

DEXUS Property Group - ASX release

26 September 2011

DEXUS Property Group (ASX: DXS) Notice of Annual General Meeting

DEXUS Property Group provides a copy of the Notice of Meeting and proxy form for the DXS Annual General Meeting on 31 October 2011 at The Westin Hotel commencing at 2.00pm.

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About DEXUS

DEXUS is one of Australia's leading property groups specialising in world-class office, industrial and retail properties with total assets under management of \$13.7bn. In Australia, DEXUS is the market leader in office and industrial and, on behalf of third party clients, a leading manager and developer of shopping centres. DEXUS is committed to being a market leader in Corporate Responsibility and Sustainability. www.dexus.com

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

2011

DEXUS Property Group

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given by DEXUS Funds Management Limited, as Responsible Entity of each of the four Trusts that comprise DEXUS Property Group, that the 2011 Annual General Meeting of security holders will be held at:

Place: The Westin Hotel, The Heritage Room
1 Martin Place, Sydney NSW 2000

Date: Monday, 31 October 2011

Time: Registration – 1.30pm
Commencement – 2.00pm

In accordance with section 252S(1) of the *Corporations Act 2001 (Cth)*, DEXUS Funds Management Limited appoints Mr Christopher T Beare to act as Chair.

Business of the meeting

a. To present the Financial Statements:

To present the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2011.

b. Resolutions:

1. Appointment of an Independent Director

To consider and if thought fit pass the following Resolutions as ordinary resolutions:

- 1.1 Approval of an Independent Director – Elizabeth Alexander AM
"That the continuing appointment of Elizabeth Alexander as a Director of DEXUS Funds Management Limited be ratified."
- 1.2 Approval of an Independent Director – Barry Brownjohn
"That the continuing appointment of Barry Brownjohn as a Director of DEXUS Funds Management Limited be ratified."
- 1.3 Approval of an Independent Director – Tonia Dwyer
"That the initial appointment of Tonia Dwyer as a Director of DEXUS Funds Management Limited be ratified."

2. Adoption of the Remuneration Report

To consider and if thought fit pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2011 be adopted."

3. Approval of miscellaneous amendments to the Constitutions

To consider and if thought fit pass the following resolution as a special resolution:

"That:

- (a) the Constitutions of each of DEXUS Diversified Trust, DEXUS Office Trust, DEXUS Industrial Trust and DEXUS Operations Trust (together, "Trusts") be amended in accordance with the provisions of the supplemental deed polls in respect of the miscellaneous amendments described in the Annexure to the Explanatory Memorandum (attached to the Notice of Meeting) tabled at the meeting and initialled by the Chair for the purposes of identification; and
- (b) DEXUS Funds Management Limited, as Responsible Entity of each of the Trusts, be authorised to execute the supplemental deed polls in respect of the miscellaneous amendments described in the Annexure to the Explanatory Memorandum (attached to the Notice of Meeting), in the same form as the

supplemental deed polls referred to in (a), and to lodge them with ASIC to give effect to the amendments to the Trusts' Constitutions."

4. Capital Reallocation Proposal

4.1 Approval of Capital Reallocation Proposal

To consider and if thought fit pass the following resolution as an ordinary resolution:

"That subject to, and conditional on Resolution 4.2 being passed, the Capital Reallocation Proposal described in Section 4 of the Explanatory Memorandum (attached to the Notice of Meeting) be approved for all purposes."

4.2 Amendments to the Constitutions for the Capital Reallocation Proposal

To consider and if thought fit pass the following resolution as a special resolution:

"That subject to, and conditional on Resolution 4.1 being passed:

- (a) the Constitutions of each of DEXUS Diversified Trust, DEXUS Office Trust, DEXUS Industrial Trust and DEXUS Operations Trust (together, "Trusts") be amended by inserting the new clause 9.9 set out in Section 4.2.5 of the Explanatory Memorandum (attached to the Notice of Meeting); and
- (b) DEXUS Funds Management Limited, as Responsible Entity of each of the Trusts, be authorised to execute supplemental deed polls incorporating the amendment set out in (a) and to lodge them with ASIC to give effect to the amendments to the Trusts' Constitutions."

Information on each of the Resolutions is set out in the accompanying Explanatory Memorandum. You should also read the Procedural Notes which form part of this Notice of Meeting.

By Order of the Board



John Easy
Company Secretary
DEXUS Funds Management Limited
26 September 2011

PROCEDURAL NOTES

DEXUS Property Group is the collective name of the four Trusts, and one unit in each of the Trusts together comprise one Security. As each Trust is a separate entity each is required to conduct a separate meeting.

Christopher Beare, as Chair of the meetings, has determined that because the Resolutions to be proposed at each of the four meetings and the persons eligible to vote on the Resolutions are the same, each of the four meetings will be conducted concurrently so that, from an administrative and attendee point of view, the conduct of the meetings will be as if they were one single meeting.

Quorum

The quorum necessary for this Annual General Meeting is 20 security holders present in person or by proxy. If a quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned as the Chair directs.

Voting in person

If you wish to vote in person, you should attend the Annual General Meeting on Monday, 31 October 2011. Registration commences at 1.30pm with the meeting to start at 2.00pm in The Heritage Room, The Westin Hotel, 1 Martin Place, Sydney NSW 2000.

A corporation that is a security holder may appoint a person to act as its representative and so vote at the meeting. The appointment must comply with section 253B of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment including any authority under which it is signed and a "Certificate of Appointment of Corporate Representative". A form of the certificate may be obtained from the Group's Security Registry.

If your Securities are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the meeting, only the vote of the person named first in the register counts.

Voting by proxy

If you are unable to attend the meeting in person you may appoint a proxy to attend the meeting in your place. The proxy does not need to be a security holder. If you are entitled to cast two or more votes then you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of your votes. To appoint a proxy please complete the accompanying Proxy Form and return it to the Security Registry, Link Market Services Limited, so that the Proxy Form is received by them by 2.00pm Saturday, 29 October 2011 in accordance with the instructions set out on the Proxy Form.

Instructions for completing your Proxy Form are outlined on the form and you may return your Proxy Form by:

- Lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website
- Posting it in the reply paid envelope provided
- Posting it to DEXUS Property Group's Security Registry Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
- Hand delivering it to Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000
- Faxing it to (02) 9287 0309 or +61 2 9287 0309 (from outside Australia)

You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your Proxy Form online.

In the case of joint holders the Proxy Form may be signed by any one holder. You must lodge your valid Proxy Form at least 48 hours prior to the time notified for the meeting.

Voting cut-off date

Subject to the following, all security holders appearing on the register of Securities of DEXUS Property Group as at 2.00pm (EST) on Saturday, 29 October 2011 will be entitled to attend and vote at the meeting.

Majority required

Resolutions 1.1, 1.2, 1.3, 2 and 4.1 are ordinary resolutions. Each will be passed if at least 50% of the votes cast by security holders entitled to vote on the Resolution are cast in favour of the Resolution.

Resolutions 3 and 4.2 are special resolutions. Each will be passed if at least 75% of the votes cast by security holders entitled to vote on the Resolution are cast in favour of the Resolution.

Poll

The special resolutions in 3 and 4.2 and Resolutions 2 and 4.1 will be decided on a poll. A poll may be demanded for any of Resolutions 1.1, 1.2 and 1.3 in accordance with the Corporations Act.

On a poll, each security holder has one vote for each whole \$1.00 of Security value (Security value is measured by reference to the last sale price for Securities on ASX on the last day of trading immediately prior to the meeting being 28 October 2011).

Voting Exclusion Statement

In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates are not entitled to vote their interest on any Resolution if they have an interest in the Resolution other than as a member.

Certain persons are not entitled to vote on Resolution 2. Refer to Section 2 of the Explanatory Memorandum for further information.

How the Chair will vote undirected proxies

The Chair is excluded from voting undirected proxies on Resolution 2. In accordance with the instructions in your Proxy Form, if the Chair is your proxy and you do not direct the Chair how to vote, you will be taken to have directed the Chair to vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of all other Resolutions. DEXUS Property Group asks all security holders who submit proxies to direct their proxy how to vote on each Resolution.

Enquiries

If you have any questions about the Resolutions, attending the Annual General Meeting, how to vote on the Resolutions or completing Proxy Forms, please contact the DEXUS Infoline on 1800 819 675 Monday to Friday between 8.30am and 5.30pm (EST) or consult your financial or other professional adviser.

Introduction

This Explanatory Memorandum is intended to provide security holders with information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

Defined terms have the meaning attributed to them in the glossary. All monetary amounts (unless otherwise stated) are expressed in Australian dollars.

1 Appointment of Independent Directors

At 30 June 2011, the Board of DEXUS Funds Management Limited comprised eight members. On 24 August 2011 Tonianne Dwyer was appointed as a Director and Brian Scullin advised the Board he would not stand for re-election at the next AGM. All Directors are independent except for DEXUS's Chief Executive Officer. While the constitution of DEXUS Funds Management Limited allows for a Board of up to ten Directors, the Board has determined that its size and composition is appropriate after considering its role and the duties and responsibilities it discharges.

In accordance with the corporate governance framework adopted by DEXUS Property Group, the Directors have determined that each Director will obtain security holders' ratification at the Annual General Meeting immediately succeeding their initial appointment, and thereafter within three years, with at least one Director seeking ratification at each Annual General Meeting.

If an individual Director's appointment or continued appointment as a Director fails to be ratified by a majority vote of security holders at the required Annual General Meeting then that Director will thereafter cease to hold the office of Director of DEXUS Funds Management Limited. Consequently, that Director will also cease to hold the office of Director of DEXUS Holdings Pty Limited.

1.1 Approval of an Independent Director – Elizabeth Alexander AM

Elizabeth Alexander was last ratified as a Director at the 2008 Annual General Meeting and, by rotation, is seeking security holders' ratification, to continue as a Director of DEXUS Funds Management Limited.

Elizabeth Alexander is an Independent Director of DEXUS Funds Management Limited (appointed 1 January 2005), Chair of DEXUS Wholesale Property Limited and a member of the Board Audit and Board Risk and Sustainability Committees.

Elizabeth brings to the Board extensive experience in accounting, finance, corporate governance and risk management and was formerly a partner with PricewaterhouseCoopers. Elizabeth's previous appointments include National Chair of the Australian Institute of Company Directors, National President of the Australian Society of Certified Practising Accountants and Deputy Chairman of the Financial Reporting Council. Elizabeth was also on the Boards of Boral Limited and AMCOR Limited.

Elizabeth is currently a director of Medibank Private and Chair of CSL Limited from which she has indicated her intention to retire on 19 October 2011. Elizabeth is also Chancellor of the University of Melbourne.

The Board unanimously recommends that security holders ratify the continued appointment of Elizabeth Alexander as a Director of DEXUS Funds Management Limited.

1.2 Approval of an Independent Director – Barry Brownjohn

Barry Brownjohn was last ratified as a Director at the 2008 Annual General Meeting and, by rotation, is seeking security holders' ratification, to continue as a Director of DEXUS Funds Management Limited.

Barry Brownjohn is an Independent Director of DEXUS Funds Management Limited (appointed 1 January 2005) and is Chair of the Board Audit and Board Risk and Sustainability Committees and a member of the Board Finance Committee.

Barry has over 20 years experience in Australia, Asia and North America in international banking and previously held positions with the Bank of America including heading global risk management for the capital markets business, the Asia capital markets business and was the Australasian CEO between 1991 and 1996. Following his career with Bank of America, Barry has been active in advising companies in Australia and overseas on strategic expansion and capital raising strategies. He has also held numerous industry positions including Chairing the International Banks and Securities Association in Australia and the Asia Pacific Managed Futures Association.

Barry is an independent director of Citigroup Pty Limited, an Advisory Board Member of the South Australian Financing Authority and a director of Bakers Delight Holdings Pty Limited. He also serves as a Board Governor of the Heart Research Institute.

The Board unanimously recommends that security holders ratify the continued appointment of Barry Brownjohn as a Director of DEXUS Funds Management Limited.

1.3 Approval of an Independent Director – Tonianne Dwyer

Tonianne Dwyer was appointed by the Board as a Director on 24 August 2011. In accordance with the corporate governance framework adopted by DEXUS Property Group, Tonianne Dwyer is seeking security holders' ratification of her initial appointment as a Director of DEXUS Funds Management Limited.

Tonianne Dwyer is an Independent Director of DEXUS Funds Management Limited (appointed 24 August 2011). Tonianne has significant experience as a company director and executive working in listed property, funds management and corporate strategy across a variety of international markets.

Tonianne was a director from 2006 until 2010 of Quintain Estates and Development – a listed United Kingdom property company comprising funds management, investment and urban regeneration – and was previously Head of Funds Management from 2003. Prior to joining Quintain, Tonianne was a Director of Investment Banking at Hambros Bank, SG Cowen and Société Générale based in London focusing on international mergers and acquisitions, equity raisings and corporate advisory, with exposure to UK, European and US markets.

Tonianne also held directorships on a number of boards associated with Quintain's funds management business including the Quercus, Quantum and iQ Property Partnerships and the Bristol & Bath Science Park Stakeholder Board.

Tonianne holds a Bachelor of Jurisprudence (Hons) and Bachelor of Laws (Hons) from the University of Western Australia and resides in Brisbane.

The Board unanimously recommends that security holders ratify the appointment of Tonianne Dwyer as a Director of DEXUS Funds Management Limited.

2 Adoption of Remuneration Report

The purpose of Resolution 2 is to adopt the Remuneration Report, for the financial year ended 30 June 2011. The Remuneration Report is contained in section 3 of the Directors' Report for the financial year ended 30 June 2011 commencing on page 14 of DEXUS Property Group's 2011 Annual Report.

Under the Corporations Act, a listed company is required at its Annual General Meeting to put a vote to its security holders to approve the Remuneration Report. Consistent with its corporate governance framework, the Board of DEXUS Funds Management Limited has determined that DEXUS Property Group will be subject to this obligation even though it is a listed stapled group comprising real estate investment trusts. The vote on Resolution 2 is advisory only and does not bind the Directors or DEXUS Funds Management Limited.

During the meeting there will be an opportunity for security holders to comment upon and ask questions about the Remuneration Report. The Board unanimously recommends that security holders adopt the Remuneration Report.

Resolution 2 will be decided by poll. Resolution 2 must be decided by at least 50% of the votes cast at the Meeting by security holders entitled to vote on the Resolution.

Consistent with recent changes to the Corporations Act and DEXUS's corporate governance framework, a vote must not be cast (in any capacity) on Resolution 2 by or on behalf of a member of DEXUS's key management personnel, details of whose remuneration are included in the Remuneration Report (KMP), and their closely related parties.

However, a vote may be cast by a KMP if:

- the vote is cast as a proxy and the proxy appointment is in writing and it specifies how the proxy is to vote on Resolution 2; and
- the vote is not cast on behalf of a KMP or a closely related party of a KMP.

In accordance with the instructions on the Proxy Form, if the Chair is your proxy and you do not direct the Chair on how to vote in respect of Resolution 2, you will be taken to have directed the Chair to vote in favour of Resolution 2.

3 Miscellaneous amendments to Constitutions

3.1 Overview

The purpose of Resolution 3 is to approve a number of updating and streamlining amendments to the Constitutions including (without limitation):

- amendments in connection with on-market buy-backs
- technical amendments in relation to issuing Securities
- technical amendments in relation to rounding holdings following a Security consolidation or split
- amendments to update the stapling provisions in the Constitutions
- other updating and streamlining amendments

The amendments are described in the Annexure together with the rationale for the proposed changes.

If you would like a copy of the existing Constitutions or the proposed supplemental deed polls for the miscellaneous amendments, please contact the DEXUS Infoline on 1800 819 675 Monday to Friday between 8.30am and 5.30pm (EST) or obtain a copy from DEXUS's website at www.dexus.com

The amendments described in the Annexure, referred to in this Explanatory Memorandum and Notice of Meeting as the miscellaneous amendments, are not conditional on the Constitutional amendments in relation to the capital reallocation proposal (described in Section 4).

3.2 Approval requirement and recommendation

Resolution 3 will be decided by poll. Resolution 3 must be decided by at least 75% of the votes cast at the Meeting by security holders entitled to vote on the Resolution.

The Directors of the Responsible Entity believe that approval of Resolution 3 is in the best interests of security holders and recommends security holders vote in favour of the Resolution at the Meeting.

4 Capital reallocation

This section of the Explanatory Memorandum sets out information regarding Resolutions 4.1 and 4.2 which relate to a proposed reallocation of capital within the stapled Trusts comprising DEXUS Property Group (Capital Reallocation Proposal), which you should read in its entirety.

4.1 Overview and Directors' recommendation

4.1.1 Rationale of the Capital Reallocation Proposal

DEXUS Property Group comprises four stapled registered managed investment schemes being DDF, DOT, DIT and DXO each of which has its own separate capital structure. Since stapling, the capital structure of each Trust has undergone significant change. The change has resulted from a number of factors including the sale of the retail portfolio in 2007, the investment in international real estate and its subsequent devaluations primarily as a result of the global financial crisis.

The Group is well capitalised with gearing at 30 June 2011 at 28%, well within its target maximum of 40%. However, the Responsible Entity believes that the current gearing level within each of the individual Trusts may impede the investment plans for each Trust. In particular, some of the Trusts are capitalised in excess of their needs whilst others require further capital to support their activities and/or to reduce their gearing to more appropriate levels. The Capital Reallocation Proposal seeks to address this imbalance.

Specifically:

- The Group's investment framework will see up to 15% of the portfolio invested into development, repositioning and/or trading opportunities, responding to market opportunities and accessing enhanced returns. A significant portion of this activity may be undertaken in DXO. However, DXO's current capital structure (with high gearing and negative net assets) does not facilitate these plans. The Capital Reallocation Proposal will allow DXO to reduce its gearing level which, in turn, will provide DXO with a platform to implement the Group's plans
- The proposal will allow DIT to reduce its gearing to a more appropriate level
- DOT and DDF are currently capitalised well in excess of requirements

Under the Capital Reallocation Proposal, DOT and DDF will make capital payments to security holders of approximately 3.6 cents for each DOT and DDF unit which will then be compulsorily applied as a capital contribution to DIT and DXO units (of approximately 3.6 cents per unit). Security holders will not receive any cash as part of the Capital Reallocation Proposal.

The potential tax implications of the Capital Reallocation Proposal are described in Section 4.3. As set out in that section, some security holders may make a capital gain as a result of the capital payments to be made by DDF and DOT. Based on the historical trading price of Securities and previous tax deferred distributions, the Responsible Entity considers that this may only impact a small percentage of Securities on issue. However, the Capital Reallocation Proposal will reduce all DDF and DOT unitholders' cost base in their DDF and DOT units, please refer to Section 4.3.3.

The current net asset allocation amongst the Trusts can be seen in the first column of Figure 1 below which shows the proportion of the Group's \$5.3 billion of net assets as at 30 June 2011 held by the four Trusts.

The pro forma impact of the Capital Reallocation Proposal can be seen in the third column of Figure 1 below which shows the pro forma allocation at 30 June 2011 of the Group's net asset value (assuming the Capital Reallocation Proposal had been implemented on that date).

Figure 1: DEXUS Property Group – pro forma consolidated net asset allocation¹

	Current consolidated net asset position as at 30 June 2011	Capital reallocation	Pro forma consolidated net asset allocation after the Proposal
	\$m	\$m	\$m
DDF	1,917.1	(175.0)	1,742.1
DOT	2,808.2	(175.0)	2,633.2
DIT	576.5	175.0	751.5
DXO	(21.5)	175.0	153.5
DXS Group ²	5,306.8	–	5,306.8

1 Figures rounded to one decimal place.

2 Represents the consolidated results of DEXUS Property Group (including DDF and its controlled entities). The DXS Group figures are not the sum of DDF, DOT, DIT and DXO as a result of consolidation adjustments and intra-group eliminations.

4.1 Overview and Directors' recommendation (continued)

4.1.2 Implementation steps

The steps required to implement the Capital Reallocation Proposal are as follows:

STEP 1 – Security holders approve the Capital Reallocation Proposal and consequential amendments to the Constitutions.

STEP 2 – The Responsible Entity of DDF and DOT makes a capital payment of 3.616 cents per unit from each of DDF and DOT respectively, totalling approximately 7.2 cents per Security (or approximately \$175 million of capital from DDF and approximately \$175 million of capital from DOT).

STEP 3 – In accordance with proposed amendments to the Constitutions, the Responsible Entity makes a contribution of 3.616 cents per unit to the existing DIT and DXO units (being approximately \$175 million to DIT and approximately \$175 million to DXO).

If these steps are fully implemented:

- Each security holder will continue to hold the same number of Securities
- Security holders will not be required to take any further action apart from updating their own records to reflect the change
- There will be no change in DEXUS Property Group's net asset value per Security
- The Securities will continue to be quoted on ASX on the same basis

A timetable for the implementation of the Capital Reallocation Proposal will be announced on ASX and the DEXUS website if the Responsible Entity determines to proceed to implementation.

4.1.3 Directors' recommendation

Given the rationale for the proposal set out in Section 4.1.1, the Directors of the Responsible Entity believe that Resolutions 4.1 and 4.2 are in the best interests of security holders and recommend that you vote in favour of them so that the Capital Reallocation Proposal can be implemented and the capital structure of the Group can be rebalanced.

At this stage, the Responsible Entity wishes to retain flexibility as to the timing of implementation of the Capital Reallocation Proposal and so has neither set a date for implementing the Proposal nor a fixed timeframe in which it is required to do so.

The Responsible Entity will only proceed with the Capital Reallocation Proposal if Resolutions 4.1 and 4.2 are passed and if it forms the view, at the relevant time, that it would be in the best interests of security holders to proceed. The factors the Responsible Entity may take into account in making that decision will include the status of the class ruling application at that time (see Section 4.3.6).

When making a decision, security holders should consider the potential tax implications of the Capital Reallocation Proposal

described in Section 4.3. As set out in that section, some security holders may make a capital gain as a result of the capital payment to be made by DDF and DOT. The Group considers that this may only impact a small percentage of Securities on issue.

Additionally, all security holders will have the cost bases in their DDF and DOT units reduced – which may lead to security holders making capital gains slightly earlier than expected as a result of future tax deferred distributions.

4.2 Resolutions

This section sets out the two Resolutions necessary to implement the Capital Reallocation Proposal. The Resolutions are interconditional – this means that both must be passed for the Capital Reallocation Proposal to be implemented.

4.2.1 Resolution 4.1 Approval of Capital Reallocation Proposal

Security holders will need to approve, as an ordinary resolution, the Capital Reallocation Proposal described in this Explanatory Memorandum.

4.2.2 Approval requirements and recommendation

Resolution 4.1 will be decided by poll. Resolution 4.1 must be passed by at least 50% of votes cast at the Meeting by or on behalf of security holders entitled to vote on the Resolution.

4.2.3 Resolution 4.2 Amendments to the Constitutions

The Capital Reallocation Proposal cannot be implemented unless certain amendments to the Constitutions are approved by security holders.

The text of the amendments is set out in Section 4.2.5.

In summary, a new clause will be inserted in the Constitution providing that:

- If security holders approve (as an ordinary resolution) a particular capital reallocation (such as the Capital Reallocation Proposal) the Responsible Entity will be empowered to make a capital payment to security holders from one of the Trusts (Payment); and
- Upon the Payment being made, security holders will be taken to have directed the Responsible Entity to contribute the Payment to any other Trust that is part of the stapled Group from time to time (as an increase in capital contributed for those units by security holders).

Although the proposed amendments to the Constitutions will permit capital reallocation proposals other than the Capital Reallocation Proposal if security holders pass an ordinary resolution approving the particular proposal, the Responsible Entity does not currently intend to implement any other proposal.

4.2.4 Approval requirements

Resolution 4.2 will be decided by poll. Resolution 4.2 must be passed by at least 75% of votes cast at the Meeting by or on behalf of security holders entitled to vote on the Resolution.

4.2.5 Text of amendment

The following is the text of the new clause 9.9 which security holders are being asked to approve:

*“(a) Notwithstanding any other provision in this clause 9, if, at any time, Unitholders approve (as an ordinary resolution), a capital distribution (“**Capital Reallocation Resolution**”) on terms that the whole or any part of the amount to be paid in respect of each Unit by way of capital distribution is to be paid to or for the benefit of a Stapled Entity (whether by way of additional capital payment in respect of Units or other Securities already issued or otherwise) (“**Capital Reallocation Amount**”), then:*

- (i) each holder of a Unit is taken to have directed the Trust to pay the Capital Reallocation Amount to that Stapled Entity;*
- (ii) the Responsible Entity shall pay the Capital Reallocation Amount (and shall be taken to be empowered to do so for all purposes) to or for the benefit of the Stapled Entity in accordance with the Capital Reallocation Resolution; and*
- (iii) each holder of a Unit shall be deemed to appoint the Responsible Entity as its attorney and its agent to do all things as the Responsible Entity considers necessary to give effect to the resolution.*

*(b) If, at any time, Unitholders approve (as an ordinary resolution), a capital distribution in respect of Securities in a Stapled Entity (or other capital payment, such as a capital reduction) (“**Recipient Capital Reallocation Resolution**”) on terms that the whole or any part of the amount to be paid in respect of each Security is to be paid to or for the benefit of the Trust (whether by way of additional capital payment in respect of Units or other Securities already issued or otherwise) (“**Recipient Capital Reallocation Amount**”), then each Unitholder is:*

- (i) taken to have directed the Responsible Entity to accept the Recipient Capital Reallocation Amount; and*
- (ii) deemed to have appointed the Responsible Entity as their attorney and agent to do all things necessary to give effect to the receipt of the Capital Reallocation Amount,*

and the Responsible Entity will be deemed to receive the Recipient Capital Reallocation Amount in accordance with the Recipient Capital Reallocation Resolution (whether as an additional capital payment in respect of Units or otherwise).

4.3 Taxation implications

4.3.1 General

Set out below is a summary of the general Australian tax implications of the Capital Reallocation Proposal for security holders that hold their Securities on capital account.

These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Security holders should obtain independent advice as to the taxation consequences to them of the Capital Reallocation Proposal.

The summary does not apply to security holders that have made an election for taxation of financial arrangements (known as “TOFA”) purposes that affects the recognition of income in respect of Securities.

4.3.2 Income

The capital payment by DDF and DOT should not be included in a security holder’s assessable income as ordinary income.

4.3.3 Cost base – DDF and DOT units

Under the Capital Reallocation Proposal, a security holder’s cost base for each of their DDF and DOT units will be reduced by the lesser of that cost base and the amount of the capital payment attributed to DDF and DOT, respectively.

To the extent that the capital payment amount exceeds a security holder’s cost base for a DDF or DOT unit, the security holder will make a capital gain equal to that excess. This capital gain will be disregarded if the relevant DDF unit was acquired on or before 19 September 1985 or if the security holder is a non-resident and the DDF or DOT unit is not taxable Australian property. Where a security holder has held the relevant unit for at least 12 months, the capital gain would be reduced by 50% (for individuals and trusts) or 33.33% (for complying superannuation funds). A company is not eligible to reduce its capital gain arising from the capital payment.

Generally, a security holder’s cost base in a DDF unit will be a proportion of the cost of acquisition of the Security in which it is included, reduced by tax deferred distributions by DDF in respect of that unit. Similarly, a security holder’s cost base in a DOT unit will be a proportion of the cost of acquisition of the Security in which it is included, reduced by tax deferred distributions by DOT in respect of that unit.

The proportion of the overall cost of a Security allocated to a DDF unit or a DOT unit should be based on a reasonable basis such as the net asset value weighting of each entity at the time of acquisition. Details of historical issue prices and net asset value weightings are set out on DEXUS’s website in the Investor Centre at www.dexus.com

Based on an analysis of the historical trading price of Securities and previous tax deferred distributions, the Responsible Entity considers that only a small percentage of Securities on issue, if any, could make a capital gain as a result of the Capital Reallocation Proposal. However, all security holders will have their cost bases in their DDF units and DOT units reduced. This may cause security holders to make a capital gain as a result of future tax deferred distributions by DDF or DOT at a slightly earlier time than would have occurred, but for the Capital Reallocation Proposal.

4.3 Taxation implications (continued)

4.3.4 Cost base – DIT and DXO units

A security holder's cost base for their DIT or DXO units should be increased by the capital contribution attributable to DIT and DXO, respectively. Because no new units will be issued by DIT or DXO, this will be an adjustment to the cost base of the existing units.

For security holders that do not make a capital gain, the sum of the decreases in the cost base of their DDF and DOT units should be equal to the sum of the increases in the cost base of their DIT and DXO units. Accordingly, the overall cost base of each Security should remain the same.

For security holders that do make a capital gain, the overall cost base of each Security should increase by the amount of the gross capital gain (i.e. before the application of the CGT discount, if available). That is, a future capital gain on disposal of a Security that would otherwise have been realised would be reduced by the amount of the capital gain resulting from the Capital Reallocation Proposal.

4.3.5 Acquisition date

The Capital Reallocation Proposal will not affect the date of acquisition of a security holder's Securities for tax purposes.

4.3.6 Class ruling

The Responsible Entity has sought advice as to the tax treatment of the Capital Reallocation Proposal. That advice indicates that the impact of the Capital Reallocation Proposal for security holders is as set out in this Section 4.3.

However, in order to remove any doubt, the Responsible Entity has applied to the Australian Taxation Office (ATO) for a class ruling for the benefit of security holders to confirm the following key taxation consequences:

- A security holder's cost base for each of their DDF and DOT units will be reduced by the lesser of that cost base and the amount of the capital payment attributed to each DDF and DOT unit, respectively
- A security holder's cost base for each of their DIT or DXO units should be increased by the equity contribution attributed to each DIT and DXO unit, respectively
- To the extent that the capital payment exceeds a security holder's cost base for each of their DDF and/or DOT units, the security holder will make a capital gain equal to that excess. However, this capital gain will be disregarded if the relevant DDF unit was acquired on or before 19 September 1985 or the security holder is a non-resident and the DDF or DOT unit is not taxable Australian property.

It is possible that the ATO may not confirm the key taxation consequences. In particular, the ATO may not confirm that the cost base for each DXO unit increases by the full amount of the equity contribution to the unit.

The Responsible Entity may determine to proceed without the class ruling provided that the Responsible Entity believes at the relevant time that the Capital Reallocation Proposal is in the best interests of security holders.

If Resolutions 4.1 and 4.2 are passed, the Responsible Entity will update security holders, on the ASX and DEXUS website, of the progress of the class ruling as well as any decision to proceed with the Capital Reallocation Proposal.

4.4 Financial information illustrating the Capital Reallocation Proposal

4.4.1 Introduction

The financial information below comprises the pro forma Consolidated Statement of Financial Position for each of the DDF, DIT, DOT, DXO and the consolidated DEXUS Property Group as at 30 June 2011.

The financial information in respect to each of DDF, DIT, DOT, DXO and the Group has been compiled from the audited 30 June 2011 Financial Statements. The financial information has been subject to a number of pro forma adjustments to represent the impact of the Capital Reallocation Proposal had it occurred on 30 June 2011. Financial information for the Group has been included to illustrate the impact of the Capital Reallocation Proposal on the consolidated Group after elimination of the inter entity transactions and balances arising as a result of the Capital Reallocation Proposal.

The financial information for the Trusts and the Group has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and DEXUS Property Group accounting policies. It is presented in abbreviated form and does not include the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

4.4.2 Discussion and analysis

The key outcomes of the Capital Reallocation Proposal are shown in the table below. In summary:

- The Group's net assets will not change on implementation of the Capital Reallocation Proposal because the consolidated net assets of DDF and DOT will each reduce by approximately \$175 million and the consolidated net assets of DIT and DXO will each increase by approximately \$175 million
- The consolidated net asset deficiency reported by DXO on 30 June 2011 would be replaced with positive net assets
- Gearing for the Group will not change (gearing for DIT and DXO will reduce and gearing for DDF and DOT will increase)

Pro forma Consolidated Statement of Financial Position as at 30 June 2011¹

	DDF \$m	DOT \$m	DIT \$m	DXO \$m	DXS Group ² \$m
Prior to capital reallocation					
Total assets	2,567.8	3,248.5	1,881.9	602.1	7,987.6
Total liabilities	(650.7)	(440.3)	(1,305.4)	(623.6)	(2,680.8)
Consolidated net assets	1,917.1	2,808.2	576.5	(21.5)	5,306.8
Gearing – as reported in the Financial Statements	20.3%	8.1%	62.0%	144.9%	29.1%
Gearing – including intangible assets ²	20.3%	8.1%	62.0%	88.2%	28.2%
Capital reallocation	(175.0)	(175.0)	175.0	175.0	–
Post capital reallocation					
Total assets	2,392.8	3,248.5	1,881.9	602.1	7,987.6
Total liabilities	(650.7)	(615.3)	(1,130.4)	(448.6)	(2,680.8)
Consolidated net assets	1,742.1	2,633.2	751.5	153.5	5,306.8
Gearing – as reported in the Financial Statements	21.8%	13.5%	52.5%	94.8%	29.1%
Gearing – including intangible assets ³	21.8%	13.5%	52.5%	57.7%	28.2%

1 Figures rounded to one decimal place.

2 Represents the consolidated results of DEXUS Property Group (including DDF and its controlled entities). The DXS Group figures are not the sum of DDF, DOT, DIT and DXO as a result of consolidation adjustments and intra-group eliminations.

3 Gearing is adjusted to include the impact of intangible assets reported in DXO and DXS Group. Gearing reported in the Financial Statements excludes the impact of intangible assets.

As a result of the Capital Reallocation Proposal and its resultant impact on debt in each Trust there will be:

- an increase in finance costs per annum in each of DDF and DOT (for the year ended 30 June 2011, this would have equated to \$13.1 million for each on a pro forma basis)
- a corresponding reduction in finance costs per annum in each of DIT and DXO (for the year ended 30 June 2011, this would have equated to \$13.1 million for each on a pro forma basis)

The reduced finance costs arising from the Capital Reallocation Proposal will reduce the deferred income tax benefit and profit after tax reported by DXO and the Group. For the year ended 30 June 2011, this would have been a reduction of \$3.9 million (being 30% of \$13.1 million) on a pro forma basis, which represents 0.7% of Group profit after tax.

The reduction in the deferred income tax benefit will not impact the FFO of DXO or the Group until DXO utilises all of its tax losses. At that time, DXO will report the tax impact of the Capital Reallocation Proposal as current income tax which will reduce DXO and the Group's FFO.

4.4.3 Assumptions

The key assumptions upon which the pro forma financial information above is based are:

- DDF and DOT reduce their capital by approximately \$175 million each, with the funding provided through intra-group loans
- DIT and DXO increase their capital by approximately \$175 million each and both utilise the funds to repay intra-group loans

GLOSSARY

In the Explanatory Memorandum, Procedural Notes and in the Notice of Meeting, the following expressions have the following meanings unless stated otherwise or the context otherwise requires:

ASIC	means the Australian Securities & Investments Commission
ASX	means ASX Limited
ASX Listing Rules	means the listing rules of ASX, except to the extent of any express written waiver by ASX
Constitution	means the constitutions of each of the Trusts that comprise DEXUS Property Group
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i>
DEXUS Property Group or DEXUS or the Trusts or the Group or DXS Group	means DDF, DIT, DOT and DXO
DDF	means DEXUS Diversified Trust (ARSN 089 324 541)
DIT	means DEXUS Industrial Trust (ARSN 090 879 137)
DOT	means DEXUS Office Trust (ARSN 090 768 531)
DXO	means DEXUS Operations Trust (ARSN 110 521 223)
FFO	means funds from operations. Funds from operations is often used as a measure of real estate operating performance after finance costs and taxes. DEXUS's FFO comprises profit/loss after tax attributable to stapled security holders measured under Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark to market impacts, amortisation of certain tenant incentives, gain/loss on sale of assets, straight line rent adjustments, deferred tax expense/benefit and DEXUS RENTS Trust capital distribution.
Meeting	means the meetings of the security holders of the units in each of the four Trusts to be held concurrently and in conjunction with each other on the date set out in this Notice of Meeting
Notice	means the Notice of the Meeting dated 26 September 2011
Responsible Entity	means DEXUS Funds Management Limited (ACN 060 920 783) as the responsible entity of each of the four Trusts that comprise DEXUS Property Group
Resolution	means a resolution contained in the Notice of Meeting
Security	means a stapled security of DEXUS Property Group each consisting of one unit in each of the four Trusts that comprise DEXUS Property Group (ASX: DXS)
security holder	means a holder of Securities

ANNEXURE – MISCELLANEOUS AMENDMENTS TO THE CONSTITUTIONS

Overview

As described in Section 3, the Responsible Entity is proposing a number of amendments to the Constitutions which can be grouped as follows:

- amendments in connection with on-market buy-backs
- technical amendments in relation to issuing Securities
- technical amendments in relation to rounding holdings following a Security consolidation or split
- amendments to update the stapling provisions in the Constitutions
- other updating and streamlining amendments

These are referred to as the proposed miscellaneous amendments and are described in a table at the end of this Annexure together with the rationale for the amendments (“Table of Amendments”).

Summary information on key amendments is also set out below (with information in relation to the other updating and streamlining amendments set out in the Table of Amendments on page 12).

If the miscellaneous amendments are approved by the requisite majority, the amendments to the Constitutions will be implemented by the Responsible Entity executing supplemental deed polls and lodging them with ASIC.

If you would like a copy of the existing Constitutions or the proposed supplemental deed polls for the miscellaneous amendments, please contact the DEXUS Infoline on 1800 819 675 Monday to Friday between 8.30am and 5.30pm (EST) or obtain a copy from DEXUS's website at www.dexus.com

Note: the amendments necessary to implement the Capital Reallocation Proposal (described in Section 4.2.5) will be passed separately to the miscellaneous amendments described in this Annexure.

Explanation of the on-market buy-back amendments

The Corporations Act and ASX Listing Rules allow responsible entities of listed registered managed investment schemes, such as the four Trusts that comprise DEXUS Property Group, to conduct on-market buy-backs.

One of the conditions to conducting an on-market buy-back is that the constitution of the listed scheme includes a provision which gives the Responsible Entity the power to conduct the buy-back.

The Constitutions do not currently provide the Responsible Entity of each of the Trusts, the power to buy-back Securities.

The Responsible Entity believes that a Security buy-back may be an appropriate capital management tool under certain circumstances. An example of such a circumstance may be one in which DEXUS Property Group enjoyed a funding position in surplus of its requirements and an ASX listed Security price significantly below its deemed fair value.

It is proposed that amendments be made to each of the Constitutions to insert a provision enabling the Responsible Entity to conduct on-market buy-backs in accordance with the Corporations Act and the ASX Listing Rules.

DEXUS does not have a current intention to buy-back Securities.

Explanation of technical amendments in relation to the issue price of Securities

Technical amendments to the Constitutions are proposed to implement recent ASIC policy changes regarding capital raising by issue of interests in managed investment schemes and to align the Constitutions more closely with ASIC policy and ASIC relief instruments applicable to DEXUS Property Group.

ASIC, in its Class Order [CO 09/462], has sought to facilitate fundraising by removing the 10% discount limit on issue price for placements without approval of security holders. Other restrictions on placements remain unchanged under the ASX Listing Rules, the Corporations Act and ASIC policy (including those relating to security holder approval). In addition, ASIC, in its Class Orders [CO 09/425] and [CO 09/465], has increased the monetary limit of offers under Security purchase plans from \$5,000 to \$15,000.

The Constitutions currently contain provisions reflecting requirements which have ceased to apply as a result of these changes in ASIC policy. It is therefore proposed that the Constitutions be updated to implement these ASIC policy changes.

It is also proposed to amend the Constitutions to remove the express requirement to offer units in each Trust to security holders at substantially the same time when conducting rights issues. This would provide further flexibility for DEXUS to raise capital by way of rights issues, for example through an accelerated rights issue in accordance with ASIC policy.

Technical amendments in relation to rounding holdings following a Security consolidation or split

The Constitution allows the Responsible Entity to conduct a consolidation or split of the number of Securities on issue. However, the manner of dealing with fractional entitlements is not provided for in the Constitution.

It is proposed that amendments be made to the Constitutions which enable the Responsible Entity to round any fractional entitlements arising from the consolidation or split.

DEXUS does not have a current intention to undertake a Security consolidation or split.

Explanation of amendments to the stapling provisions

A number of amendments are being proposed to the Constitutions to better align the Constitutions to the ASIC instrument applicable to DEXUS Property Group which enables each of the four Trusts comprising DEXUS Property Group to operate as a stapled Group (ASIC Instrument).

In addition, the Constitutions will be amended to provide that the Responsible Entity can, in exercising any power or discretion under the Constitution, have regard to the interests of security holders as a whole and not only the holders of each unit which comprise a Security separately.

The proposed amendment will give the Responsible Entity greater flexibility to take actions that are for the benefit of DEXUS Property Group as a whole notwithstanding that the action may not be for the benefit of an individual Trust.

ANNEXURE – MISCELLANEOUS AMENDMENTS TO THE CONSTITUTIONS

CONTINUED

Table of Amendments

The following identifies the amendments proposed to be made to the Constitutions. As the four Constitutions are identical in all material respects, the proposed amendments to each of the Constitutions are identical.

In this table, a reference to the Constitution is a reference to each of the Constitutions.

Existing Constitution	Proposed amendments
Amendments in connection with on-market buy-backs	
1. New clause 12.9: This is being proposed to empower the Responsible Entity to conduct on-market buy-backs.	<p>A new clause 12.9 will be inserted to permit, while the Trust is listed, the Responsible Entity to purchase units on ASX and cause units to be cancelled (without payment of a redemption price) in accordance with the Corporations Act (as modified) and the ASX Listing Rules.</p> <p>The new clause 12.9 will also provide that, where units are stapled, the Responsible Entity may only buy-back and cancel the units if all attached securities are also the subject of contemporaneous buy-back and cancellation, and must determine what proportion of the price paid for the stapled Security is to be paid from the assets of that Trust.</p>
Technical amendments in relation to issuing securities	
2. Clause 5.1: This permits the Responsible Entity to issue units in accordance with the Constitution, ASIC Relief and the ASX Listing Rules.	Clause 5.1 will be expanded to facilitate the Responsible Entity issuing units under that clause, in compliance with an applicable ASIC instrument or the ASX Listing Rules, at a price determined by the Responsible Entity, where all the conditions of the applicable instrument and the ASX Listing Rules have been met.
3. Clause 5.7: The Constitution provides that the issue price for placements without security holder approval must not be at more than 10% discount to the market price. This reflects the terms of ASIC policy prior to the recent change.	The 10% discount limit on the issue price for placements without security holder approval will be removed to reflect the current ASIC policy, in accordance with ASIC Class Order [CO 09/462].
4. Clauses 5.9 and 5.10: The Constitution provides that units or options must be offered to all security holders at substantially the same time under rights issues.	The express requirement to offer units or options at substantially the same time under rights issues will be removed. This will provide further flexibility in raising capital, including facilitating accelerated rights issues conducted in accordance with ASIC policy (under which institutional and retail security holders are offered Securities at different times).
5. Clause 5.12: The Constitution provides that under Security purchase plans, a limit of \$5,000 per security holder applies in a 12 month period. This reflects the terms of ASIC policy prior to the recent change.	The monetary limit which applies under Security purchase plans will be increased to \$15,000 per security holder in a 12 month period (or such greater amount as may be permitted under the ASX Listing Rules, the Corporations Act and any ASIC instrument from time to time). This reflects the current ASIC policy, in accordance with ASIC Class Orders [CO 09/425] and [CO 09/465].
Technical amendments in relation to rounding holdings following a Security consolidation or split	
6. Clause 3.2(c): The Constitution provides that the Responsible Entity can undertake a unit consolidation or split provided that, amongst other things, it occurs on an equal basis for all units. This prevents the Responsible Entity from rounding fractional entitlements up or down. This is impractical for listed entities, as the ASX Listing Rules do not permit the issuance of fractional securities.	It is proposed to amend clause 3.2 so that the Responsible Entity can round fractional entitlements if it considers it to be appropriate in the circumstances.

Existing Constitution**Proposed amendments**

Amendments to update the stapling provisions in the Constitution

7. New clause 5.18: This is being proposed to conform the Constitution to a number of ASIC instruments applicable to DEXUS Property Group – which amongst other things enable each of the four Trusts comprising DEXUS Property Group to operate as a stapled Group.
- The effect of those instruments is that the Responsible Entity can apportion any capital raised amongst the units that comprise a Security in its discretion.
8. Clause 19: Clause 19 of the Constitution provides the general powers and obligations of the Responsible Entity in relation to the stapling of Securities.
- A new clause 5.18 will be inserted to provide that if units form part of Securities, an issue price for a capital raising determined by the Responsible Entity under clause 5 of the Constitution is to be apportioned between the unit and any other unit or security which is stapled to the unit.
- A number of general updating and streamlining amendments are proposed to clause 19 as described below.
- New clauses 19.2A and 19.2B are proposed which facilitate the stapling of new securities to the Securities.
- Clause 19.2A provides that the Responsible Entity may apply the proceeds of any pro-rata distribution under the Constitution in subscribing as agent and attorney of each security holder for securities which are to be stapled to Securities.
- Clause 19.2B provides that the Responsible Entity is irrevocably appointed as agent and attorney of each security holder to execute all documents and do all things reasonably necessary or desirable to be executed or done on behalf of security holders to effect the stapling of new securities to the Securities.
- A new clause 19.10 is proposed which provides that despite any other provision in the Constitutions, or any rule of law (but subject to the Corporations Act as modified by any applicable instrument issued by ASIC), in exercising any power or discretion the Responsible Entity may have regard to the interests of security holders as a whole and not only to the interests of security holders as holders of each unit that comprise Securities, separately.
- A new clause 19.11 is proposed which provides that the stapling provisions of the Constitution are paramount and prevail to the extent of any inconsistency over other provisions in the Constitution.

Other updating and streamlining amendments

9. Clause 1.1: This sets out a number of definitions that apply to the Constitutions.
- A number of definitions will be updated or inserted as a consequence of other changes made to the Constitutions.
10. New clause 1.8: This is being proposed to give the Responsible Entity the flexibility to update the Constitutions to reflect regulatory changes from time to time.
- A new clause 1.8 is proposed under which security holders authorise the Responsible Entity to insert or delete provisions of the Constitution if required to comply with any requirement of the Corporations Act, ASX Listing Rules, ASIC or ASX (or to reflect any update or repeal of any such requirement).
-

ANNEXURE – MISCELLANEOUS AMENDMENTS TO THE CONSTITUTIONS

CONTINUED

Existing Constitution

Proposed amendments

Other updating and streamlining amendments (continued)

- | | |
|---|--|
| <p>11. Clause 9.2: The Constitution for each Trust provides that the Responsible Entity must determine distributable income for the distribution period and calculate each security holders' distribution entitlement.</p> <p>If no determination is made, then the distributable income for a distribution period is equal to the "Operating Income" for that period (as that term is defined in the Constitution).</p> <p>The effect of clause 9.2, and the remainder of clause 9, is that the Responsible Entity can pay a distribution at any time it determines, provided that it has first determined to end the distribution period at that time (the distribution period will end at any time determined by the Responsible Entity in its absolute discretion, currently 30 June and 31 December each year).</p> <p>The requirement that the Responsible Entity must determine to end a distribution period before paying a distribution is cumbersome and prevents the Responsible Entity from declaring an intra-period distribution.</p> | <p>The proposal is to include a new clause 9.2(d) of the Constitution which provides that the Responsible Entity may, at any time, distribute pro rata to security holders income or capital out of each Trust.</p> <p>The proposed amendment to clause 9.2 will give the Responsible Entity the flexibility to make distributions without first needing to end the distribution period.</p> |
| <p>12. Clause 16.2: This clause sets out the key rights and obligations of the Responsible Entity and security holders in the context of a winding up of the Trust.</p> | <p>Some minor and technical amendments are being proposed to this clause to clarify that the Responsible Entity is entitled to pay distributions on a winding up in instalments.</p> |
| <p>13. Clause 18: The Constitution provides that, whilst the Trust is a registered scheme, the Responsible Entity must establish and maintain a procedure for dealing with complaints by security holders in relation to the Trust which is consistent with Australian standard AS ISO 4269 (on complaints handling).</p> <p>The clause also sets out the obligations of the Responsible Entity as to the manner in which complaints must be handled and the obligation of both the Responsible Entity and the security holder to provide assistance and information in respect of complaints.</p> | <p>Changes have been made to this clause to reflect a change in the Australian Standard applicable to complaints handling.</p> <p>The changes generally align clause 18 to the requirements of the new standard (AS ISO 10002 – 2006).</p> |
| <p>14. New clauses 21, 22 and 23: These are being proposed to empower the Responsible Entity to conduct small parcel sales.</p> | <p>New clauses 21, 22 and 23 are proposed to enable the Responsible Entity to require the sale of parcels of Securities worth less than \$500.</p> <p>The proposed clauses are consistent with the ASX Listing Rule requirements for sales of small parcels.</p> <p>The Responsible Entity has no current intention to conduct a small parcel sale. However, it may determine to do so in the future if it considers it is in the best interests of security holders to do so to assist in reducing the administrative costs associated with the maintenance and management of its security holder base.</p> |
| <p>15. New item 9 in Schedule 1: This is being proposed to provide added flexibility to the Responsible Entity in determining the manner in which meetings of security holders are conducted.</p> | <p>Schedule 1 is to be amended by inserting a new item 9 that will expressly provide that whilst units in the Trusts are stapled, general meetings of unitholders may be held together with meetings of unitholders of the other Trusts and that the Responsible Entity is entitled to make such rules for the conduct of such security holder meetings as it determines.</p> |

QUESTIONS

Name

Address

As a DEXUS Property Group security holder, we invite you to submit questions relating to DEXUS Property Group or the business of the meeting prior to the 2011 Annual General Meeting.

Your questions can be directed toward the Chair, DEXUS Property Group's Auditor or the Chief Executive Officer. You will also have the opportunity to raise questions during the meeting. To submit questions, please complete this question form.

Questions must be received by DEXUS Property Group's security registrar, Link Market Services Limited by 2.00pm Friday, 29 October 2011 by:

- Posting it in the reply paid envelope provided; or
- Posting it to Locked Bag A14, Sydney South NSW 1235; or
- Faxing it to (02) 9287 0309 or +61 2 9287 0309 (from outside Australia).

We will endeavour to respond to as many questions as possible during the Annual General Meeting. We may address a number of questions together with one response, however there may not be sufficient time during the meeting to address all questions or topics.

Please note individual responses will not be sent to security holders.

Question for the:

Chair Auditor Chief Executive Officer

Question for the:

Chair Auditor Chief Executive Officer



DIRECTORY

DEXUS Diversified Trust
ARSN 089 324 541

DEXUS Industrial Trust
ARSN 090 879 137

DEXUS Office Trust
ARSN 090 768 531

DEXUS Operations Trust
ARSN 110 521 223

Responsible Entity

DEXUS Funds Management Limited
ABN 24 060 920 783

Registered office of Responsible Entity

Level 9, 343 George Street
Sydney NSW 2000

PO Box R1822
Royal Exchange
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Phone: +61 2 9017 1100
Fax: +61 2 9017 1101
Email: ir@dexus.com

www.dexus.com

DEXUS US Office

4200 Von Karman Avenue
Newport Beach CA 92660

Phone: +1 949 783 2801
Fax: +1 949 433 9124
Email: ir@dexus.com

www.dexus.com/us

Directors of the Responsible Entity

Christopher T Beare, Chair
Elizabeth A Alexander AM
Barry R Brownjohn
John C Conde AO
Tonianne Dwyer
Stewart F Ewen OAM
Victor P Hoog Antink, CEO
Brian E Scullin
Peter B St George

Secretaries of the Responsible Entity

Tanya L Cox
John C Easy

Auditors

PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney NSW 2000

Investor enquiries

Infoline: 1800 819 675
or +61 2 8280 7126

Investor Relations: +61 2 9017 1330
Email: ir@dexus.com

Website: www.dexus.com

Security Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Registry Infoline: 1800 819 675
or +61 2 8280 7126

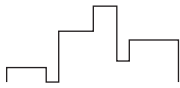
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: linkmarketservices.com.au

Monday to Friday between 8.30am and
5.30pm (Sydney time).

For enquiries regarding your holding please
contact the Security Registry, or access
your holding details via the Investor Centre
on our website www.dexus.com and look
for the Login box.

Australian Stock Exchange

ASX code: DXS



DEXUS

PROPERTY GROUP

DEXUS PROPERTY GROUP
 ABN 24 060 920 783
 AFS Licence No: 238163

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:
 DEXUS Property Group
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1800 819 675 Overseas: +61 2 8280 7126



X99999999999

PROXY FORM

I/We being a member(s) of DEXUS Property Group ("Group") and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Group to be held at 2:00pm on Monday, 31 October 2011, at The Westin Hotel, The Heritage Room, 1 Martin Place, Sydney NSW 2000 and at any adjournment or postponement of the meeting.

If your proxy is the Chair and you do not direct the Chair how to vote on Resolution 2, you will be taken to have directed the Chair to vote in favour of Resolution 2. For all other Resolutions the Chair intends to vote undirected proxies in favour of the Resolutions.

Proxies will only be valid and accepted by the Group if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolution 1.1

Approval of an Independent Director - Elizabeth Alexander AM

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 3

Special Resolution
 Approval of miscellaneous amendments to the Constitutions

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 1.2

Approval of an Independent Director - Barry Brownjohn

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4.1

Approval of Capital Reallocation Proposal

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 1.3

Approval of an Independent Director - Tonia Dwyer

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4.2

Special Resolution
 Amendments to the Constitutions for the Capital Reallocation Proposal

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Adoption of Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

DXS PRX101



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Group's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the Group. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. Other than for Resolution 2 where the Chair is your proxy, if you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If your proxy is the Chair and you do not direct the Chair how to vote on Resolution 2, you will be taken to have directed the Chair to vote in favour of Resolution 2. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Group's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Group's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Saturday, 29 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

DEXUS Property Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**