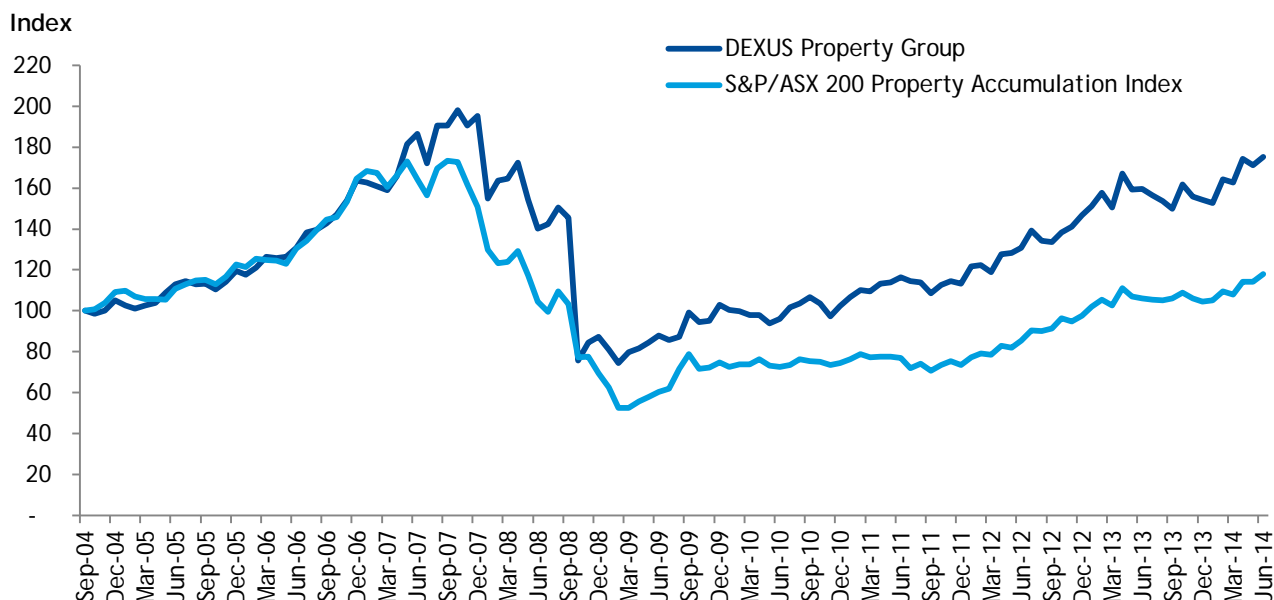
FINANCIAL HIGHLIGHTS

Key metrics	FY10	FY11	FY12	FY13	FY14
Net profit after tax (\$m)	31.4	553.0	181.1	514.5	406.6
Funds From Operations (\$m)	350.0	358.0	367.8	365.4	410.6
Funds From Operations (cents per security)	7.30	7.40	7.65	7.75	8.34
Distribution (cents per security)	5.10	5.18	5.35	6.00	6.26
NTA per security (\$)	0.95	1.01	1.00	1.05	1.06
Gearing (%) ¹	29.8	28.4	27.0	29.0	33.7
Total shareholder return (%)	9.2	21.3	12.2	22.1	9.9

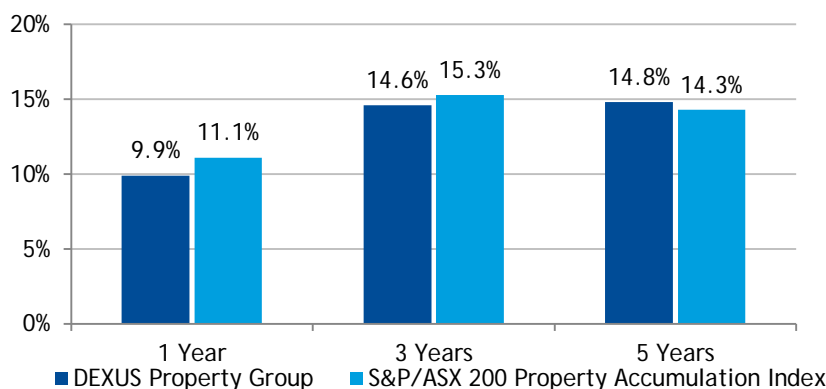
1. Adjusted for cash and for debt in equity accounted investments. Refer to glossary for gearing definition.

For more financial information refer to the 2014 Annual Report.

DEXUS PERFORMANCE AGAINST A-REIT INDEX



DEXUS TOTAL SECURITY HOLDER RETURN



DEXUS Property Group

2014 Performance Pack

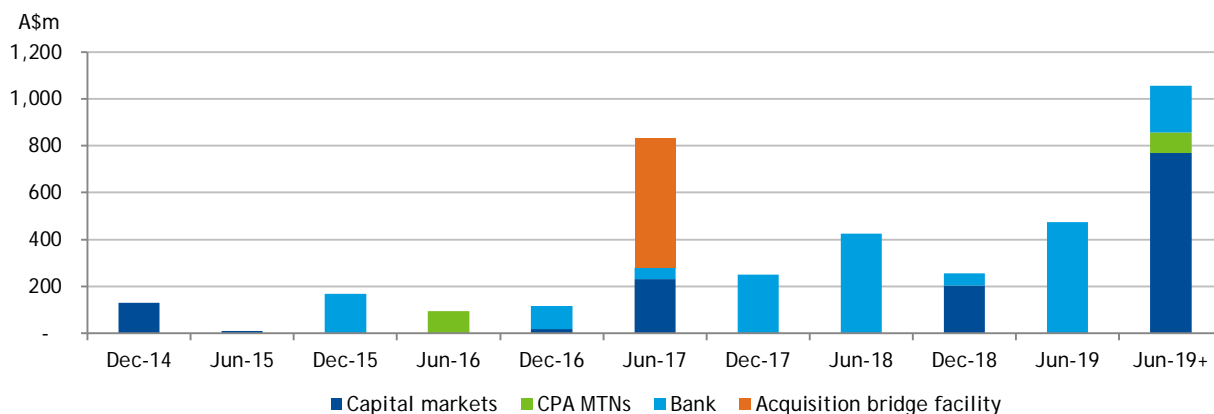
Investors

CAPITAL MANAGEMENT

Key metrics	FY10	FY11	FY12	FY13	FY14
Cost of debt ¹	6.6%	6.6%	6.1%	5.9%	5.4%
Duration of debt	3.2 years	4.2 years	4.2 years	5.4 years	5.2 years
Hedged debt	90%	82%	73%	64%	60%
Gearing ²	29.8%	28.4%	27.2%	29.0%	33.7%
Headroom (approximately) ³	\$1.2bn	\$0.6bn	\$0.6bn	\$0.3bn	\$0.5bn
S&P/Moody's credit rating	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	A-/A3

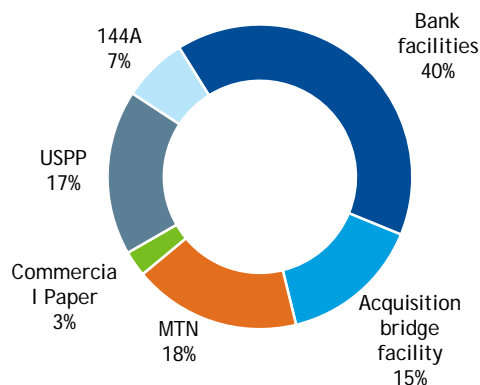
1. Weighted average across the period, inclusive of fees and margins on a drawn basis.
2. Adjusted for cash and for debt in equity accounted investments. Refer to glossary for gearing definition.
3. Undrawn facilities plus cash.

DEBT MATURITY PROFILE¹



1. Including domestic MTNs in equity accounted investments.

DIVERSIFIED MIX OF DEBT¹



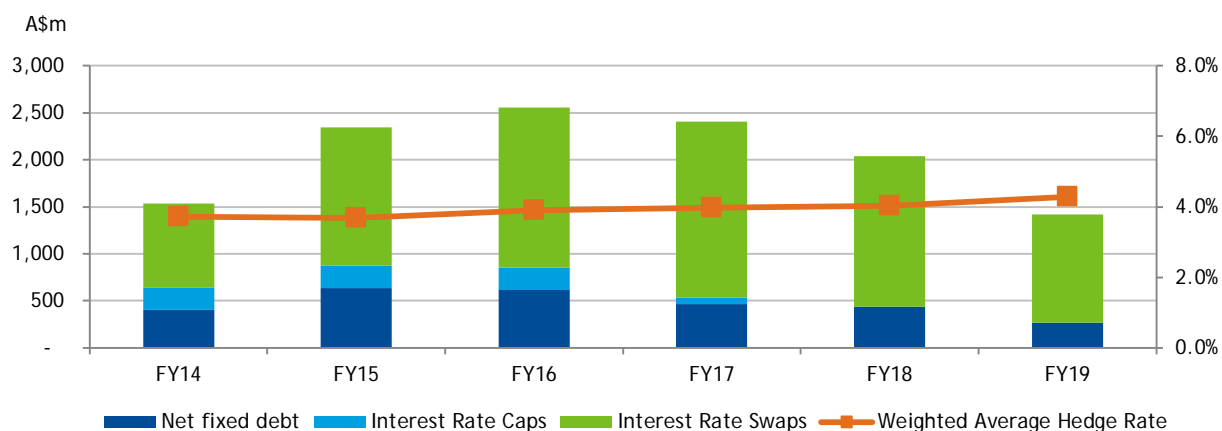
1. Including domestic MTNs in equity accounted investments.

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Investors

INTEREST RATE HEDGING MATURITY PROFILE



INTEREST RATE HEDGING PROFILE

Interest rate hedging ¹	June 14	June 15	June 16	June 17	June 18	June 19
A\$ net fixed coupon debt ²	406	634	615	464	441	270
A\$ interest rate swaps	892	1,468	1,704	1,873	1,597	1,148
A\$ interest rate caps	240	240	240	70	-	-
Total hedged A\$m	1,538	2,343	2,558	2,406	2,038	1,418
Hedge rate (excluding margin)³	3.72%	3.67%	3.90%	3.98%	4.03%	4.29%

1. Average amount during the period.
2. Gross fixed coupon debt less the amount converted to floating rate basis via coupon-matched swaps.
3. Weighted average rate of fixed debt, swaps and caps for the period. Caps included at a rate equal to the lower of cap strike and forecast floating rate for the applicable period.

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Investors

DEBT FACILITIES¹

	Facility limit A\$m	Drawn A\$m	Maturity dates	Currency
Bilateral bank debt	100.0		Jul 16	A\$
	650.0	550.0	Jan 17-May 17	A\$
	100.0	75.0	Oct 17-Dec 17	A\$
	425.0	391.0	Jan 18	A\$
	525.0	318.5	Aug 18-Jan 19	A\$
	150.0	116.2	Oct 19	A\$
Commercial paper	100.0	100.0	Aug 15 ⁴	A\$
Medium term notes	55.0	55.0	Jul 14	A\$
	210.0	210.0	Apr 17	A\$
	205.0	205.0	Sep 18	A\$
US senior notes (144A) ²	252.5	252.5	Mar 21	US\$
US senior notes (USPP) ²	127.0	127.0	Dec 14-Mar 17 ³	US\$
	270.9	270.9	Jul 23-Jul 25	US\$
	245.0	245.0	Feb 27-Jul 28	US\$
Subtotal	3,415.4	2,916.1		
Currency translation and fair value adjustments	30.8	30.8		
Deferred borrowing costs	(15.3)	(15.3)		
Total interest bearing liabilities	3,430.9	2,931.6		
Bank guarantee utilised		37.0		
Cash		(14.1)		
Headroom including cash		476.4		

1. Debt facilities do not include \$150m of DEXUS forward start facilities and Medium Term Notes in an equity accounted investment: A\$101.1m March 2016, A\$73.6m December 2019, A\$11.0m December 2022.
2. 144A and USPP amount shown at the cross currency swap contract rate.
3. USPP maturities: US\$78m December 2014, US\$11m March 2015, US\$19m December 2016, US\$22m March 2017.
4. Maturity date of commercial paper standby facility.



DEXUS Property Group

2014 Performance Pack

Tenants/Customers

TENANT/CUSTOMER ATTRACTION AND RETENTION

FY14 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY14 ACHIEVEMENTS
Launch initiatives to enhance the tenant experience	☑	<p>Launched tenant/customer initiatives to enhance the tenant experience through:</p> <ul style="list-style-type: none"> Upgrading end of trip tenant facilities Enhancing concierge services Introducing PLATFORM by DEXUS initiatives promoting lifestyle, and health and well-being campaigns, increased convenience and social networking <p>Refer to the CEO report, DEXUS Office and DEXUS Industrial sections</p>
Implement initiatives that develop tenant loyalty	→	<p>Implemented a Customer Records Management system which is utilised to strengthen tenant relationships and developed customer loyalty through initiatives undertaken throughout the tenant lifecycle</p> <p>Refer to the CEO report, DEXUS Office and DEXUS Industrial sections</p>
Increase total portfolio retention rate from 70% to 75%	☒	<p>Total DEXUS office and industrial portfolio retention rate reduced to 51%, below the 75% target, primarily due to intended vacancies in the industrial portfolio and a competitive office market, where in many instances, it was more viable to replace tenants than to renew and retain</p> <p>Refer to DEXUS Office and DEXUS Industrial sections</p>

DEXUS OCCUPANCY AND RETENTION

	FY10 %	FY11 %	FY12 %	FY13 %	FY14 ¹ %
Occupancy by area					
Office	95.7	96.2	97.1	94.4	94.3
Industrial	98.4	96.2	91.7	95.9	93.1
Occupancy by income					
Office	96.2	95.3	96.8	94.6	94.6
Industrial	97.9	95.1	92.8	96.1	93.0
Retention					
Office	56	53	66	72	61
Industrial	80	61	59	70	41

1. Excludes CPA properties.

DEXUS Property Group

2014 Performance Pack

Tenants/Customers

TENANT SATISFACTION & ENGAGEMENT

	FY10 %	FY11 %	FY12 %
Surveyed satisfaction	%	%	%
Office	73	73	76
Industrial	66	74	85
Retail	64	71	87
Total (average)	72	73	82
Survey participation rate			
Office	76	72	74
Industrial	33	50	28
Retail	38	43	43
Total (average)	49	55	48

	FY13	FY14
Surveyed satisfaction¹		
Office	7.8	8.0
Industrial	6.8	7.0
Total (average)	7.5	7.7
Target	8.0	8.0
Survey participation rate		
Office	27%	19%
Industrial	21%	14%
Total (average)	24%	18%

1. Range between 1 and 10.

Commentary and methodology

DEXUS amended the tenant satisfaction survey methodology in FY13 to better identify opportunities in which it can improve tenant satisfaction. FY14 results can only be compared to FY13 results on a like-for-like basis.

The following enhancements were made to the tenant satisfaction survey in FY13:

1. Survey questions were refined in order to facilitate the collection of more relevant information
2. Scoring methodology and weighting was changed to utilise a combined portfolio average in order to derive a weighted performance score
3. A performance scale ranging from 1 to 10 for the overall results was adopted

The FY14 tenant satisfaction survey was conducted online with approximately 1,300 customers invited to respond. The overall satisfaction score improved from 7.5 to 7.7 across 230 respondents and 35% of respondents were classed as highly satisfied (rating a 9 or 10), up from 27% in 2013.

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Tenants/Customers

TENANT SUSTAINABILITY

DEXUS works closely with tenants and other stakeholders to improve tenants' sustainability performance and awareness.

In FY14 this activity included:

- Collaboration with City Switch, a national tenant energy efficiency program, both as a signatory and a landlord to drive tenant activity in sustainability and energy efficiency
- Promotion of DEXUS's green building committees and other programs, including:
 - involvement in the 2013 Earth Hour campaign
 - NABERS Energy and NABERS Water ratings
 - general building sustainability performance and updates

For further information on tenant engagement, refer to the DEXUS website at www.dexus.com/crs



DEXUS Property Group

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Employees

BOARD AND EMPLOYEE CAPABILITIES, REMUNERATION AND TALENT RETENTION

FY14 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY14 ACHIEVEMENTS
Implement a DEXUS leadership program to enhance the capabilities of leaders in line with DEXUS's objective to develop a high performance culture	☑	Implemented the initial two modules of the DEXUS Leadership Program to enhance leader capabilities in line with the Group's high performance culture Refer to the People & Culture section
Continue to enhance the link between performance and reward through alignment of Group objectives with individual KPIs	☑	Enhanced the link between performance and reward through aligning a Group objective - the shared financial scorecard - with individual KPIs incorporating the Group's values Refer to the People & Culture section
Implement a best-in-class human resources technology model to improve the abilities of individual managers to lead	☑	Created an online performance management system to improve the leadership abilities of managers and piloted a system that facilitates employee self-development Refer to the People & Culture section
Facilitate education and training events for Directors that will satisfy up to 10 Continuing Professional Development points per annum	☑	Facilitated education and training events to enable Directors to meet professional development requirements, exceeding the Continuing Professional Development points target Refer to the People & Culture section
Continue to target 33% female participation in DEXUS Board and senior management by 2015	→	Increased representation of women as Non-Executive Directors to 43%, exceeding the 2015 target of 33%, and progressed the target at senior management level to 26% Refer to the Chair's Letter and People & Culture section



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Employees

WORKFORCE STATISTICS

	FY10		FY11		FY12		FY13		FY14	
	M	F	M	F	M	F	M	F	M	F
Total workforce (FTE)										
Permanent full-time	114.0	124.0	128.0	125.0	115.5	107.8	111.0	88.0	135.0	107.8
Permanent part-time	2.1	15.7	3.0	13.8	1.5	16.5	0.8	16.0	0.8	18.3
Contractor	5.0	10.0	2.0	10.0	3.6	8.0	3.0	8.0	3.0	2.0
Casual	2.2	5.2	3.6	4.1	0.2	3.3	0.8	6.4	3.7	5.4
Workforce by location										
NSW	36%	41%	39%	38%	41%	36%	43%	38%	43%	32%
QLD	4%	7%	5%	6%	4%	8%	5%	10%	5%	10%
VIC	2%	5%	1%	4%	1%	5%	1%	3%	4%	6%
WA	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%
California	2%	2%	2%	4%	1%	4%	0%	0%	0%	0%
Workforce by employment type										
Permanent full-time	40%	45%	44%	44%	45%	42%	48%	38%	49%	39%
Permanent part-time	1%	5%	1%	5%	1%	6%	0%	7%	0%	7%
Contractor	2%	4%	1%	3%	1%	3%	1%	3%	1%	1%
Casual	1%	2%	1%	1%	1%	1%	0%	3%	1%	2%
No. of flexible work arrangements	7	31	10	31	11	25	6	25	7	26

Gender diversity in the workforce	FY10	FY11	FY12	FY13	FY14
Number of female employees	154.9	152.9	135.6	118.4	133.5
Number of total employees	278.2	289.5	256.4	234.0	276.0
Percentage of women in workforce	56%	53%	53%	51%	48%
Gender diversity in our senior leadership team					
Number of females in Senior Management team	14.7	23.1	25.4	22.5	24.0
Total number of employees in Senior Management team	47.7	78.1	84.4	83.5	92.0
Percentage of females in Senior Management team	31%	30%	30%	27%	26%
Percentage of female Non-Executive Directors	14%	14%	25%	25%	43%

Commentary and methodology

"Senior Management team" includes executive management and senior management positions within the Group, specifically positions with a corporate title of Executive Director, Executive General Manager, Group General Manager, Regional General Manager, General Manager and Senior Manager.

"Non-Executive Directors" are Independent Directors of DXFM and does not include the CEO or Executive Director Finance & COO who are counted in the Senior Management team for the purposes of workforce reporting.

All relevant headcount data is taken from each year's headcount report as at 30 June 2014, produced by DEXUS People & Culture.

Headcount data for the purpose of these statistics is based on Full Time Equivalent (FTE) employees, representing the active DEXUS workforce.

DEXUS Property Group

2014 Performance Pack

Employees

ENGAGEMENT, LEAVE, DISCRIMINATION, WH&S STATISTICS

	FY10	FY11	FY12	FY13	FY14
Employee engagement rate					
Survey participation rate	91%	88%	93%	88%	83%
Engagement rate	78%	83%	85%	78%	87%
Leave days taken					
Annual leave	4,160	3,971	4,826	3,839	4,351
Long service leave	95	106	51	16	81
Parental leave unpaid	840	1,187	2,496	1,614	721
Parental leave paid	512	533	690	466	234
Personal leave	676	643	895	725	818
Leave without pay	178	107	154	172	171
Other leave	117	154	379	547	491
Employee relations matters					
Resolved by year end	3	2	5	1	3
Outstanding at year end	0	2	1	0	0
WH&S incidents	2	9	8	5	6

Commentary and methodology

Engagement information was sourced directly from the Employee Opinion Survey for each reporting year. Employee Opinion Surveys are managed externally by Towers Watson via an online, confidential survey.

Leave data was gathered for each reporting period from payroll system records. The data was then consolidated into the categories displayed in the report as follows:

- Annual leave: Annual leave only
- Long service leave: Long service leave only
- Parental leave unpaid: Parental leave unpaid only
- Parental leave paid: Primary and non-primary paid parental leave
- Personal leave: Sick leave, carers' leave and special bereavement or compassionate leave
- Leave without pay: Leave without pay only
- Other leave: Study leave, volunteer leave, jury duty and purchased leave

Employee Relations Matters were supplied by People & Culture based on file notes and employee relations activity. Matters not resolved by year end are due to the fact they were only recently reported and are in the process of being investigated or are part of ongoing investigations.

WH&S incidents account for all recorded incidents pertaining to DEXUS employees and do not include contractors. All reported incidents in FY14 related to personal injury.

DEXUS Property Group

2014 Performance Pack

Employees

RETENTION & RECRUITMENT

	FY10		FY11		FY12		FY13		FY14	
	M	F	M	F	M	F	M	F	M	F
Total number of new hires	22	40	28	44	24	37	30	41	42	45
12 month voluntary turnover rates										
Executive management	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Senior management	0%	0%	2%	5%	4%	4%	8%	33%	11%	8%
Middle management	4%	10%	7%	0%	15%	4%	6%	14%	10%	5%
Professional/technical	15%	9%	17%	25%	31%	19%	15%	13%	4%	3%
Administration/operations	7%	22%	0%	20%	25%	20%	10%	15%	11%	22%
Total by gender	8%	13%	9%	16%	13%	12%	9%	15%	9%	11%
Total	11%		13%		12%		12%		10%	
Return to work after parental leave										
	n/a	n/a	0	10	0	15	0	6	0	5

Commentary and methodology

The turnover calculation is a count of voluntary departures divided by the count of employees as at 30 June in each year. All relevant headcount data is taken from the headcount reports produced by DEXUS People & Culture at 30 June each year.

The employee count reflects the total number of people employed by DEXUS and accounts for circumstances such as flexible work arrangements and inactive employees on parental leave that are counted in full as departures.

TRAINING & DEVELOPMENT

Training hours by work category	FY10	FY11	FY12		FY13		FY14	
	Total	Total	M	F	M	F	M	F
Executive management	524	433	257	130	274	103	614	144
Senior management	1,556	1,666	2,378	459	918	248	2,553	740
Middle management	2,206	2,398	931	667	837	420	713	720
Professional/technical	3,387	4,612	933	1,689	478	634	543	750
Administration/operations	591	1,517	613	707	422	1,026	167	536
Total	8,264	10,626	5,112	4,151	2,929	2,431	4,590	2,890
Percentage of performance reviews performed	99%	98%	92%	93%	100%	100%	100%	100%
Hours of internal & external training								
Internal	3,877	4,254	3,402		2,966		1,354	
External	4,387	6,372	5,861		2,403		4,572	
Hours of compliance training	n/a	n/a	375		1,369		1,554	
Average training hours by work category								
Executive management			30		42		69	
Senior management			47		39		42	
Middle management			22		28		20	
Professional/technical			61		19		24	
Administration/operations			24		14		10	

DEXUS Property Group

2014 Performance Pack

Employees

TRAINING & DEVELOPMENT (CONTINUED)

Commentary and methodology

Training data is taken from the training database at the end of each reporting year. Data is categorised and consolidated to provide training hours completed for each category.

Data includes compliance training covering Human Rights issues as well as the DEXUS Code of Conduct which addresses victimisation, harassment and bullying.

REMUNERATION

Ratio of basic salary by employee category	FY10		FY11		FY12		FY13		FY14	
	M	F	M	M	F	F	M	F	M	F
Executive management	1.0	1.0	1.0	1.1	1.0	1.0	1.1	1.0	1.2	1.0
Senior management	1.1	1.0	1.1	1.0	1.0	1.0	1.1	1.0	1.1	1.0
Middle management	1.2	1.0	1.1	1.1	1.0	1.0	1.1	1.0	1.1	1.0
Professional/technical	1.3	1.0	1.3	1.2	1.0	1.0	1.2	1.0	1.1	1.0
Administration/operations	1.2	1.0	1.3	1.1	1.0	1.0	1.2	1.0	1.0	1.0
Ratio of basic salary by location										
NSW	1.5	1.0	1.7	1.6	1.0	1.0	1.6	1.0	1.6	1.0
QLD	1.5	1.0	1.4	1.5	1.0	1.0	1.6	1.0	1.8	1.0
VIC	1.8	1.0	2.0	1.7	1.0	1.0	2.8	1.0	1.6	1.0
WA	n/a	n/a	n/a	n/a	n/a	n/a	2.3	1.0	2.1	1.0
California	2.7	1.0	1.2	2.3	1.0	1.0	n/a	n/a	n/a	n/a

	FY10	FY11	FY12	FY13	FY14
Multiple of all employees' salaries to CEO salary	9.84	11.18	9.16	8.09	8.76
Multiple of all employees' salaries, excluding Group Management Committee members, to CEO salary	10.77	12.18	9.44	8.89	9.20
Multiple of all employees' salaries, excluding all Senior Management, to CEO salary	13.11	16.43	14.35	12.80	13.41

Commentary and methodology

Salary represents an employee's package including fixed cash and superannuation.

Category ratios are calculated by taking the average male salary and comparing it to the average female salary. Location ratios are calculated in the same manner according to the employee's physical work location.

CEO salary as a multiple of worker salary is calculated by taking the CEO's salary and dividing it by the Group's average salary excluding the CEO. The Group's average salary is then recalculated in the subsequent reporting item to exclude members of the Group Management Committee, and then recalculated again to exclude all senior management for the final reporting item.

For further information on DEXUS's employees refer to the People and Culture section in the 2014 Annual Review or the DEXUS website.

DEXUS Property Group

2014 Performance Pack

Suppliers

FAIRNESS AND EFFICIENCY

FY14 PERFORMANCE AGAINST COMMITMENTS

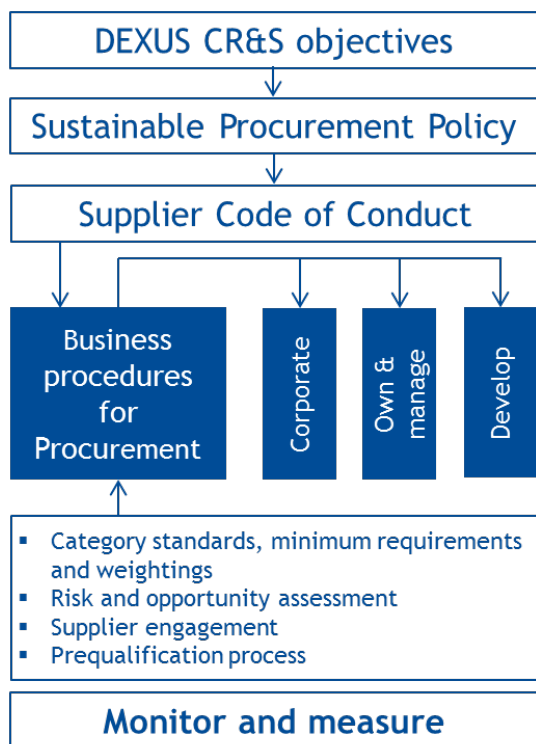
☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY14 ACHIEVEMENTS
Conduct tenders in accordance with DEXUS Business Procedures for Procurement and Code of Conduct	☑	Conducted all tenders in accordance with the Group's Procurement Procedures and Code of Conduct, resulting in operational efficiencies
Develop supplier partnerships in line with DEXUS sustainability procurement guidelines and determine levels of enhanced value	→	Established a preferred supplier panel through tendering of major services, structured to enhance value and ensure alignment with sustainable procurement guidelines. National tendering for fire, mechanical and lift services resulted in a consolidation of suppliers from 92 to 16 key partnerships
Increase the use of sustainability efficient materials and lighting for all office fit-outs	☑	Promoted, accurately measured and monitored the use of efficient, sustainable materials through the establishment of direct purchasing arrangements with key materials suppliers, e.g. replaced over 10,000 light fittings with high efficiency lighting

SUSTAINABLE PROCUREMENT FRAMEWORK

The Sustainable Procurement Framework takes an individual and long term view to managing and maintaining supplier relationships.

This Framework comprises the Service Charter Sustainable Procurement Policy and the Supplier Code of Conduct which was developed in FY12 and embedded within service agreements. DEXUS utilises this Framework to integrate innovative environmentally sustainable practices in new supplier engagements.



DEXUS Property Group

2014 Performance Pack

Suppliers

PROCUREMENT

DEXUS utilises a staged procurement and contract management process designed to identify and mitigate supply chain risks. The key aspects of this process include:

- Due diligence on potential suppliers to identify those that can service an organisation the size of DEXUS
- Procuring services via formal tender process that involves financial analysis due diligence of supplier to satisfy DEXUS that a company is viable and can perform the tasks required
- Review of proposed services to confirm fair value upfront and avoid later uplift
- Assess a company's capability to perform by review of its track record, and by seeking feedback from references
- Confirm alignment with and commitment to DEXUS's Sustainable Procurement Policy
- Use of balanced scorecard to comprehensively rank each supplier
- Contracting that includes embedded Key Performance Indicators tailored for the supplier and commodity

DEXUS completed the rollout of this framework during FY14 and all tenders that occurred during FY14 were conducted in accordance with the Group's Procurement Procedures and Code of Conduct, resulting in operational efficiencies.

DEXUS continued to form strategic alliances with leading suppliers to achieve economies of scale and enhanced value. DEXUS established a preferred major supplier panel through tendering of major services, structured to enhance value and ensure alignment with sustainable procurement guidelines. National tendering for fire, mechanical and lift services resulted in a consolidation of suppliers from 92 to 16 key partnerships.

DEXUS also reviewed service providers across hydraulic, electrical and repairs and maintenance services and established preferred minor supplier panels. This involved a review of existing arrangements and feedback from site teams regarding supplier performance. Highly valued suppliers were invited to apply, and following a final evaluation, successful applicants were appointed to the panels.

Supplier rationalisation involves identifying companies best able to meet DEXUS's needs and optimising engagement across the portfolio. This leads to fewer suppliers in total that have a closer relationship with DEXUS, a greater alignment of interest, and facilitates efforts to embed DEXUS CR&S commitments with its suppliers.

INTEGRATION OF DEXUS OFFICE PARTNERSHIP PROPERTY PORTFOLIO

During FY14 DEXUS and its facility management partner, CBRE, successfully transitioned existing supplier agreements from properties within the DEXUS Office Partnership into the DEXUS Platform. A systematic approach was adopted involving extensive communication with suppliers in existing contracts, and a review process which identified and resolved material issues.

Throughout this process, DEXUS established strong supplier relationships and maintained continuity of services, positioning the Group to effectively manage the new portfolio of office properties.

SUPPLIER RELATIONSHIPS AND PERFORMANCE MONITORING

DEXUS optimises supplier performance through a structured relationship and performance management process to maximise supplier services levels, manage risk, maintain healthy supplier relationships and realise shared value.

Performance monitoring for major contracts includes:

- Monthly performance review meetings with site teams where performance against KPIs is assessed
- High level performance reviews that occur at least every six months incorporating formal feedback from internal stakeholders
- Feedback from site and corporate teams with results discussed with suppliers in order to directly manage exceptions against performance expectations

Ongoing data collection and analysis provides a benchmark in relation to supplier services are perceived by site teams, and provides valuable data on how performance trends vary over time and across sites. This data is used as input into initial reviews of supplier contracts (e.g. renewals and terms) and periodic reviews of DEXUS's panel of preferred suppliers.



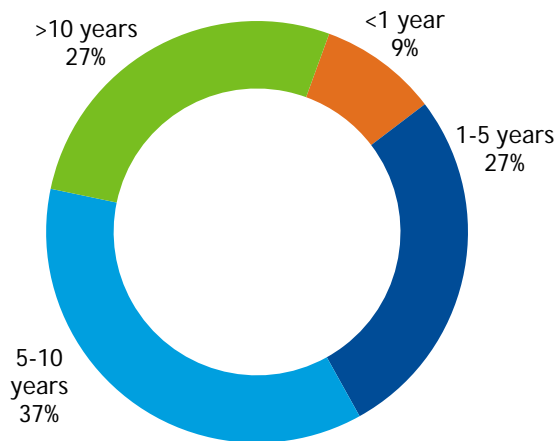
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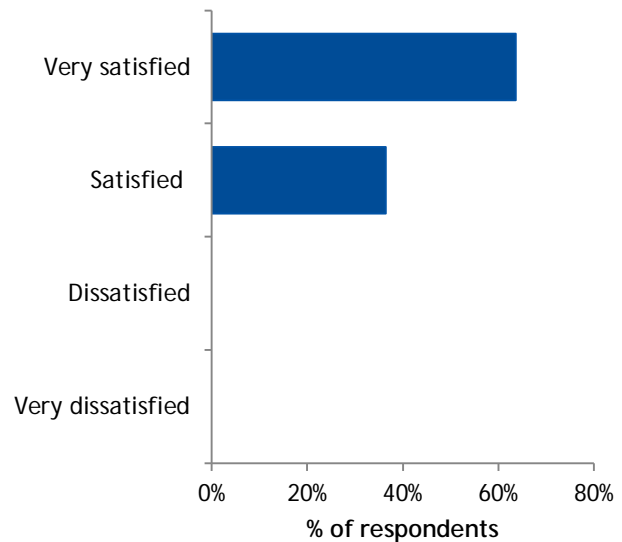
Suppliers

In June 2014 DEXUS formally collected statistics from a sample of 12 key suppliers relating to the length of its supplier relationship, its criticality and level of satisfaction.

Length of supplier relationship



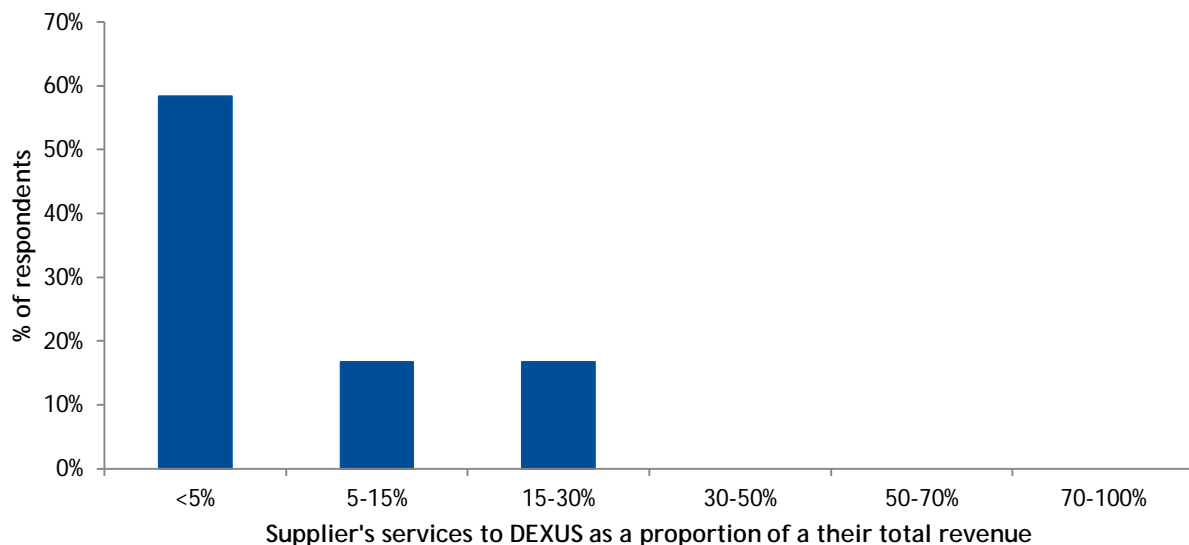
Supplier satisfaction rating of Supplier/DEXUS relationship



From the responses, 64% of suppliers indicated a relationship with DEXUS of five years or more with a further 27% maintaining a relationship of between one and five years. All suppliers were at least 'satisfied' with their relationship with DEXUS with 64% indicating that they were 'very satisfied'.

Suppliers also indicated the financial criticality of their relationship with DEXUS, with 58% stating that their services to DEXUS contributed less than 5% of total revenue. In all cases, suppliers relied on DEXUS for less than 30% of their revenue.

Financial criticality of DEXUS to supplier



DEXUS Property Group

2014 Performance Pack

Suppliers

SUPPLY CHAIN RISK ASSESSMENT

DEXUS interacts with a large number of suppliers across its operations and these suppliers play a key role in contributing to DEXUS's successful delivery of services to its tenants. DEXUS sets its CR&S expectations during the tendering and contracting process in line with its Sustainable Procurement Policy and Supplier Code of Conduct.

As a signatory to the United Nations Principles of Responsible Investment, DEXUS is committed to managing its supply chain in a responsible way which takes into consideration human rights, as well as environmental, social and economic factors in its purchasing decisions.

A key step in this process involves engaging with suppliers to understand their approaches to the issues in order to evaluate the effectiveness of our sustainable procurement policies and supplier relationship management practices.

In FY14, DEXUS conducted a review of material issues and identified supply chain risk management as an emerging issue for DEXUS and its stakeholders with increasing external emphasis on sustainable supply chains.

In June 2014 DEXUS, via an independent third party, conducted a Supply Chain Risk Profiling Survey involving 12 key suppliers across its preferred supplier panel to gain further insight into their day-to-day CR&S systems and practices in order to:

- Continue ongoing dialogue regarding corporate responsibility and sustainability (CR&S)
- Gain a better understanding of day-to-day CR&S systems, practices and issues
- Evaluate alignment between DEXUS and its suppliers regarding CR&S ambitions
- Identify areas for improvement and risk management

The survey focused primarily on social and governance aspects of CR&S and was targeted at commodities and services that DEXUS had previously identified as being inherently high risk, mechanical and lift maintenance, security, cleaning, fire services, waste management and builders.

SUPPLIER RISK PROFILING SURVEY RESULTS

CR&S ASPECT	SYSTEMS		PRACTICE	
	SCORE	RATING	SCORE	RATING
Governance and ethics	4.2	Adequate	4.0	Adequate
Labour practices and human rights	3.6	Partially Adequate	3.8	Partially Adequate
Environmental management	4.1	Adequate	4.2	Adequate
Health and safety	4.6	Adequate	4.3	Adequate
Supply chain management	3.7	Partially Adequate	3.8	Partially Adequate
Overall	4.0	Adequate	4.0	Adequate

CR&S ASPECT	SYSTEMS		PRACTICE	
	SCORE	RATING	SCORE	RATING
Builders	3.6	Partially Adequate	3.8	Partially Adequate
Cleaning	4.3	Adequate	4.5	Adequate
Fire	4.1	Adequate	4.0	Adequate
Lift maintenance	4.4	Adequate	4.3	Adequate
Mechanical	3.2	Partially Adequate	3.2	Partially Adequate
Security	4.0	Adequate	4.1	Adequate
Waste	4.5	Adequate	4.5	Adequate
Overall	4.0	Adequate	4.0	Adequate

DEXUS Property Group

2014 Performance Pack

Suppliers

SUPPLIER RISK PROFILING SURVEY RESULTS (CONTINUED)

Definitions

- **Systems** - refers to the Suppliers management system documentation and procedures in place such as policies and standards. These reflect the formal commitments made by suppliers on the CR&S focus areas
- **Practice** - refers to the extent to which a supplier's commitments to CR&S are embedded in practice across the organisation to enable it to manage associated risks

Assessment Scoring

During the assessment, scores between 1 and 5 were awarded for each question based on subjective analysis of responses made by suppliers, based on the following scoring criteria:

CR&S Risk Assessment (Traffic Light)	Assessment Scoring (1-5)
ADEQUATE	5 Supplier management system and practice are in place and proactively manage CR&S risk area
	4 Supplier management system and practice are in place and adequate to manage CR&S risk area
PARTIALLY ADEQUATE	3 Supplier management system and practice are in place and partially adequate to manage CR&S risk area; improvements have been identified
INADEQUATE	2 Supplier management system or practice is inexistent/inadequate to manage CR&S risk area
	1 Supplier management system and practice is inexistent/inadequate to manage CR&S risk area

Overall assessment outcome

The overall results of 4.0 out of 5 for both systems and practices confirms DEXUS's expectation of low risk and reinforces the robustness of its procurement process through which DEXUS engages like-minded suppliers with sound CR&S and labour practices.

Most respondents were well aware of corporate governance, environmental and health and safety risks and related requirements and expectations in these areas. In general, suppliers reported robust management systems (including policies, standards and work procedures) as well as satisfactory internal practices (for communications, training, monitoring and review). Many suppliers were accredited to external standards such as ISO 14001, OHSAS 18001 or AS/NZS 4801.

The assessment identified that further work is required in order for DEXUS to fully evidence the existence of supplier systems in detail, and this impacted suppliers' scores.

In addition, systems and practices to manage specific aspects of labour practices and human rights (e.g. grievance mechanisms) as well as supply chain management were less mature, with most suppliers adopting a compliance-based approach to managing these areas. These two areas scored the lowest of all aspects. The results also highlight Builders and Mechanical contractors as being less mature in their CR&S practices.



DEXUS Property Group

2014 Performance Pack Community

COMMUNITY RELATIONSHIPS

FY14 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

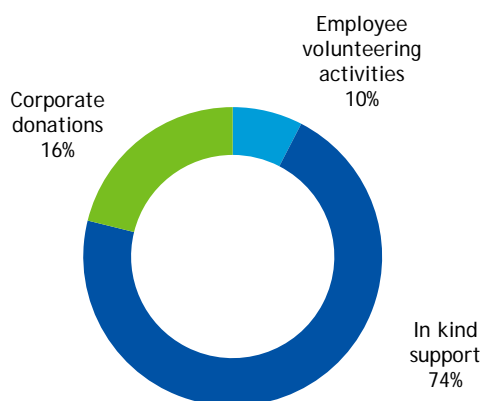
COMMITMENT	STATUS	FY14 ACHIEVEMENTS
Continue commitment to employee volunteering across the community, specifically with organisations committed to the support and care of the homeless	→	Continued commitment to employee volunteering across the community, completing 589 hours of service Refer to the People & Culture section
Conduct a review of DEXUS's relationships and types of support activity in the community in order to refresh and align the corporate responsibility program to the DEXUS culture	☑	The corporate responsibility program was refreshed to align with the Group's culture following a review of existing relationships and community support. An initiative was launched in support of the Sydney Children's Hospital Foundation and other children's hospital charities Refer to the People & Culture section

VOLUNTEERING AND DONATIONS

Community development

Equivalent funds donated or raised	FY10	FY11	FY12	FY13	FY14
Corporate donations (\$)	85,407	270,372	174,122	123,366	139,344
Employee volunteering activities (\$)	64,497	64,588	72,424	80,623	50,044
In kind support (\$)	402,934	596,519	623,909	573,777	470,055
Total (\$)	552,838	931,479	870,455	777,765	659,444
Hours volunteered					
Through DEXUS volunteering program (hours)	540	888	1,059	978	589

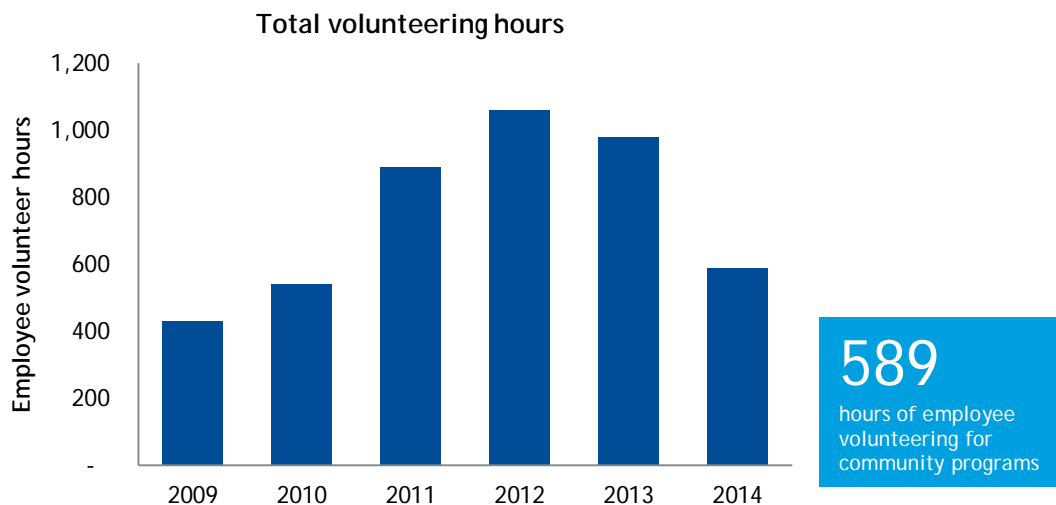
FY14 community engagement



DEXUS Property Group

2014 Performance Pack

Community



Commentary and methodology

In FY14, 49% of DEXUS employees took part in a volunteering event. The theme of 'Building and Housing the Community' provided a broad base for DEXUS to contribute to the well-being of society through its property expertise. In line with DEXUS's corporate policy, no donation or in kind support was given to any political party or politician during the reporting period.

For more information, please visit the DEXUS CR&S website.

CORPORATE RESPONSIBILITY, INCLUSION AND DIVERSITY COMMITTEE

In October 2013 DEXUS established the Corporate Responsibility, Inclusion and Diversity Committee chaired by the CEO. The Committee's objective is to oversee the development and implementation of corporate responsibility policies and practices that support DEXUS's business strategy, and responds to emerging corporate responsibility issues within the built environment.

The Committee is responsible for developing a strategy for monitoring the following business activities:

- Oversee DEXUS's corporate philanthropy program and evaluate its benefits to DEXUS and its staff to ensure that the program continues to align with DEXUS's core strategy
- Focus internally on:
 - working with People and Culture to develop and implement initiatives to enhance staff health and well-being
 - promoting workplace diversity and inclusion through events such as 'R U OK day', International Womens' Day and Cultural Diversity Day

The Committee is also responsible for supporting the implementation of diversity targets and principles as determined by the Board.

DONATIONS

In FY14 DEXUS raised a total of \$659,444 in community support through employee volunteering programs, in-kind support and DEXUS's corporate donations of over \$139,000, which represented an increase of 13% on FY13. DEXUS's retail centres led the way with increased sponsorship for community events and donations to charitable organisations. Examples include:

- Willows Shopping Centre donated \$2,800 to the Cootharinga Society, which has been supporting people living with disabilities to achieve independence for over 60 years
- DEXUS supported Woodside, its anchor tenant at 240 St Georges Terrace in Perth, with a charitable donation towards "Team Woodside" to participate in the charity fundraiser "Sunsuper Ride to Conquer Cancer"
- The retail team at Southgate sponsored the Made in Melbourne Film Festival, an exclusive showcase for Melbourne filmmakers and films that are 'Made in Melbourne'. The festival aims to provide emerging and established filmmakers a platform to showcase their work

DEXUS Property Group

2014 Performance Pack

Community

Donations were comprised of:

- Financial contributions to nominated charities
- Fundraising events
- Community sponsorships, advertising and promotions
- A dollar-for-dollar matching program
- The value of goods purchased for charity events and appeals

IN-KIND SUPPORT

In kind support was provided to not-for-profit organisations or community groups to support their cause/fundraising activities and includes:

- The provision of goods or services
- The value of space provided in the building at no charge

VOLUNTEERING

Employee volunteering activities include:

- Volunteering leave taken in company time by DEXUS employees to undertake community work
- Participation on charity committees/boards where the individual is acting in the capacity as a DEXUS employee

Although the statistics do not include personal time or extended leave to raise funds or work for a charity, DEXUS supports employees undertaking such activities where appropriate. Volunteer hours are calculated as the total full time equivalent hours worked by employees in nominated community and charitable activities.

COMMUNITY ENGAGEMENT INITIATIVES

Community engagement is a key part of the DEXUS CR&S strategy. Across the Group employees contributed their time and money to worthy causes that benefit the local community.

Over the past year DEXUS consolidated its ongoing relationships with a number of key charities including:

- Barnardos builds relationships between disadvantaged Australian children, young people, their families and the community and is at the forefront of child welfare services
- The Wayside Chapel, a non-denominational service that has been providing support for people on and around the streets of Kings Cross since 1964
- CREATE Foundation, Australia's peak body representing children and young people in out of home care
- Sydney Children's Hospital Foundation, which exists to promote the prevention and treatment of illness and injury in children
- ASX Thomson Reuters Charity Foundation, a foundation that targets corporate Australia to help those in need. Each year DEXUS, together with other a range of other ASX 200 listed companies each donate \$800 which is pooled into a share portfolio that is then auctioned to raise money for children and medical research charities. In FY14 the auction of the portfolio raised \$41,600
- The Station, a refuge in the Sydney CBD that provides a range of services for people who are having difficulty attaining and sustaining adequate and secure accommodation, improving their health, personal autonomy and dignity

During the year, DEXUS contributed almost \$660,000 of donations and in-kind support to community organisations and other charities including Wesley Mission, Barnardos Australia, Sydney Children's Hospital, Wheelchair Sports and various local charities in regional areas across Australia.

DEXUS Property Group

2014 Performance Pack

Environment

RESOURCE EFFICIENCY AND SUSTAINABILITY

FY14 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY14 ACHIEVEMENTS
Maintain an average 4.5 star NABERS Energy rating across the DEXUS office portfolio while reducing consumption of GreenPower	☑	Achieved an average NABERS Energy rating of 4.6 stars across the DEXUS office portfolio, exceeding the 4.5 star target and reducing purchased GreenPower. On a like-for-like basis, the DEXUS office portfolio achieved a 4.8 star NABERS Energy rating
Continue to deliver energy savings across the total DEXUS property portfolio in FY14, the second year of a three year program, to deliver a 10% reduction	→	Delivered 8.4% energy savings across the Group's like-for-like property portfolio on an absolute basis in the second year of a three year program targeting a 10% reduction
Expand waste reporting to the retail portfolio and deliver a reduction in waste to landfill over the next three years across the office and retail portfolio	→	In FY14 the Group expanded waste reporting to the retail portfolio and diverted 49% of waste from landfill across the office and retail portfolios, a 12.7% improvement in the first year of a three year program against the 2012 base year
Achieve a 4.5 star NABERS Energy rating for DEXUS's new head office at Australia Square	☑	DEXUS's Sydney head office achieved its targeted 4.5 star NABERS Energy rating in June 2014
Create and transact Energy Saving Certificates through participation in the NSW Energy Savings Scheme by continually improving asset performance	☑	Created and transacted Energy Saving Certificates valued at \$470,379 through participation in the NSW Energy Savings Scheme

DEFINITIONS

NABERS - National Australian Built Environment Rating System

GBCA - Green Building Council of Australia

Green Star - An environmental rating tool for commercial design and construction, which evaluates a building's impact against eight environmental impact categories

SIPs - Strategic Improvement Plans

DEXUS Property Group, the Group - refers to the ASX listed entity and the Third Party Funds Management business

DEXUS - refers to the portfolio of properties in ASX listed entity only

DWPF - DEXUS Wholesale Property Fund

Third Party Funds or Third Party Funds Management business - refers to the Third Party Funds Management business including the Australian mandate, three capital partnerships and DWPF.



DEXUS Property Group

2014 Performance Pack

Environment

DEXUS PROPERTY GROUP

RESOURCE CONSUMPTION

The DEXUS portfolio has seen energy, water and greenhouse emissions increase over the last 12 months in line with a significant addition in the portfolio's footprint following acquisitions during the year including the CPA portfolio.

Since FY13, the Group's energy consumption has increased by 15.0%, Scope 1 and 2 emissions have increased by 14.4% and water consumption is up by 18.5%. Intensity figures are also marginally higher due to a reweighting of the portfolio towards office and retail properties that exhibit higher intensities than industrial properties.

In the Group's like-for-like performance, energy and greenhouse gas emissions reduced on an intensity basis by 4.0% and 4.8% respectively from the previous year, demonstrating a strong result in energy and greenhouse gas emissions management. These reductions are a direct result of the Group's active focus on property operations and ongoing targeted capital works that increase energy efficiency.

DEXUS Property Group is on track to achieve its three year commitment to reduce usage by 10% by FY15 against an FY12 baseline. Progress to date has seen the Group achieve an 8.4% reduction in absolute energy consumption.

Water use increased over the past 12 months by 4.6% on a like-for-like intensity basis, with the most significant increases due to increased tenant demands and re-establishment of irrigation across industrial properties.

The Group has expanded the coverage of its reporting of waste and recycling to 90% of total lettable area across the office and retail properties. Through its waste management partners, the Group has engaged with office tenants on waste management and segregation, which is reflected by the 12.7% improvement in waste diverted from landfill over the past two years. Waste diversion for FY14 was 49% for the Group and 63% across office properties.

In the following sections, data is presented for the Group portfolios and like-for-like portfolios to enable comparison of the pre-existing portfolio as well as the overall Group trends including acquisitions.

Energy, water and greenhouse gas intensity for newly acquired properties is expected to reduce in FY15 through the Group's value-add strategy to achieve performance in line with the existing property portfolio.

SUMMARY

Metric	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Greenhouse gas emissions (tCO₂-e)							
Scope 1	6,226	8,993	8,427	8,675	7,882	9,157	10,781
Scope 2	151,951	139,285	134,243	123,674	112,803	104,192	118,854
Total Scope 1 & 2	158,176	148,279	142,670	132,349	120,685	113,348	129,634
Scope 3	26,213	23,855	25,046	24,940	26,193	24,532	29,683
Total Scopes 1, 2 & 3	184,389	172,133	167,716	157,289	146,879	137,880	159,318
Resource consumption							
Total net energy use (GJ)	735,723	670,832	639,892	590,867	540,752	520,742	598,726
Water use (kL)	1,499,044	1,481,352	1,393,079	1,319,761	1,216,191	1,222,487	1,448,507
Waste and recycling (tonnes)							
Waste to Landfill				2,581	4,828	4,355	6,187
Recycling				1,645	3,781	4,131	6,063
Total Waste				4,226	8,609	8,486	12,250
Waste data coverage across portfolio				63%	75%	79%	90%

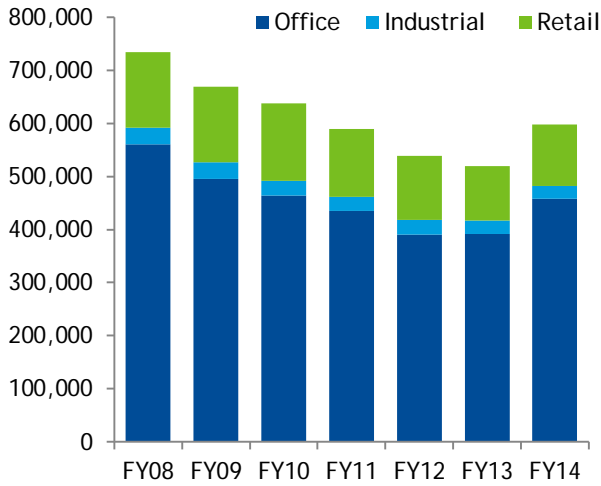
DEXUS Property Group

2014 Performance Pack

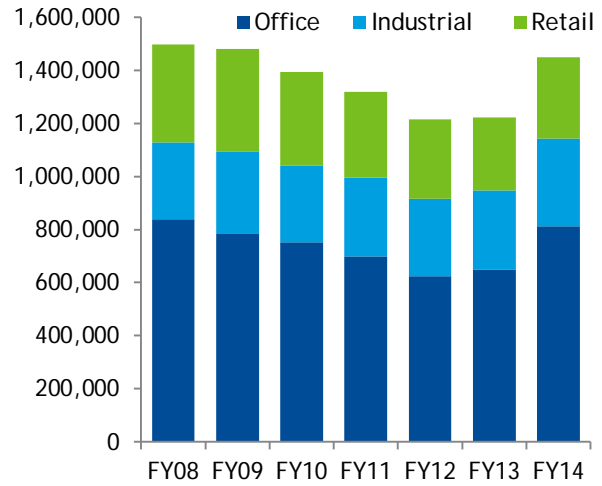
Environment

The following charts highlight the Group's performance trends on an absolute basis for energy and water consumption, greenhouse gas emissions and waste diversion from the base year of FY08.

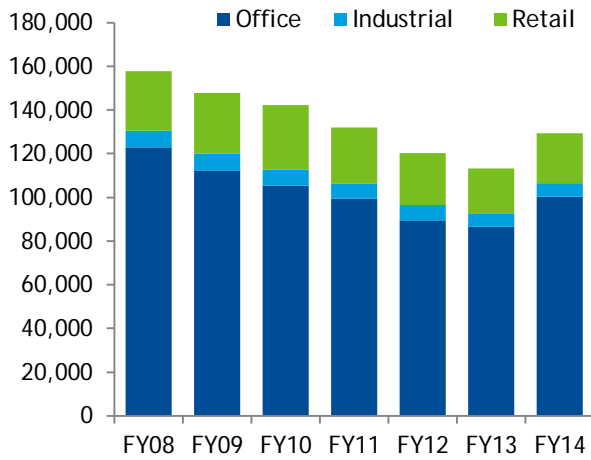
Energy consumption (GJ)



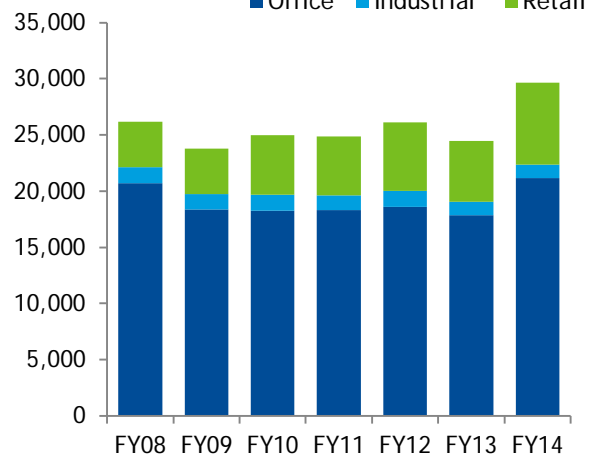
Water consumption (kL)



Scope 1 & 2 Greenhouse gas emissions (t.CO2-e)



Scope 3 Greenhouse gas emissions (t.CO2-e)



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Environment

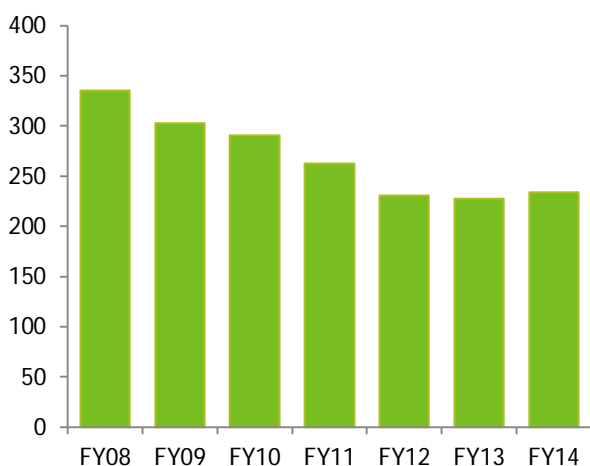
CONSUMPTION/EMISSIONS ON AN INTENSITY BASIS

Intensity metric	FY08 ¹	FY09	FY10	FY11	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (MJ/sqm)	335.4	303.0	290.4	262.8	230.6	227.7	234.0	-30.2%	2.8%
Water consumption (L/sqm)	683.4	669.1	632.3	587.1	518.7	534.4	566.1	-17.2%	5.9%
Scope 1 & 2 Greenhouse gas emissions (kgCO ₂ -e/sqm)	72.1	67.0	64.8	58.9	51.5	49.6	50.7	-29.7%	2.2%
Waste diversion from landfill (%)	-	-	-	39%	44%	49%	49%	27.1%	1.7%

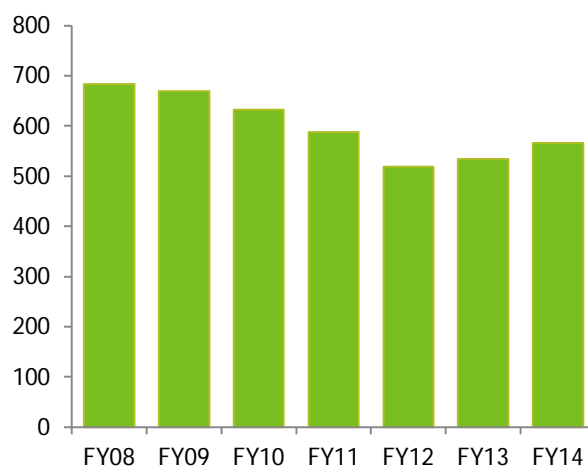
1. FY08 represents the Group's base year for energy, water and greenhouse gas emissions. FY12 represents the Group's base year for waste diversion from landfill

The following charts highlight the Group's seven year performance trends on an intensity basis for energy and water consumption, greenhouse gas emissions and waste diversion from landfill.

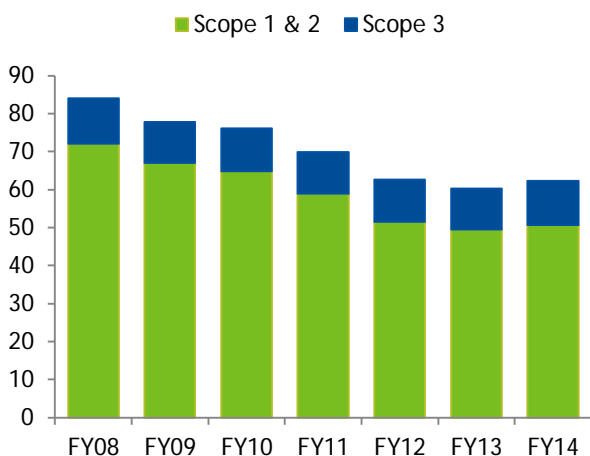
Energy consumption intensity (MJ/sqm)



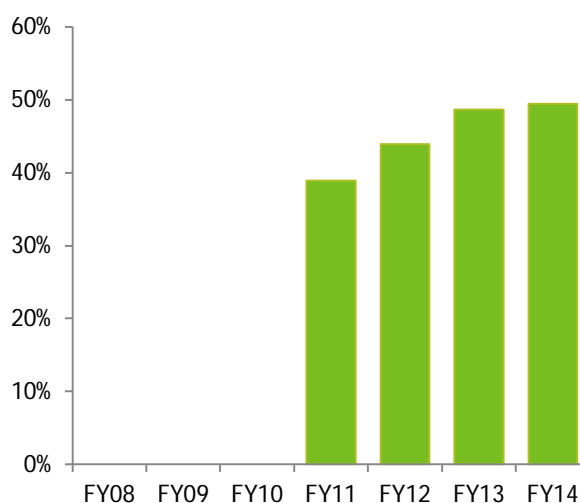
Water consumption intensity (Litres/sqm)



Scope 1, 2 and 3 Greenhouse gas emissions intensity (kg.CO2-e/sqm)



Waste diversion from landfill (%)



DEXUS Property Group

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Environment

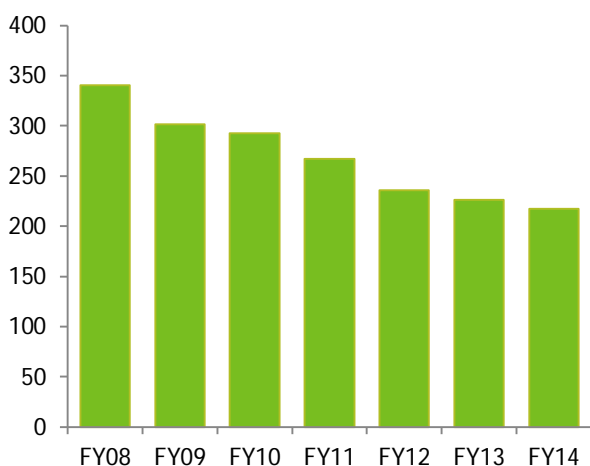
LIKE-FOR-LIKE² GROUP PORTFOLIO CONSUMPTION/EMISSIONS ON AN INTENSITY BASIS

Intensity metric	FY08 ¹	FY09	FY10	FY11	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (MJ/sqm)	340.3	301.6	292.5	267.1	235.6	226.3	217.3	-36.1%	-4.0%
Water consumption (L/sqm)	687.8	688.2	654.9	605.6	539.9	539.2	563.9	-18.0%	4.6%
Scope 1 & 2 Greenhouse gas emissions (kgCO ₂ -e/sqm)	75.6	69.3	67.4	61.3	53.6	49.3	47.0	-37.9%	-4.8%
Waste diversion from landfill (%)	-	-	-	39%	44%	49%	50%	27.4%	1.8%

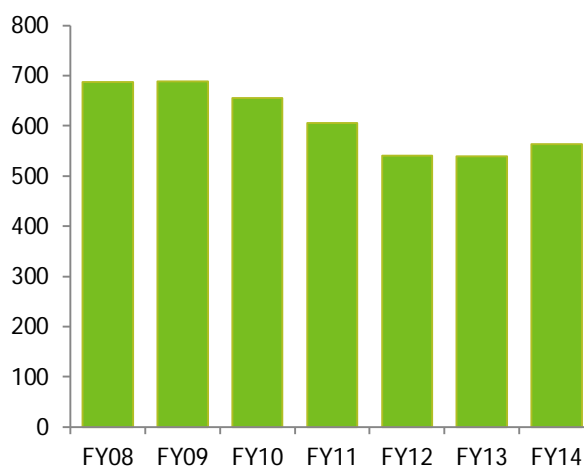
1. FY08 represents the Group's base year for energy, water and greenhouse gas emissions. FY12 represents the Group's base year for waste diversion from landfill.
2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following charts highlight the Group's like-for-like portfolio performance trends on an intensity basis for energy and water consumption, greenhouse gas emissions and waste diversion from landfill from the base year of FY08.

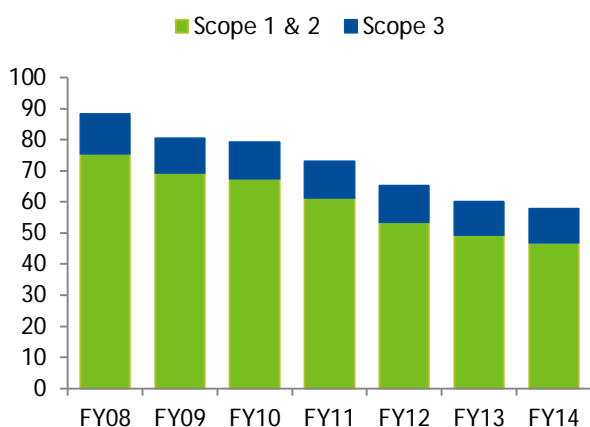
Like-for-like energy intensity
(MJ/sqm)



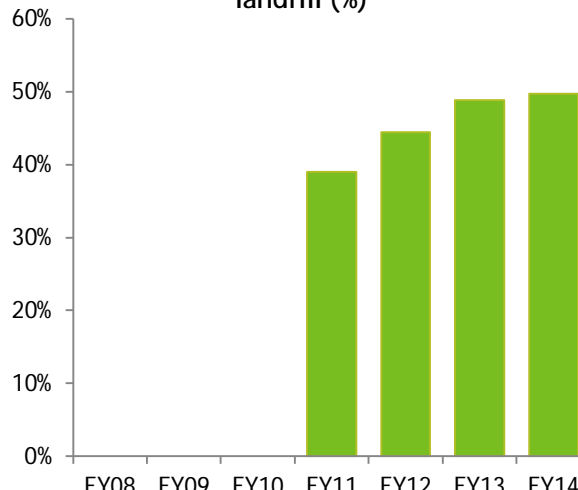
Like-for-like water intensity
(Litres/sqm)



Like-for-like scope 1, 2 and 3
greenhouse gas emissions intensity
(kg.CO₂-e/sqm)



Like-for-like waste diversion from
landfill (%)



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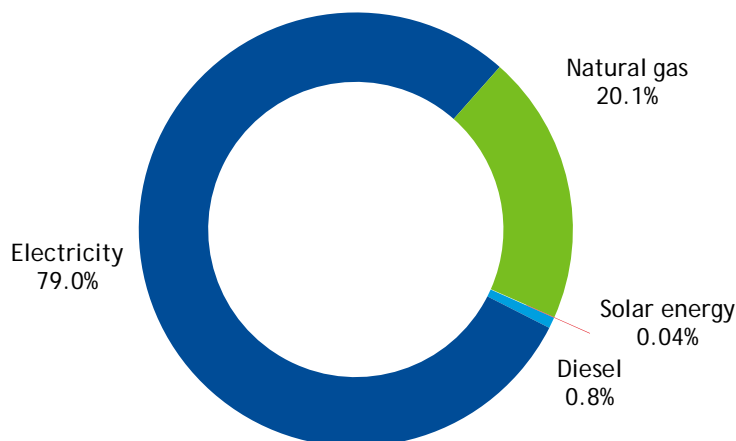
Environment

ENERGY CONSUMPTION AND PRODUCTION BY SOURCE

Energy consumption (GJ)	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Diesel	957	309	6,090	5,636	2,242	4,460	4,925
Electricity	614,987	562,902	540,798	489,187	445,639	408,415	473,269
Natural Gas	119,779	107,622	93,004	96,044	92,823	107,643	120,283
Solar Energy	0	0	0	0	48	224	249
Electricity consumed from on-site thermal & solar generation	0	0	0	0	4,256	10,603	10,564
Total energy consumption (GJ)	735,723	670,832	639,892	590,867	545,008	531,346	609,290
Electricity produced from on-site thermal generation	0	0	0	0	4,208	10,379	10,315
Electricity produced from on-site solar generation	0	0	0	0	48	224	249
Total energy production (GJ)	0	0	0	0	4,256	10,603	10,564
Total net energy consumption (GJ)	735,723	670,832	639,892	590,867	540,752	520,742	598,726

The following highlights the total energy consumption for FY14 by energy source.

FY14 Primary energy use by source (GJ)



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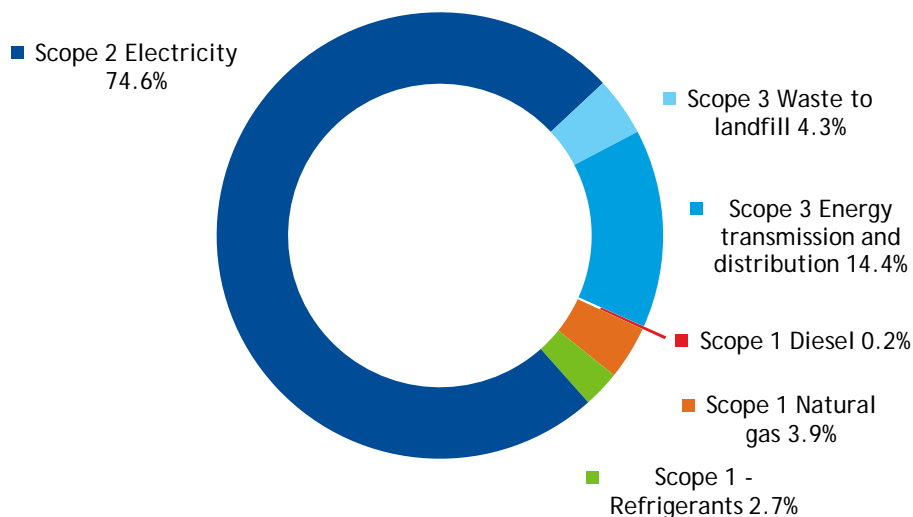
Environment

GREENHOUSE GAS EMISSIONS BY SOURCE

Emissions Source	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Scope 1 & 2 greenhouse gas emissions (tCO₂-e)							
Diesel	67	21	423	392	156	310	349
Electricity	151,951	139,285	134,243	123,674	112,803	104,192	118,854
Natural Gas	6,159	5,536	4,785	4,934	4,765	5,525	6,174
Refrigerants	0	3,436	3,219	3,349	2,961	3,321	4,257
Scope 1 & 2 GHG emissions (tCO₂-e)	158,176	148,279	142,670	132,349	120,685	113,348	129,634
Scope 3 greenhouse gas emissions (tCO₂-e)							
Energy transmission and distribution losses	26,213	23,855	24,216	22,101	20,882	19,741	22,877
Waste to landfill	0	0	831	2,839	5,311	4,791	6,806
Scope 3 GHG emissions (tCO₂-e)	26,213	23,855	25,046	24,940	26,193	24,532	29,683

The following highlights the total Scope 1, 2 and 3 greenhouse gas emissions for FY14 by emissions source.

FY14 Greenhouse gas emissions by source (t.CO2-e)



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ENERGY CONSUMPTION

DEXUS Property Group has actively managed its energy consumption as part of its three-year commitment to reduce usage by 10% across the Group by FY15 against an FY12 baseline. To date, the Group has achieved an 8.4% reduction in absolute energy consumption and is on track to achieve its FY15 target.

These results demonstrate the portfolio-wide performance benefits achieved from the 4.5 star NABERS Energy program combined with the Group's continued active management approach.

Like-for-like energy consumption and intensity has reduced by 3.7% and 4.0% respectively since FY13, with office, retail and industrial all recording annual reductions of 2.8% or more. Notable energy savings were achieved at 50 Carrington Street, Sydney, 60 Miller Street, North Sydney, and 452 Flinders Street in Melbourne. Since 2008, like-for-like energy consumption has reduced by 130,000GJ per year while energy intensity has reduced by 36.1%.

On an absolute basis, energy consumption has increased by 15.0% over the past 12 months due to office and retail acquisitions including the CPA portfolio. Energy intensity has increased by 2.8% since FY13, yet remains 30.2% below the FY08 base year. The comparable uplift is due to FY14 acquisitions which have increased the weighting of retail and office property, which is more energy intensive than industrial. For example QV Melbourne, which was acquired in FY14, operates 24 hours per day, resulting in increased energy use when compared to other retail centres.

In the Third Party Funds Management business, a 5.0% reduction was achieved on a like-for-like intensity basis against FY13, or 37.2% since the base year.

Energy use within DEXUS Property Group's corporate tenancies has reduced by 19.4% reflecting the relocation of its head office to an energy efficient workspace within Australia Square, which achieved its targeted 4.5 star NABERS Energy rating in June 2014.

DEXUS PROPERTY GROUP - BY PROPERTY TYPE

Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (GJ)									
Office	560,581	495,905	463,799	434,709	389,912	391,811	457,776	-18.3%	16.8%
Industrial	30,988	30,405	28,431	27,282	28,082	24,781	24,939	-19.5%	0.6%
Retail	142,894	142,997	146,105	127,269	121,408	103,100	115,164	-19.4%	11.7%
Corporate tenancies	1,259	1,525	1,557	1,607	1,350	1,051	847	-32.7%	-19.4%
Total	735,723	670,832	639,892	590,867	540,752	520,742	598,726	-18.6%	15.0%
Energy consumption intensity (MJ/sqm)									
Office	597.7	519.0	497.0	481.0	407.4	402.5	384.7	-35.6%	-4.4%
Industrial	32.2	31.6	29.1	25.3	24.6	22.4	21.9	-32.2%	-2.5%
Retail	491.5	487.0	504.2	486.2	498.0	503.4	510.4	3.8%	1.4%
Corporate tenancies	339.0	410.7	419.2	432.8	363.6	305.5	410.6	21.1%	34.4%
Total	335.4	303.0	290.4	262.8	230.6	227.7	234.0	-30.2%	2.8%

1. FY08 represents the Group's base year for performance comparison.

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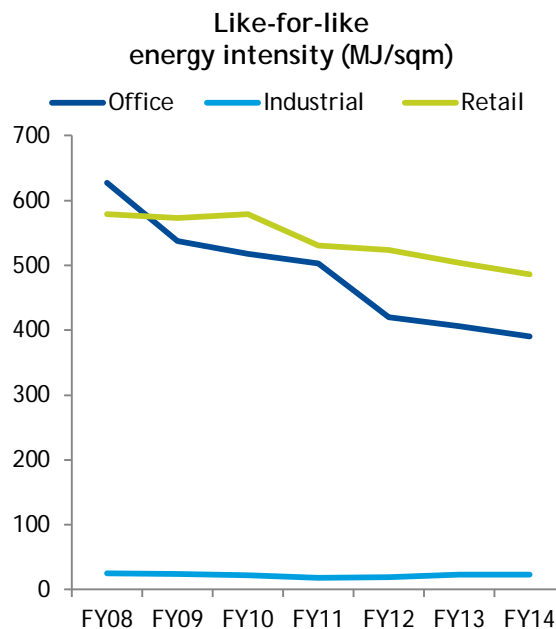
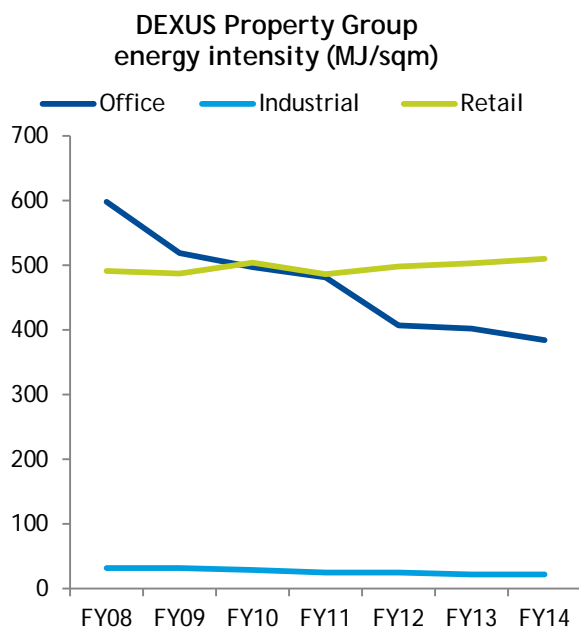
DEXUS PROPERTY GROUP LIKE-FOR-LIKE² - BY PROPERTY TYPE

Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (GJ)									
Office	457,337	391,783	377,313	366,297	350,192	344,765	331,377	-27.5%	-3.9%
Industrial	19,951	19,285	17,897	16,691	18,845	24,390	23,840	19.5%	-2.3%
Retail	108,115	108,701	116,639	108,579	107,313	103,100	99,618	-7.9%	-3.4%
Corporate tenancies	0	0	0	0	0	0	0	0.0%	0.0%
Total	585,403	519,769	511,850	491,567	476,350	472,255	454,835	-22.3%	-3.7%
Energy consumption intensity (MJ/sqm)									
Office	627.7	537.5	517.6	502.7	420.3	406.0	390.2	-37.8%	-3.9%
Industrial	24.8	24.0	21.8	18.4	19.2	23.6	22.9	-7.4%	-2.8%
Retail	578.8	572.9	578.7	530.2	524.0	503.4	486.4	-16.0%	-3.4%
Corporate tenancies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
Total	340.3	301.6	292.5	267.1	235.6	226.3	217.3	-36.1%	-4.0%

1. FY08 represents the Group's base year for performance comparison.

2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the intensity performance for the Group and the Group like-for-like portfolios across each sector from the base year of FY08.



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DEXUS PROPERTY GROUP - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (GJ)									
DEXUS	390,649	341,278	329,504	323,015	300,244	305,381	330,293	-15.5%	8.2%
Third Party Funds	178,648	176,367	168,579	148,252	146,897	145,386	169,048	-5.4%	16.3%
DWPF	86,602	84,510	79,406	65,514	77,221	90,075	99,357	14.7%	10.3%
Energy consumption intensity (MJ/sqm)									
DEXUS	320.6	280.0	268.6	256.6	226.8	229.4	232.2	-27.6%	1.2%
Third Party Funds	290.4	285.3	274.6	223.1	194.0	182.6	187.0	-35.6%	2.4%
DWPF	343.7	335.4	323.5	221.1	191.1	199.3	194.7	-43.4%	-2.3%

1. FY08 represents DEXUS's base year for performance comparison.

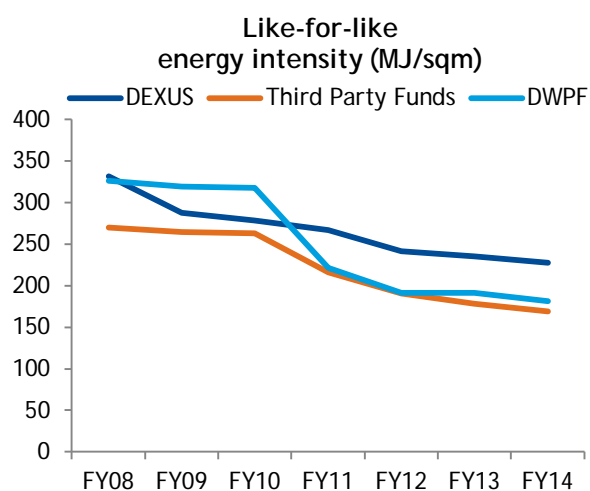
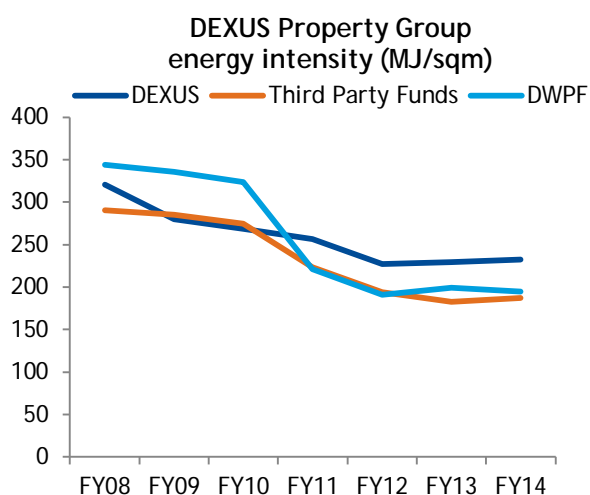
DEXUS PROPERTY GROUP LIKE-FOR-LIKE² - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Energy consumption (GJ)									
DEXUS	359,751	312,127	306,702	298,953	284,031	280,759	272,038	-24.4%	-3.1%
Third Party Funds	142,204	140,216	142,487	132,262	137,653	137,589	131,167	-7.8%	-4.7%
DWPF	70,758	69,321	72,086	65,514	77,221	83,913	79,673	12.6%	-5.1%
Energy consumption intensity (MJ/sqm)									
DEXUS	331.6	287.6	278.7	266.7	241.2	235.2	227.4	-31.4%	-3.3%
Third Party Funds	269.7	264.5	262.9	216.2	190.6	178.3	169.3	-37.2%	-5.0%
DWPF	326.1	319.5	318.0	221.1	191.1	191.4	181.7	-44.3%	-5.1%

1. FY08 represents the Group's base year for performance comparison.

2. Like-for-like portfolio comprises all properties under DEXUS control between 1 July 2012 and 30 June 2014.

The following highlights the intensity performance for the Group and the Group like-for-like portfolios by fund from the base year of FY08.



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WATER CONSUMPTION

Commentary

In FY14, water consumption across the Group increased by 18.5% and water consumption intensity increased by 5.9%. Water use and water consumption intensity have reduced by 3.4% and 17.2% respectively against the base year of FY08. Similar trends are observed across the like-for-like portfolio.

Tenants are ultimately responsible for operational control over water use in the majority of its industrial properties and in FY13, DEXUS Property Group introduced measures to assist tenants in minimise consumption.

The increases in water use are due to a number of factors, primarily due to:

- Acquisitions during FY14 including the CPA portfolio
- Re-establishment of irrigation across several industrial properties
- Tenant usage due to increased occupancy across industrial properties, including Quarry at Greystanes
- Correction of water metering issues

Water consumption in DWPF'S portfolio reduced by 3.2% since FY13 and 34.6% since the base year on an intensity basis.

DEXUS PROPERTY GROUP - BY PROPERTY TYPE

Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Water consumption (kL)									
Office	839,884	785,031	752,182	698,691	622,802	648,385	813,429	-3.1%	25.5%
Industrial	288,931	308,659	288,813	297,153	293,555	299,220	329,783	14.1%	10.2%
Retail	370,229	387,662	352,084	323,917	299,835	274,882	305,296	-17.5%	11.1%
Total	1,499,044	1,481,352	1,393,079	1,319,761	1,216,191	1,222,487	1,448,507	-3.4%	18.5%
Water consumption intensity (Litres/sqm)									
Office	895.6	821.6	806.1	773.1	650.7	666.1	683.6	-23.7%	2.6%
Industrial	300.6	321.1	295.8	275.5	257.5	270.6	289.0	-3.8%	6.8%
Retail	1,273.6	1,320.2	1,215.0	1,237.5	1,229.9	1,342.2	1,352.9	6.2%	0.8%
Total	683.4	669.1	632.3	587.1	518.7	534.4	566.1	-17.2%	5.9%

1. FY08 represents the Group's base year for performance comparison.

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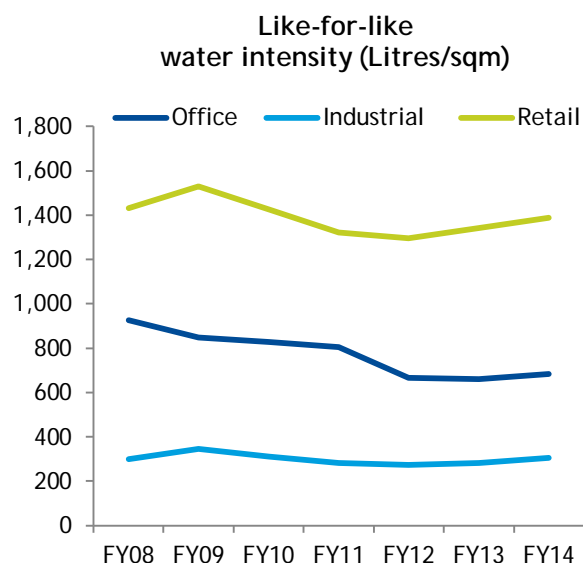
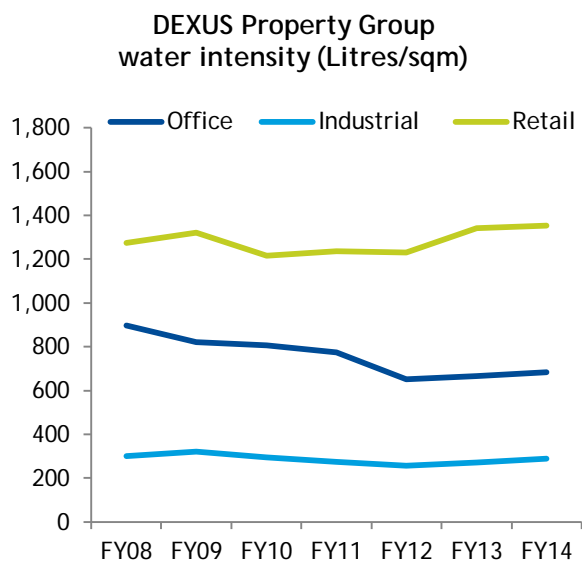
DEXUS PROPERTY GROUP LIKE-FOR-LIKE² - BY PROPERTY TYPE

Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Water consumption (kL)									
Office	675,401	617,971	604,489	587,254	556,012	560,205	579,417	-14.2%	3.4%
Industrial	240,529	277,721	254,205	256,544	270,018	290,281	316,515	31.6%	9.0%
Retail	267,187	290,350	287,421	270,732	265,610	274,882	284,333	6.4%	3.4%
Total	1,183,117	1,186,042	1,146,114	1,114,529	1,091,641	1,125,367	1,180,265	-0.2%	4.9%
Water consumption intensity (Litres/sqm)									
Office	927.0	847.8	829.3	805.9	667.3	659.7	682.3	-26.4%	3.4%
Industrial	298.9	345.1	310.1	282.9	274.4	281.0	304.7	1.9%	8.4%
Retail	1,430.3	1,530.3	1,426.0	1,321.9	1,296.9	1,342.2	1,388.3	-2.9%	3.4%
Total	687.8	688.2	654.9	605.6	539.9	539.2	563.9	-18.0%	4.6%

1. FY08 represents the Group's base year for performance comparison.

2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the intensity performance for the Group and the Group like-for-like portfolios across each sector from the base year of FY08.



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DEXUS PROPERTY GROUP - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Water consumption (kL)									
DEXUS	737,147	745,735	702,202	682,900	647,663	666,513	765,421	3.8%	14.8%
Third Party Funds	458,758	465,779	442,588	416,015	415,016	439,416	509,886	11.1%	16.0%
DWPF	217,760	243,803	213,683	204,619	234,406	264,159	288,592	32.5%	9.2%
Water consumption intensity (Litres/sqm)									
DEXUS	605.0	611.7	572.3	542.4	489.2	500.7	538.2	-11.0%	7.5%
Third Party Funds	745.7	753.5	721.1	625.9	548.0	551.9	564.1	-24.3%	2.2%
DWPF	864.3	967.7	870.5	690.6	580.1	584.4	565.6	-34.6%	-3.2%

1. FY08 represents the Group's base year for performance comparison.

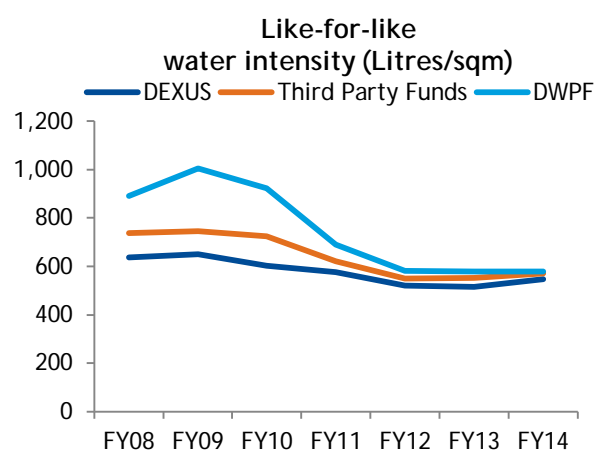
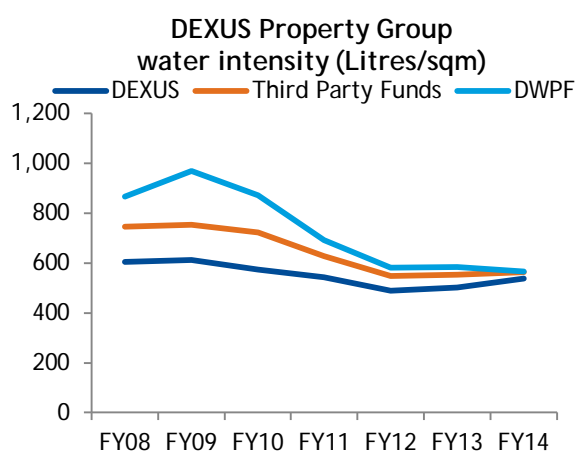
DEXUS PROPERTY GROUP LIKE-FOR-LIKE² - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Water consumption (kL)									
DEXUS	691,205	706,489	662,602	645,782	613,098	613,502	654,422	-5.3%	6.7%
Third Party Funds	389,488	394,967	392,437	379,962	396,070	425,937	442,450	13.6%	3.9%
DWPF	193,351	218,114	209,355	204,619	234,406	254,323	254,304	31.5%	0.0%
Water consumption intensity (Litres/sqm)									
Listed	637.1	651.0	602.2	576.1	520.6	514.0	547.0	-14.1%	6.4%
Unlisted	738.7	745.0	724.1	621.2	548.3	552.1	571.2	-22.7%	3.5%
DWPF	891.2	1,005.3	923.5	690.6	580.1	580.1	580.0	-34.9%	0.0%

1. FY08 represents the Group's base year for performance comparison.

2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the intensity performance for the DEXUS Property Group and the Group like-for-like portfolios by fund from the base year of FY08.



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CARBON EMISSIONS

Scope 1 and 2 Greenhouse gas emissions

Across the Group, scope 1 and 2 greenhouse gas emissions increased by 14.4% over the past year due to new acquisitions including the CPA portfolio. Emissions remain 18.0% below the base year. Scope 1 and 2 emissions intensity increased by 2.2% since FY13, yet remain 29.7% below the FY08 base year. The comparable uplift is due to FY14 acquisitions, which have increased the weighting of retail and office, which is more emissions intensive than industrial.

From a like-for-like perspective, the Group achieved a 4.5% reduction in absolute emissions and a 4.8% reduction in emissions intensity. This continues the Group's long term focus on energy efficiency and emissions reduction, with reductions occurring each year resulting in a 37.9% reduction in emissions intensity since 2008.

Across the Group's office and industrial properties achieved intensity reductions of 5.1% and 3.8% respectively, while the emission intensity of the retail portfolio increased by 1.8%, primarily due to the acquisition of Beenleigh Marketplace in Beenleigh and QV in Melbourne during FY14.

Total emissions across Third Party Funds Management have increased by 13.5% since FY13 due to acquisitions while emissions intensity remains steady. Like-for-like emissions have reduced by 5.1% over the past 12 months.

DEXUS PROPERTY GROUP SCOPE 1 & 2 EMISSIONS - BY PROPERTY TYPE

Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Scope 1 & 2 Greenhouse gas emissions (tCO₂-e)									
Office	122,796	112,394	105,236	99,314	89,470	86,522	100,413	-18.2%	16.1%
Industrial	7,745	7,658	7,463	6,933	7,053	5,998	5,951	-23.2%	-0.8%
Retail	27,324	27,849	29,586	25,701	23,829	20,572	23,066	-15.6%	12.1%
Corporate Tenancies	311	377	385	402	334	257	205	-34.2%	-20.3%
Total	158,176	148,279	142,670	132,349	120,685	113,348	129,634	-18.0%	14.4%
Scope 1 & 2 Greenhouse gas emissions intensity (kgCO₂-e/sqm)									
Office	130.9	117.6	112.8	109.9	93.5	88.9	84.4	-35.6%	-5.1%
Industrial	8.1	8.0	7.6	6.4	6.2	5.4	5.2	-35.3%	-3.8%
Retail	94.0	94.8	102.1	98.2	97.7	100.4	102.2	8.7%	1.8%
Corporate Tenancies	83.8	101.5	103.6	108.2	89.9	74.7	99.2	18.4%	32.9%
Total	72.1	67.0	64.8	58.9	51.5	49.6	50.7	-29.7%	2.2%

1. FY08 represents the Group's base year for performance comparison.

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DEXUS PROPERTY GROUP LIKE-FOR-LIKE² SCOPE 1 & 2 EMISSIONS - BY PROPERTY TYPE

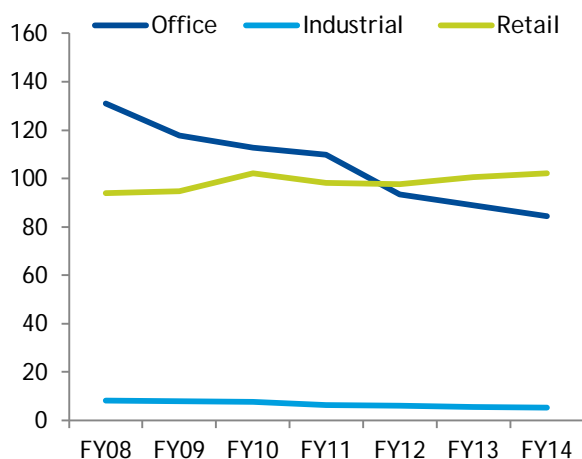
Property Type	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Scope 1 & 2 Greenhouse gas emissions (tCO₂-e)									
Office	102,916	91,580	88,350	85,301	81,230	76,422	73,069	-29.0%	-4.4%
Industrial	5,016	4,906	4,856	4,286	4,769	5,902	5,689	13.4%	-3.6%
Retail	22,113	22,871	24,745	23,231	22,290	20,572	19,524	-11.7%	-5.1%
Corporate tenancies	0	0	0	0	0	0	0	0.0%	0.0%
Total	130,045	119,357	117,951	112,818	108,290	102,896	98,282	-24.4%	-4.5%
Scope 1 & 2 Greenhouse gas emissions intensity (kgCO₂-e/sqm)									
Office	141.3	125.6	121.2	117.1	97.5	90.0	86.0	-39.1%	-4.4%
Industrial	6.2	6.1	5.9	4.7	4.8	5.7	5.5	-12.2%	-4.2%
Retail	118.4	120.5	122.8	113.4	108.8	100.4	95.3	-19.5%	-5.1%
Corporate tenancies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%
Total	75.6	69.3	67.4	61.3	53.6	49.3	47.0	-37.9%	-4.8%

1. FY08 represents the Group's base year for performance comparison.

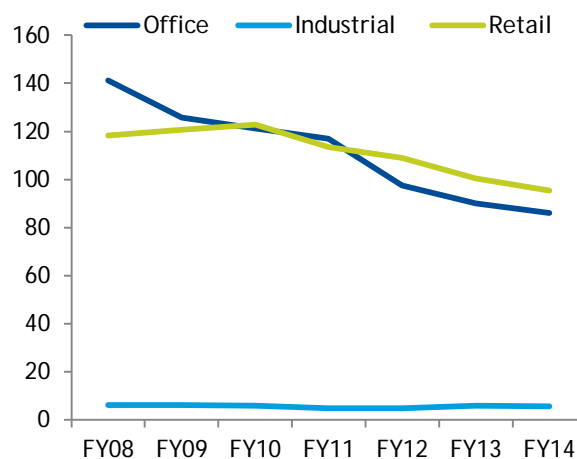
2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the intensity performance for the Group and the Group like-for-like portfolios across each sector from the base year of FY08.

DEXUS Property Group scope 1 & 2 greenhouse gas emissions intensity (kg CO₂-e/sqm)



Like-for-like scope 1 & 2 greenhouse gas emissions intensity (kg CO₂-e/sqm)



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DEXUS PROPERTY GROUP SCOPE 1 & 2 EMISSIONS - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Scope 1 & 2 Greenhouse gas emissions (tCO₂-e)									
Listed	83,037	74,044	71,711	69,864	64,643	62,161	66,967	-19.4%	7.7%
Unlisted	43,205	43,568	41,750	36,832	36,077	35,352	40,140	-7.1%	13.5%
DWPF	21,526	20,987	19,639	16,469	19,106	21,833	23,954	11.3%	9.7%
Scope 1 & 2 Greenhouse gas emissions intensity (kgCO₂-e/sqm)									
Listed	68.1	60.7	58.4	55.5	48.8	46.7	47.1	-30.9%	0.8%
Unlisted	70.2	70.5	68.0	55.4	47.6	44.4	44.4	-36.8%	0.0%
DWPF	85.4	83.3	80.0	55.6	47.3	48.3	46.9	-45.1%	-2.8%

1. FY08 represents the Group's base year for performance comparison.

DEXUS PROPERTY GROUP LIKE-FOR-LIKE² SCOPE 1 & 2 EMISSIONS - BY FUND

Fund	FY08 ¹	FY09	FY10	FY11	FY12	FY13	FY14	Base year ¹ to FY14	12 mth change
Scope 1 & 2 Greenhouse gas emissions (tCO₂-e)									
DEXUS	77,112	68,429	67,366	65,313	61,696	56,989	54,523	-29.3%	-4.3%
Third Party Funds	34,273	34,821	35,387	33,001	33,983	33,628	31,913	-6.9%	-5.1%
DWPF	17,448	17,229	17,807	16,469	19,106	20,508	19,571	12.2%	-4.6%
Scope 1 & 2 Greenhouse gas emissions intensity (kgCO₂-e/sqm)									
DEXUS	71.1	63.1	61.2	58.3	52.4	47.8	45.6	-35.9%	-4.6%
Third Party Funds	65.0	65.7	65.3	54.0	47.0	43.6	41.2	-36.6%	-5.5%
DWPF	80.4	79.4	78.6	55.6	47.3	46.8	44.6	-44.5%	-4.6%

1. FY08 represents the Group's base year for performance comparison.

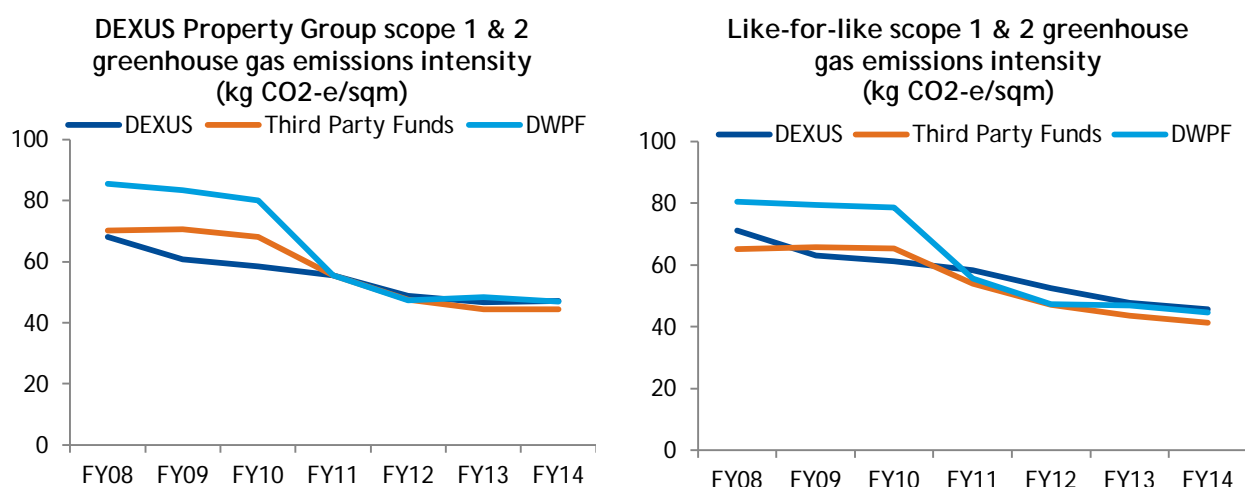
2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

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The following highlights the intensity performance for the Group and the Group like-for-like portfolios by fund from the base year of FY08.



SCOPE 3 GREENHOUSE GAS EMISSIONS

Scope 3 emissions are reported for the first time as DEXUS Property Group seeks to quantify its supply chain impacts. Waste management is identified as a material issue and the Group has progressively expanded its waste reporting to 90% of managed office and retail properties in FY14.

Scope 3 emissions sources comprise transmission and distribution losses associated with energy purchases and emissions from tenant and base building waste collected across the Office and Retail properties that is sent to landfill.

Emissions are calculated by applying default emissions factors to waste and energy consumption data.

DEXUS reports scope 3 emissions from its corporate operations to the Federal Government as part of its ongoing commitment to achieve carbon neutrality certification under the National Carbon Offset Standard.

Refer to the DEXUS CR&S website for further details <http://www.dexus.com/carbonneutral>

DEXUS PROPERTY GROUP SCOPE 3 EMISSIONS BY SOURCE

Source	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Energy transmission and distribution	26,213	23,855	24,216	22,101	20,882	19,741	22,877
Waste to landfill	0	0	831	2,839	5,311	4,791	6,806
Total scope 3 GHG emissions (tCO₂-e)	26,213	23,855	25,046	24,940	26,193	24,532	29,683

DEXUS PROPERTY GROUP LIKE-FOR-LIKE¹ SCOPE 3 EMISSIONS - BY SOURCE

Source	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Energy transmission and distribution	21,732	19,381	19,985	18,899	18,600	17,614	17,036
Waste to landfill	0	0	831	2,751	5,079	4,654	5,530
Total scope 3 GHG emissions (tCO₂-e)	21,732	19,381	20,816	21,650	23,679	22,268	22,565

1. Like-for-like portfolio comprises all properties under the Group control between 1 July 2012 and 30 June 2014.

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WASTE AND RECYCLING

Commentary and methodology

Over the last 12 months, DEXUS Property Group has expanded waste reporting to the retail portfolio and diverted 49% of waste from landfill across the office and retail portfolios, a 12.7% improvement in the first year of a three year program against the 2012 base year.

Data capture now covers 90% of the Group's lettable area for office and retail properties.

Across the Group, site teams collaborate with waste contractors establish segregated waste collection and to educate tenants on recycling practices in order to maximise the amount of waste that can be diverted from landfill.

Office

Waste data is collected via two primary waste contractors that report waste collection across several waste streams on a monthly basis. Waste is directly weighed at some properties, and these measurements are used to determine average waste density factors which are used to convert volume-based figures collected at remaining sites.

The proportion of waste diverted from landfill continues to improve. In FY14 the Group diverted 63% of waste from landfill, an 8% improvement on the prior year. DEXUS Property Group has committed to a target of achieving a 65% diversion from landfill by 2016 across the office portfolio. Refer to FY15 commitments in DEXUS's 2014 Annual Review.

Industrial

Industrial tenants are diverse in their business, processes and therefore have varied waste management streams. DEXUS provides advice to tenants, where relevant, to assist them in managing their waste and recycling processes.

Retail

Within the DEXUS managed retail portfolio, waste management targets are set for each centre. Waste is collected and directly weighed and data is collated by site teams which work with local waste contractors.

Overall the proportion of waste diverted from landfill was 28%, a 3% reduction on FY13. The retail diversion rate contrasts with the 63% diversion rate achieved across the office portfolio due to differences in the types and volumes of waste across each waste stream. This is attributed to reduced amounts of recyclable paper achieved in the office portfolio and 30% of retail waste comprising organics such as food, with few economically viable recycling options available.



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DEXUS PROPERTY GROUP - BY PROPERTY TYPE

Waste and recycling (tonnes) and diversion from landfill	FY11	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
Office	2,620	5,613	5,588	7,603	35.5%	36.1%
Waste to landfill	1,350	2,733	2,343	2,838	3.8%	21.1%
Recycling	1,270	2,880	3,244	4,766	65.5%	46.9%
Diversion from landfill (%)	48%	51%	58%	63%	22.2%	8.0%
Coverage (% of total sqm)	70%	75%	76%	90%		
Retail	1,606	2,996	2,898	4,646	55.1%	60.3%
Waste to landfill	1,231	2,095	2,012	3,350	59.9%	66.5%
Recycling	375	901	886	1,297	44.0%	46.3%
Diversion from landfill (%)	23%	30%	31%	28%	-7.2%	-8.7%
Coverage (% of total sqm)	38%	75%	89%	94%		
Total (Office and Retail)	4,226	8,609	8,486	12,250	42.3%	44.4%
Waste to landfill	2,581	4,828	4,355	6,187	28.1%	42.1%
Recycling	1,645	3,781	4,131	6,063	60.3%	46.8%
Diversion from landfill (%)	39%	44%	49%	49%	12.7%	1.7%
Coverage (% of total Office and Retail sqm)	63%	75%	79%	90%		

1. FY12 represents the Group's base year for performance comparison.



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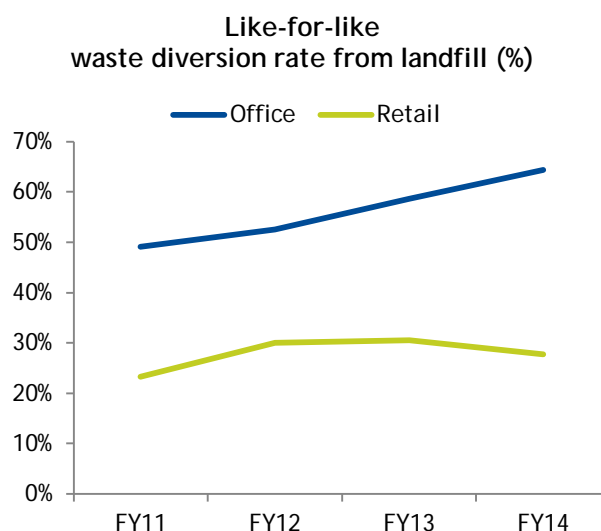
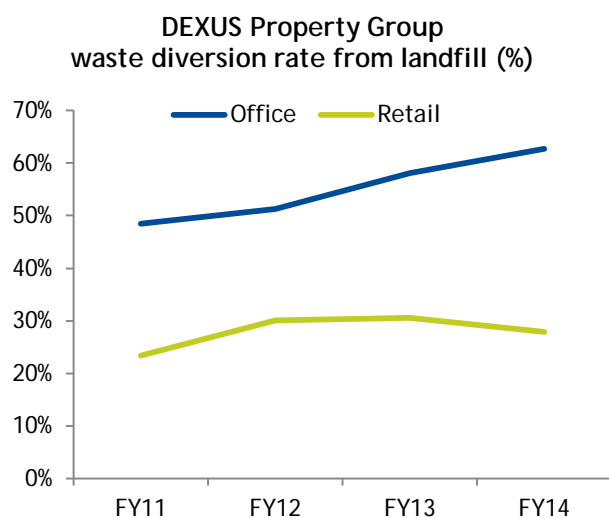
DEXUS PROPERTY GROUP LIKE-FOR-LIKE² BY PROPERTY TYPE

Waste and recycling (tonnes) and diversion from landfill (%)	FY11	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
Office	2,493	5,321	5,373	6,002	12.8%	11.7%
Waste to landfill	1,269	2,522	2,219	2,141	-15.1%	-3.5%
Recycling	1,224	2,798	3,154	3,861	38.0%	22.4%
Diversion from landfill (%)	49%	53%	59%	64%	22.3%	9.6%
Coverage (% of total sqm)	78%	78%	77%	96%		
Retail	1,606	2,996	2,898	3,994	33.3%	37.8%
Waste to landfill	1,231	2,095	2,012	2,886	37.7%	43.5%
Recycling	375	901	886	1,108	23.0%	25.0%
Diversion from landfill (%)	23%	30%	31%	28%	-7.7%	-9.3%
Coverage (% of total sqm)	48%	89%	89%	94%		
Total (Office and Retail)	4,100	8,317	8,271	9,995	20.2%	20.8%
Waste to landfill	2,501	4,618	4,231	5,027	8.9%	18.8%
Recycling	1,599	3,699	4,040	4,968	34.3%	23.0%
Diversion from landfill (%)	39%	44%	49%	50%	11.8%	1.8%
Coverage (% of total Office and Retail sqm)	71%	80%	79%	95%		

1. FY12 represents the Group's base year for performance comparison.

2. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the waste diversion from landfill performance for the Group and the Group's like-for-like portfolios across Office and Retail sectors from the base year of FYFY12.



The waste diversion trends follows similar patterns across the two charts as the data collection has been most successful across the established portfolio.

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DEXUS PROPERTY GROUP - BY FUND

Waste and recycling (tonnes) and diversion from landfill (%)	FY11 ²	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
DEXUS	1,485	3,209	3,299	5,687	77.2%	72.4%
Waste to landfill	730	1,513	1,320	2,681	77.2%	103.1%
Recycling	755	1,696	1,979	3,007	77.2%	51.9%
Diversion from landfill (%)	51%	53%	60%	53%	0.0%	-11.9%
Coverage (% of total sqm)	72%	74%	73%	89%		
Unlisted	2,260	4,376	4,148	4,854	10.9%	17.0%
Waste to landfill	1,617	2,872	2,646	2,843	-1.0%	7.4%
Recycling	644	1,504	1,502	2,011	33.7%	33.9%
Diversion from landfill (%)	28%	34%	36%	41%	20.6%	14.4%
Coverage (% of total sqm)	67%	88%	84%	91%		
DWPF	1,040	1,641	1,629	1,905	16.1%	17.0%
Waste to landfill	718	1,068	1,006	1,076	0.7%	7.0%
Recycling	321	573	623	829	44.8%	33.1%
Diversion from landfill (%)	31%	35%	38%	44%	24.7%	13.8%
Coverage (% of total Office and Retail sqm)	87%	81%	69%	85%		

1. FY12 represents the Group's base year for performance comparison.
2. FY11 includes partial-year data and included for purposes of trending diversion.



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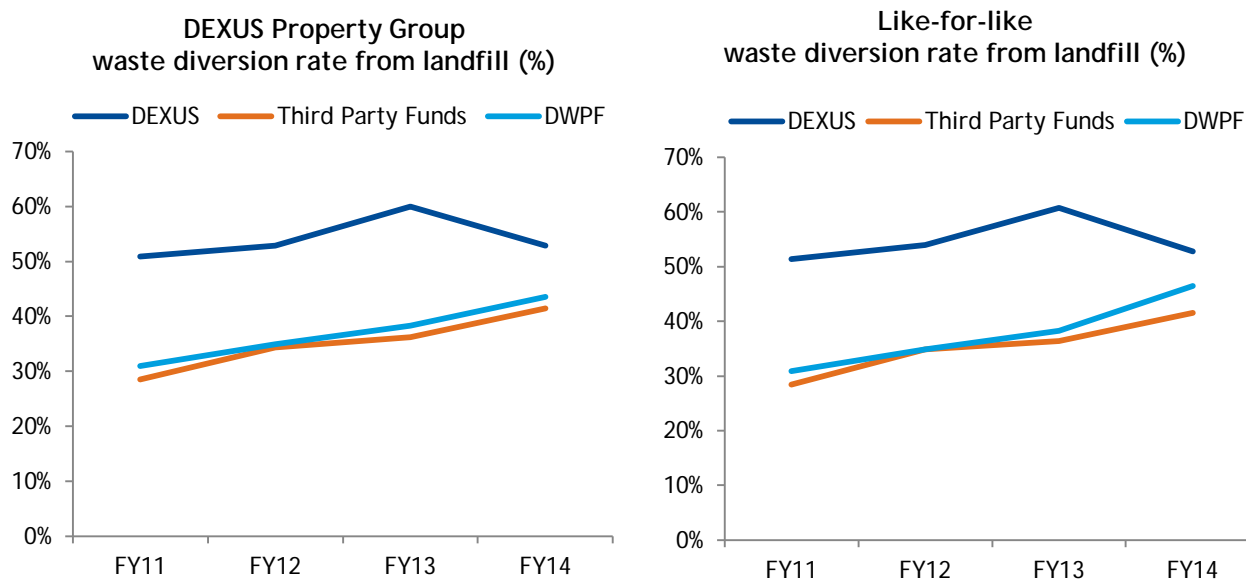
Environment

LIKE-FOR-LIKE³ PORTFOLIO - BY FUND

Waste and recycling (tonnes) and diversion from landfill (%)	FY11 ²	FY12 ¹	FY13	FY14	Base year ¹ to FY14	12 mth change
DEXUS	1,448	3,095	3,192	4,772	54.2%	49.5%
Waste to landfill	705	1,425	1,254	2,250	57.9%	79.4%
Recycling	743	1,670	1,938	2,522	51.0%	30.1%
Diversion from landfill (%)	51%	54%	61%	53%	-2.1%	-13.0%
Coverage (% of total sqm)	69%	72%	72%	94%		
Unlisted	2,202	4,262	4,103	4,147	-2.7%	1.1%
Waste to landfill	1,576	2,775	2,609	2,426	-12.6%	-7.0%
Recycling	626	1,487	1,494	1,721	15.8%	15.2%
Diversion from landfill (%)	28%	35%	36%	42%	19.0%	14.0%
Coverage (% of total sqm)	71%	91%	87%	97%		
DWPF	1,040	1,641	1,629	1,631	-0.6%	0.1%
Waste to landfill	718	1,068	1,006	873	-18.2%	-13.1%
Recycling	321	573	623	757	32.2%	21.5%
Diversion from landfill (%)	31%	35%	38%	46%	33.0%	21.4%
Coverage (% of total Office and Retail sqm)	87%	81%	74%	94%		

1. FY12 represents the Group's base year for performance comparison.
2. FY11 includes partial-year data and included for purposes of trending diversion.
3. Like-for-like portfolio comprises all properties under the Group's control between 1 July 2012 and 30 June 2014.

The following highlights the waste diversion from landfill performance for the Group and the Group's like-for-like portfolios by fund from the base year of FY12.



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RESOURCE CONSUMPTION - METHODOLOGY

The resource consumption data is derived from office, industrial and retail properties under the operational control of DEXUS Property Group for part or all of the 12 months ending 30 June 2014 with the inclusion of DEXUS Head Office.

DEXUS Property Group has applied the principles contained within the National Greenhouse and Energy Reporting Act 2007 and its associated guidelines to determine the operational control of its properties across Australia and New Zealand.

The Group has also included water usage from 11 current and four previously managed Australian industrial properties where water is purchased by DEXUS and consumed by tenants and DEXUS for property maintenance e.g. landscaping.

The following joint venture partner controlled properties are omitted as the Group does not maintain operational control:

- Westfield Miranda, Miranda, NSW
- Westfield Plenty Valley, South Morang, VIC
- Westfield North Lakes, Mango Hill, QLD
- Westfield West Lakes Shopping Centre, West Lakes, SA
- Westfield Hurstville, Hurstville, NSW
- Westfield Mount Druitt, Mt Druitt NSW
- Knox City Shopping Centre, Wantirna South, VIC
- 5 Martin Place, Sydney NSW
- 10 Shelley Street, Sydney, NSW
- 480 Queen Street, Brisbane, QLD
- 324 Queen Street, Brisbane, QLD
- Kings Square, Wellington Street, Perth, WA

Refer to the DEXUS 2014 Assurance Criteria for further details including the list of consumption and emission sources, and references for factors that have been applied. The 2014 Assurance Criteria can be found at the DEXUS CR&S website at www.dexus.com/assurance

Like-for-like data has been based on a portfolio whereby operational control and data for energy and water was available for the full 24 month period in FY13 and FY14.

Reporting against DEXUS's 10% energy reduction target is based on a like-for-like data portfolio whereby operational control and data for energy and water was available for the full 36 month period across FY12, FY13 and FY14.

DEXUS has reviewed its environmental dataset to fully align with NGER by adding minor source items and confirming calculation methods and factors. Non-material historical figures have been applied to all years since the 2008 base year and have been restated for consistency. Repetition only occurs when there is an overlap of reporting periods. There may be small discrepancies in the totals in some tables due to rounding.

VOLUNTARY GREENHOUSE GAS ABATEMENT

Commentary

DEXUS Property Group continues its focus on reducing its carbon footprint with investments in renewable and low-carbon technologies and through the purchase of accredited, emission-free GreenPower.

In FY14, the Group generated 69MWh of electricity from solar photovoltaic (PV) and 2,865MWh from gas-powered cogeneration plants. The Group also sourced 12,125MWh of its purchased electricity from GreenPower.

From these activities the Group estimates that it has abated 12,365 tonnes of greenhouse gas emissions, which represents 7.2% of its total Scope 1, 2 and 3 emissions.



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ELECTRICITY FROM RENEWABLE AND LOW CARBON SOURCES (MWh)

Energy consumption (MWh)	FY10	FY11	FY12	FY13	FY14
Volume of GreenPower procured/committed	13,000	13,000	13,000	13,000	12,125
Electricity generated from solar energy	0	0	13	62	69
Electricity generated from cogeneration	0	0	1,169	2,883	2,865
Total electricity from renewable and low carbon sources (MWh)	13,000	13,000	14,182	15,945	15,059
Greenhouse gas abatement from renewable and low carbon sources (t.CO ₂ -e)	FY10	FY11	FY12	FY13	FY14
GreenPower purchases (Scope 2 only)	0	0	12,109	12,098	11,281
Electricity from solar energy (Scope 2 & 3)	0	0	14	67	73
Electricity from cogeneration:					
Avoided grid-purchased electricity emissions (Scope 2 & 3)	0	0	1,232	2,943	2,800
Natural gas emissions for generation (Scope 2 & 3)	0	0	-750	-1,816	-1,790
Net abatement (Scope 2 & 3)	0	0	482	1,127	1,010
Total greenhouse gas abatement from use of electricity from renewable and low carbon sources (t.CO₂-e)	0	0	12,606	13,291	12,365
% of Group emissions that have been abated	0.0%	0.0%	7.9%	8.8%	7.2%

PROGRESS AGAINST ENERGY REDUCTION COMMITMENT

Commentary

DEXUS Property Group committed to deliver a 10% energy saving over the next three years across its property portfolio. Refer to the Group's FY15 commitments in the 2014 Annual Review.

The table below reports on progress towards the three year target, which is reported in absolute terms on a like-for-like basis against the FY12 baseline.

After two years, the Group is on track to achieve its target having reduced energy consumption by 8.4% against the baseline and reduced by 3.7% within the past 12 months.

Energy consumption (GJ)	FY12	FY13	FY14	Change from FY12	12 month change
Office	320,754	300,239	288,554	-10.0%	-3.9%
Industrial	16,393	19,539	18,950	15.6%	-3.0%
Retail	107,313	103,100	99,618	-7.2%	-3.4%
Total	444,461	422,879	407,122	-8.4%	-3.7%

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GREEN BUILDING FUND GRANTS

Number of projects granted Green Building Funds	Total	Outstanding	Completed
Office	9	0	9
Retail	3	0	3
Value of funding granted			
Office	\$4,500,000		
Retail	\$1,370,000		

STRATEGIC IMPROVEMENT PLANS

Cumulative number of SIPs developed	FY10	FY11	FY12	FY13	FY14
Office	19	30	27	32	33
Retail	n/a	5	5	5	5
Cumulative number of SIPs implemented					
Office	0	6	17	20	21
Retail	n/a	n/a	n/a	n/a	3

Commentary

In FY14, DEXUS completed its first five-year assessment cycle under the Federal Government's Energy Efficiency Opportunities (EEO) Program. EEO has been a highly beneficial and timely program which DEXUS has embraced and actively implemented within its NABERS Improvement Program.

As the table above shows, DEXUS progressively conducted energy and water assessments across assets that covered 80% of total energy use, as required under the EEO program. Through Strategic Improvement Plans (SIPs), significant resource efficiency projects were identified, evaluated and implemented resulting in the substantial improvements in resource efficiency reported since 2008.

The retail resource efficiency program commenced during 2011 with five SIPs in place. This process has not been implemented for the industrial portfolio as SIPs are driven by NABERS benchmarking and there is currently no NABERS industrial rating tool.

In FY14, DEXUS focused on implementing four additional SIPs while consolidating the operational performance of previously implemented projects. During this time DEXUS received its final grant funding amounts from the Federal Government's Green Building Fund.



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BENCHMARKS

NABERS ENERGY AVERAGE - OFFICE

Commentary

On an absolute (or whole portfolio) basis, the average DEXUS office NABERS Energy rating as at 30 June 2014 was 4.6 stars with GreenPower and 4.4 stars without GreenPower. This represents an incremental improvement of 0.1 stars against FY13.

The average DEXUS office NABERS Energy rating at 30 June 2014 was 4.8 stars on a like-for-like basis, exceeding the 4.5 star target set at the commencement of the NABERS Improvement Program. The like-for-like rating improved as a result of the completion of the portfolio energy efficiency program and an ongoing focus on efficient building operations.

With the completion of DEXUS's NABERS Improvement Program and the inclusion of acquisitions during FY14 including assets from the CPA transaction, DEXUS will report its NABERS average portfolio ratings on an absolute basis from FY15. This is reflected in DEXUS's FY15 commitments to maintain a 4.5 star NABERS Energy rating across the entire DEXUS office portfolio.

Highlights for the year include:

- **50 Carrington Street, Sydney** was purchased as a trading asset in November 2012 with a NABERS Energy rating of 3.0 Stars. DEXUS mobilised quickly to install new chillers, cooling towers, recommissioning and lighting upgrades in order to realise the energy savings. 18 months after the purchase of the property, 50 Carrington Street was awarded a 4.5 Star NABERS Energy rating
- **1 Bligh Street, Sydney** received its inaugural rating of 5.0 stars NABERS Energy (without GreenPower) which is in line with its design target and testament to its innovative design and prior Green Star-As Built Rating
- **452 Flinders Street, Melbourne** and **123 Albert Street, Brisbane** each improved 0.5 stars (ex GreenPower) to be 4.0 and 5.5 stars respectively
- **39 Martin Place, Sydney** achieved a 2.5 star NABERS Energy outcome in its first rating since DEXUS acquired the property in early 2013. The asset has improved 1.5 stars from acquisition, assisted by a building-wide lighting retrofit program
- **30 The Bond, Sydney** achieved a 5.5 star NABERS Energy rating and a 4.0 star NABERS Water rating in FY14, delivering a 10 year track record of leadership in sustainability

DEXUS's office portfolio now boasts 27 properties that have achieved a NABERS Energy rating of 5.0 stars or more.

DWPF's weighted average NABERS Energy rating is 4.2 stars; an improvement of 0.3 stars from FY13. The uplift is due to a 0.5 star improvement at 452 Flinders Street in Melbourne, which achieved a 4.5 NABERS Energy rating, demonstrating the successful implementation of its two year sustainability masterplan. The plan included a range of initiatives including lift upgrades, lighting upgrades and building control system optimisation measures.

The improved portfolio rating is also the result of the acquisition of 60 Albert Street in Brisbane and the completion of an inaugural rating at 1 Bligh Street, Sydney, both of which attained 5.0 star ratings.



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	Like-for-like basis					Absolute basis	
	June 2010	June 2011	June 2012	June 2013	June 2014	June 2013	June 2014
NABERS Energy average (by area) (inc GreenPower)							
DEXUS	3.2	3.6	3.9	4.7	4.8	4.5	4.6
DWPF	2.6	3.3	3.9	3.8	4.1	3.9	4.2
Third Party Funds Management	3.3	3.9	4.0	4.1	4.5	4.1	4.5
Total	3.3	3.7	3.9	4.5	4.7	4.4	4.6
NABERS Energy average (by area) (ex GreenPower)							
DEXUS	2.8	3.0	3.5	4.2	4.3	4.3	4.4
DWPF	2.0	2.9	3.6	3.4	3.7	3.5	4.0
Third Party Funds Management	2.8	3.3	3.7	3.7	4.1	3.8	4.2
Total	2.8	3.1	3.5	4.0	4.3	4.1	4.3

NABERS WATER AVERAGE - OFFICE

Commentary

On an absolute or whole portfolio basis, the average DEXUS office NABERS Water rating as at 30 June 2014 was 3.5 stars. This represents an incremental improvement of 0.3 stars against FY13.

The average DEXUS office NABERS Water rating at 30 June 2014 was 3.5 stars on a like-for-like basis, and has remained steady over the past 12 months.

With the completion of DEXUS's NABERS Improvement Program and the inclusion of acquisitions during FY14, including assets from the CPA transaction, DEXUS will report its NABERS average portfolio rating on an absolute basis from FY15. This is reflected in DEXUS's FY15 commitments to maintain a 3.5 star NABERS Water rating across the entire DEXUS office portfolio.

	Like-for-like basis					Absolute basis	
	June 2010	June 2011	June 2012	June 2013	June 2014	June 2013	June 2014
NABERS Water average (by area)							
DEXUS	2.6	3.1	3.3	3.5	3.5	3.2	3.5
DWPF	2.0	1.9	3.0	3.0	2.6	2.9	3.0
Third Party Funds Management	2.5	2.7	3.0	3.2	3.1	3.2	3.3
Total	2.4	3.0	3.2	3.4	3.4	3.2	3.5

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NABERS ENERGY AVERAGE - RETAIL

Commentary

The retail portfolio continues its ongoing commitment to energy and water reduction targets through the NABERS rating tool and is seeking further reductions in energy and water usage via optimised operations following recent upgrade works.

Highlights for the year include:

- The completion of Green Building Fund Grant projects at **Capalaba Central Shopping Centre**, **Tweed City Shopping Centre** and **Plumpton Marketplace**
- Initiatives undertaken at **Willows Shopping Centre**, including optimisation of the Building Management and Controls System, plant reconfiguration and lighting installations, have resulted in an increase in the NABERS Energy rating from 2.5 stars to 4.0 stars

The reduction of 0.2 stars across all Third Party Funds Management retail assets is due to the acquisition of Beenleigh Shopping Centre in December 2013, which holds a 2.5 star NABERS Energy rating, and the 0.5 star decrease in the NABERS Energy rating to 3.5 stars at Smithfield Shopping Centre.

	June 2010	June 2011	June 2012	June 2013	June 2014
NABERS Energy average (by area)					
Third Party Funds Management	n/a	3.1	3.9	3.9	3.7
DWPF	n/a	2.0	2.5	2.5	3.5

NABERS WATER AVERAGE - RETAIL

The DWPF portfolio's NABERS Water rating improved by 0.2 stars to 4.2 stars against FY13 due to the acquisition of Beenleigh Shopping Centre, which holds a 4.5 star NABERS Water rating, and a 1 star increase in the rating at Willows Shopping Centre, which enhanced its rating from 3 stars to 4 stars.

The reduction of 0.3 stars across all Third Party Funds Management retail assets is related 0.5 star decreases in ratings at Smithfield and Tweed Shopping Centres, offset in part by a 0.5 star improvement in the NABERS Water rating Plumpton Marketplace.

	June 2010	June 2011	June 2012	June 2013	June 2014
NABERS Water average (by area)					
Third Party Funds Management	n/a	3.2	3.7	4.4	4.1
DWPF	n/a	3.5	4.0	4.0	4.2

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APPENDIX

BUILDING NABERS RATINGS - OFFICE (JUNE 2014)

DEXUS properties	NABERS Energy at 30 June 2014		NABERS Water at 30 June 2014
	With GreenPower	Without GreenPower	
Garema Court, 140-180 City Walk Canberra ACT	5.0	4.5	4.0
1 Margaret Street Sydney NSW	5.5	4.5	2.5
11 Talavera Road Macquarie Park NSW	5.0	4.5	4.5
130 George Street Parramatta NSW	5.0	5.0	4.0
30 The Bond, 30-34 Hickson Road Sydney NSW	5.5	5.5	4.0
383-395 Kent Street Sydney NSW	5.0	4.5	4.0
44 Market Street Sydney NSW	5.0	4.5	4.0
45 Clarence Street Sydney NSW	5.0	4.5	3.5
5-13 Rosebery Avenue Rosebery NSW	3.0	3.0	2.5
50 Carrington Street Sydney NSW	4.5	4.5	2.5
Victoria Cross, 60 Miller Street North Sydney NSW	5.0	5.0	4.0
123 Albert Street Brisbane QLD	5.5	5.5	-
172 Flinders Street Melbourne VIC	3.5	3.0	3.5
189 Flinders Lane Melbourne VIC	4.0	3.5	2.0
40 Market Street Melbourne VIC	0.0	0.0	0.0
6-8 Nicholson Street Melbourne VIC	3.5	3.0	3.5
Southgate, HWT Tower, 40 City Road Southbank VIC	4.5	4.0	4.0
Southgate, IBM Tower, 60 City Road Southbank VIC	4.5	4.0	2.5
Woodside Plaza, 240 St George's Terrace Perth WA	5.0	4.5	3.0



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BUILDING NABERS RATINGS - OFFICE (JUNE 2014) (CONTINUED)

Co-owned properties	NABERS Energy at 30 June 2014		NABERS Water at 30 June 2014
	With GreenPower	Without GreenPower	
Nara House, 1 Constitution Avenue City ACT	4.5	4.5	3.5
Allara House, 48-56 Allara Street City ACT	5.0	5.0	4.0
Customs House, 5-11 Constitution Avenue City ACT	4.5	4.5	3.5
1 Bligh Street Sydney NSW	5.0	5.0	-
Governor Phillip Tower, 1 Farrer Place Sydney NSW	4.5	3.5	3.5
Governor Macquarie Tower, 1 Farrer Place Sydney NSW	4.5	4.0	3.5
14 Lee Street Sydney NSW	5.0	5.0	5.0
101 George Street Parramatta NSW	5.0	5.0	4.0
150 George Street Parramatta NSW	5.0	5.0	3.5
175 Pitt Street Sydney NSW	5.0	5.5	4.5
2 & 4 Dawn Fraser Avenue Sydney Olympic Park NSW	5.0	5.0	5.5
201 Miller Street North Sydney NSW	5.0	5.0	4.0
201-207 Kent Street Sydney NSW	5.0	5.0	3.5
201-217 Elizabeth Street Sydney NSW	4.5	4.0	3.0
Grosvenor Place, 225 George Street Sydney NSW	4.0	4.0	4.0
Australia Square Tower, 264 George Street Sydney NSW	4.0	3.5	3.0
Australia Square Plaza, 264 George Street Sydney NSW	5.5	5.0	4.0
36 George Street Burwood NSW	5.0	5.0	4.0
39 Martin Place Sydney NSW	2.5	2.5	2.5
Lumley House, 309 Kent Street Sydney NSW	5.0	4.5	3.5
321 Kent Street Sydney NSW	5.0	5.0	3.5
56 Pitt Street Sydney NSW	4.5	4.5	-
60 Castlereagh Street Sydney NSW	4.5	4.5	3.0
The Zenith, 821-843 Pacific Highway Chatswood NSW	5.5	4.5	4.0
10 Eagle Street Brisbane QLD	4.5	4.5	4.0
Blue Tower, 12 Creek Street Brisbane QLD	3.0	3.0	4.0
11 Waymouth Street Adelaide SA	5.0	5.0	4.0
108 North Terrace Adelaide SA	4.5	4.0	2.0
QV Office, 180 Lonsdale Street Melbourne VIC	4.5	4.5	-
QV Office, 222 Lonsdale Street Melbourne VIC	4.0	4.0	4.5
385 Bourke Street Melbourne VIC	4.0	4.0	3.0
46 Colin Street West Perth WA	4.0	4.0	4.0
58 Mounts Bay Road Perth WA	5.0	5.0	4.0

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BUILDING NABERS RATINGS - OFFICE (JUNE 2014) (CONTINUED)

Third Party Funds Management properties	NABERS Energy at 30 June 2014		NABERS Water at 30 June 2014
	With GreenPower	Without GreenPower	
Gateway Tower, 1 Macquarie Place Sydney NSW	5.0	5.0	3.0
1 Innovation Road Macquarie Park NSW	5.5	5.0	4.0
141 Walker Street North Sydney NSW	5.5	5.0	4.0
83 Clarence Street Sydney NSW	5.0	4.5	4.0
324 Queen Street Brisbane QLD	4.0	2.0	3.5
AM60, 42-60 Albert Street Brisbane QLD	5.0	5.0	-
360-374 Collins Street Melbourne VIC	3.0	2.5	2.0
Riverside Plaza, 452 Flinders Street Melbourne VIC	4.5	4.5	3.5

BUILDING NABERS RATINGS - RETAIL (JUNE 2014)

Third Party Funds Management properties	NABERS Energy at 30 June 2014		NABERS Water at 30 June 2014
	With GreenPower	Without GreenPower	
Tweed City Shopping Centre, Tweed Heads NSW	4.0	4.0	4.0
Plumpton Marketplace, Plumpton NSW	3.5	3.5	3.0
Beenleigh Marketplace, Beenleigh QLD	2.5	2.5	4.5
Capalaba Central Shopping Centre, Capalaba QLD	4.0	4.0	4.5
Smithfield Centre, Cairns QLD	3.5	3.5	4.5
Willows Shopping Centre, Townsville QLD	4.0	4.0	4.0

