

DEXUS Property Group

ASX release

14 June 2012

DEXUS Property Group (ASX: DXS) Sydney industrial property tour

DEXUS Property Group is hosting a Sydney industrial property tour today for institutional investors and brokers and provides the attached tour booklet.

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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 \$14bn. 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)



2012

DEXUS Property Group

SYDNEY INDUSTRIAL
PROPERTY TOUR

14 JUNE



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TOUR AGENDA

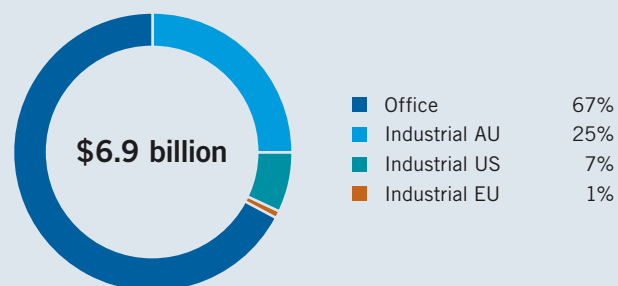
9.45am for 10.00am start	Meet at level 9, 343 George Street, Sydney DEXUS Property Group presentation
10.45am	Depart city Centrewest Industrial Estate, Silverwater DEXUS Industrial Estate, Silverwater
11.45am	Depart for Greystanes 1 Foundation Place, Greystanes Quarry at Greystanes – 5 Bellevue Circuit, Greystanes – 6 Bellevue Circuit, Greystanes – 2-6 Basalt Road, Greystanes – 5 Basalt Road, Greystanes – 8 Basalt Road, Greystanes Lunch and site tour
1.35pm	Depart for Erskine Park 94-106 Lenore Drive, Erskine Park 57-75 Templar Road, Erskine Park
2.15pm	Depart for Marayong Kings Park Industrial Estate, Marayong
4.00pm	Arrive back in CBD



INDUSTRIAL PORTFOLIO OVERVIEW

DEXUS PROPERTY GROUP

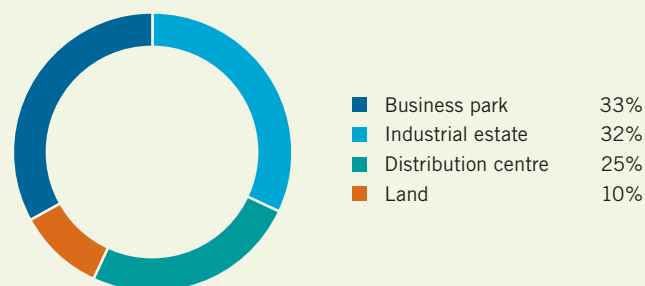
SECTOR ALLOCATION¹
31 MARCH 2012



¹ Excluding US central portfolio.

INDUSTRIAL PORTFOLIO – AU

PROPERTY TYPE BY BOOK VALUE
31 MARCH 2012

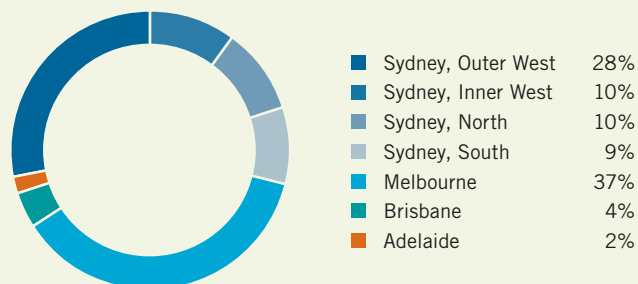


AUSTRALIAN INDUSTRIAL PORTFOLIO AT A GLANCE

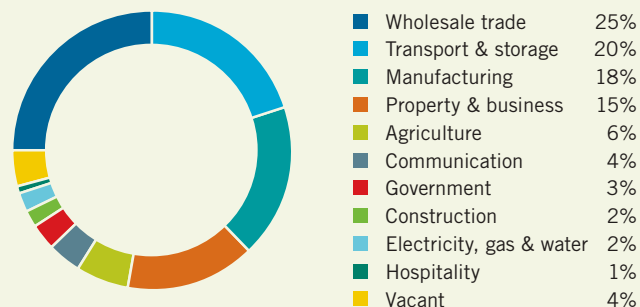
	31 MARCH 2012	30 DECEMBER 2011
Portfolio value	\$1.7bn	\$1.7bn
Number of properties	40	40
Total GLA ('000 m ²)	1,117	1,117
Occupancy (area)	96.7%	96.1%
Occupancy (income)	95.7%	95.1%
% over rented	5.5%	6.0%
Rolling 12 month tenant retention	79%	77%
Weighted average lease expiry	4.6 years	4.3 years

Information in this book relates to properties in the DXS listed portfolio.

LOCATION BY BOOK VALUE
31 MARCH 2012



TENANT DIVERSIFICATION BY INCOME
31 MARCH 2012



KEY INDUSTRIAL MARKETS

SYDNEY

South	An established precinct consisting of warehouse and strata unit developments serviced by the M5 and Eastern Distributor located in close proximity to Port Botany, the airport, intermodal terminals and the Sydney CBD.
Inner West	An established industrial precinct consisting of smaller warehouse and strata unit developments with the businesses servicing metropolitan Sydney. Accessible via Parramatta Road and the M4.
Outer West	A precinct with a large workforce and land supply serviced by the M7 and M4.
South West	A key interchange location with strong infrastructure network including M7, M5 and intermodal, dominated by large warehouses.

MELBOURNE

South East	Dominated by warehouse and distribution facilities typically with a higher office component. Serviced by Monash Freeway (M1) and Eastlink (M3).
West	A precinct dominated by warehouse and distribution facilities typically with a lower office component located within easy distance of the port and airports and serviced by Westgate Freeway (M1) and the Western Ring Road (M80).

TOUR SPEAKER PROFILES



Darren Steinberg

Chief Executive Officer and Executive Director

Darren is CEO and an Executive Director of DEXUS Funds Management Limited (appointed 1 March 2012). Darren has more than 20 years' experience in the property industry. Prior to joining DEXUS in March 2012, Darren was Managing Director Colonial First State Global Asset Management with responsibility for A\$18 billion of listed property, unlisted property and asset management and development functions. Prior to that, Darren held a number of senior property roles with Stockland, Westfield, Lend Lease and Jones Lang Wooten. Darren has a Bachelor of Economics from the University of Western Australia. Darren is the current National President of the Property Council of Australia, a Fellow of the Royal Institution of Chartered Surveyors and the Australian Property Institute and a member of the Australian Institute of Company Directors.



Peter Studley

General Manager, Research

Peter is the General Manager, Research for DEXUS and is responsible for coordinating the Group's view on property markets. Peter has worked in the real estate and financial services industry for 15 years in a research capacity, providing investment support, strategic advice and forecasting services. Prior to joining DEXUS in 2000, Peter held research positions with Westpac Property Finance and with real estate fund manager Paladin Australia. Peter holds a Masters of Applied Finance from Macquarie University, an Associate Diploma in Business (Valuation) from the Open Training and Education Network NSW, a Bachelor of Science (Agriculture) from the University of Sydney and a Diploma in Fine Arts. He is an associate of the Australian Property Institute and is involved in the education program of the Property Council of Australia.



Speculative development, DEXUS Industrial Estate, Laverton North, VIC



Andrew Whiteside

Group General Manager, Developments

Andrew is Group General Manager, Developments for DEXUS, heading up the new combined development team managing office and industrial developments, as well as overseeing the US business. From 2008 to May 2012, Andrew was Head of Industrial at DEXUS and was responsible for all property and development activities of the Australian industrial business. Prior to joining DEXUS, Andrew spent a year at Stockland as General Manager – Development & Industrial for the Office & Industrial division. Andrew has also held various property and development positions at DEXUS Property Group, Westralia Airports Corporation Pty Ltd, Westfield and Lend Lease in Australia and the US. Andrew graduated from the University of Sydney with a Bachelor of Science (Architecture) and a Bachelor of Architecture. He is also a Graduate of Real Estate Portfolio Management from MIT/PREA Centre for Real Estate Development in Boston.



Mark Cuddy

Regional General Manager, Industrial

Mark is Regional General Manager, Industrial for DEXUS and is responsible for the management of the industrial portfolio in NSW and Queensland. Mark has worked in the property industry for the past 21 years primarily in asset and portfolio management. Prior to joining DEXUS in July 2010, Mark spent eight years at Stockland in roles including industrial asset and portfolio management and General Manager of Intermodal where he was responsible for the industrial divisions' revenue and growth. Mark also worked in various roles with Knight Frank investment management specialising in Sydney CBD and North Shore commercial assets. Mark graduated from the University of Western Sydney, Hawkesbury with a Bachelor of Commerce (Land Economics).



SYDNEY INDUSTRIAL PROPERTY TOUR

Objectives

- Understand our view on the core industrial markets of Sydney and Melbourne
- Understand our capabilities and the DEXUS industrial business model
- Gain exposure to our industrial and development teams
- Visit our key industrial properties, including
 - **Stabilised** properties at Silverwater and Kings Park
 - **Development** properties in Quarry at Greystanes
 - A **recently completed** development at Erskine Park

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 1

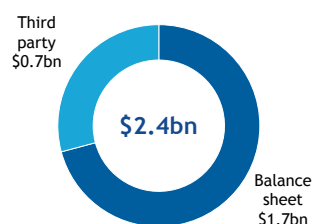


SYDNEY INDUSTRIAL PROPERTY TOUR

Australian industrial portfolio

- Our industrial capability is an important part of DEXUS's platform
 - Merged the industrial and office teams in May 2012
 - Recognised synergies in capabilities in terms of asset management, development, analysis and capital transactions
- Assets held on balance sheet and third party funds
- Focused on building the portfolio through partnerships with like-minded capital partners
- We will continue to build presence in our core markets of Sydney, Melbourne and Brisbane
- Further details regarding the portfolio mix, active components and target weightings will be announced as part of the strategic review in August 2012

DEXUS Australian industrial
Funds under management¹



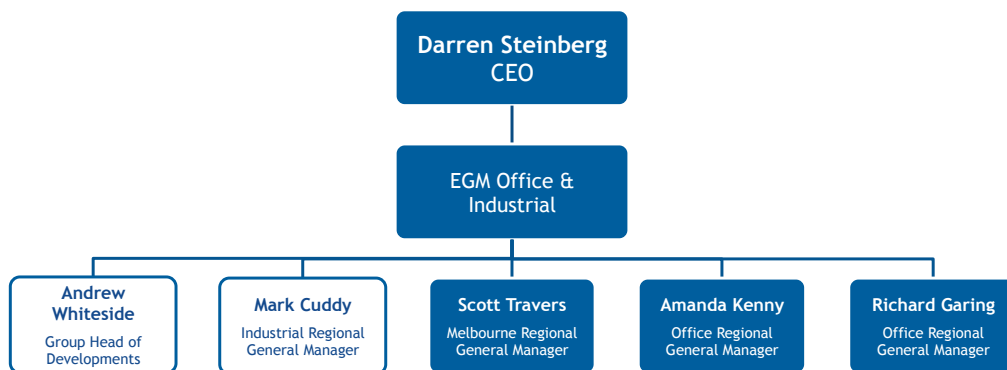
1. As at 31 March 2012.

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 2



SYDNEY INDUSTRIAL PROPERTY TOUR

Industrial, office and development reporting lines



EGM – Executive General Manager

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 3



AUSTRALIAN INDUSTRIAL MARKETS

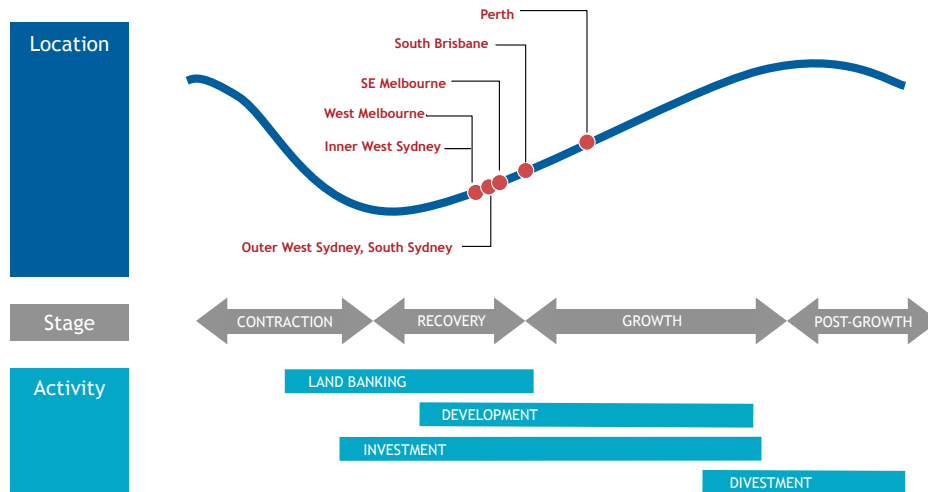


DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 4



KEY INDUSTRIAL MARKETS 2012 property cycle

- Industrial markets are in the early stages of the growth cycle



Source: DEXUS Research

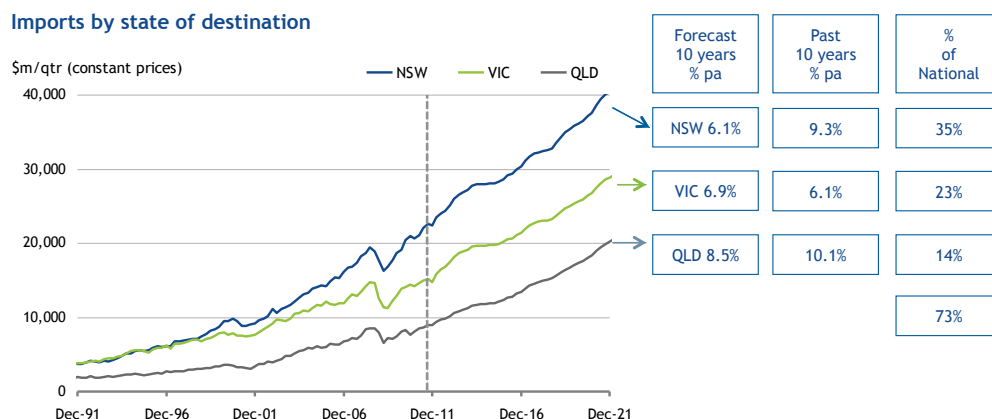
DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 5



KEY INDUSTRIAL MARKETS Import volumes

- Long term growth expected as import volumes forecast to rise 30% to 40% every five years

Imports by state of destination



Source: Access Economics March 2012

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 6



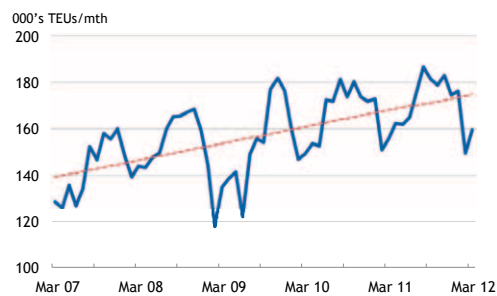
SYDNEY INDUSTRIAL DEMAND

Container movements

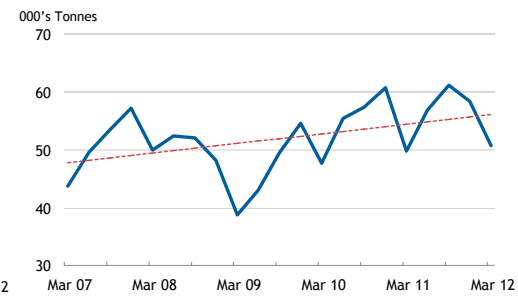
- Cyclical with longer term upward trend

Container and freight movements through Sydney's ports

Sydney's ports



Sydney Airport



Source: Sydney Ports, Trade Stats Bulletin March 2012; SACL, Sydney Airport Master Plan 2009
TEUs: Twenty-foot Equivalent Units represent the cargo capacity of a standard intermodal container

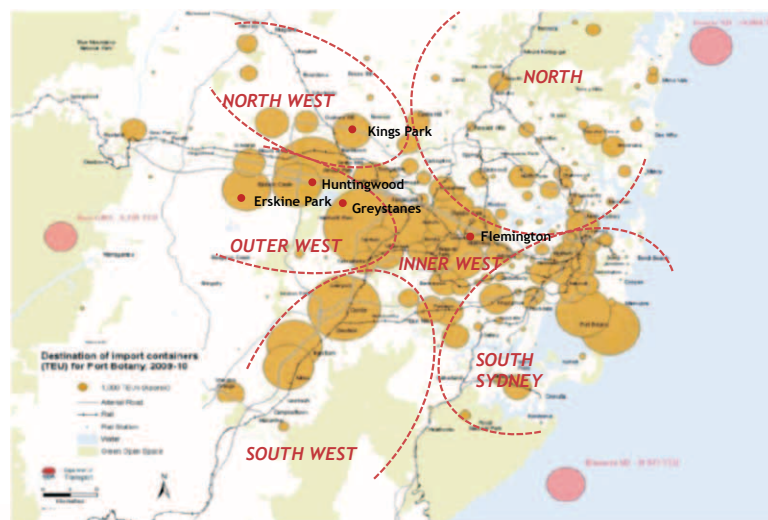
DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 7



SYDNEY INDUSTRIAL DEMAND

Destination of import containers from Port Botany

- Shows the importance of inner west and outer west precincts



Source: Transport for NSW

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 8

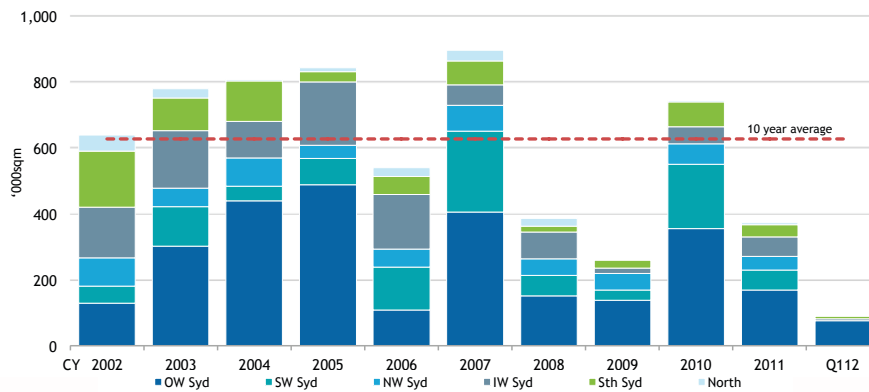


SYDNEY INDUSTRIAL DEMAND

Take up of Sydney industrial space

- The outer west region is the engine room of Sydney industrial
 - Accounting for 50% of total take up
 - Majority of take up is from logistics and retailer groups

Industrial take-up across Sydney



Source: Jones Lang LaSalle, DEXUS Research

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 9

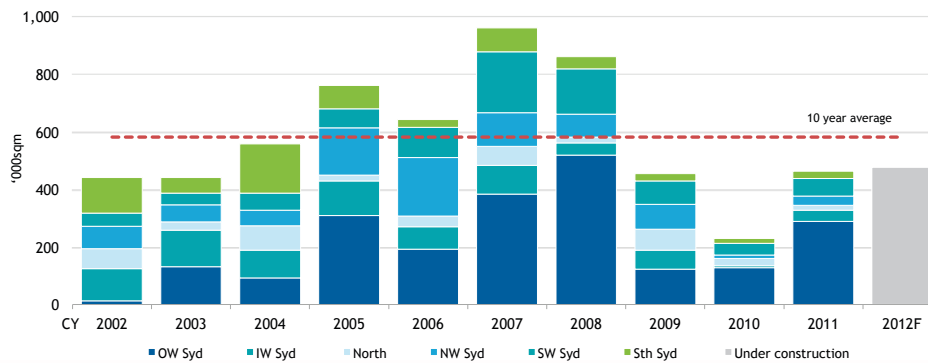


SYDNEY INDUSTRIAL SUPPLY

Selected markets have low supply levels

- Supply levels are below the 10 year average
 - Smaller developers experiencing funding constraints
 - Construction tenders competitive

Sydney industrial supply



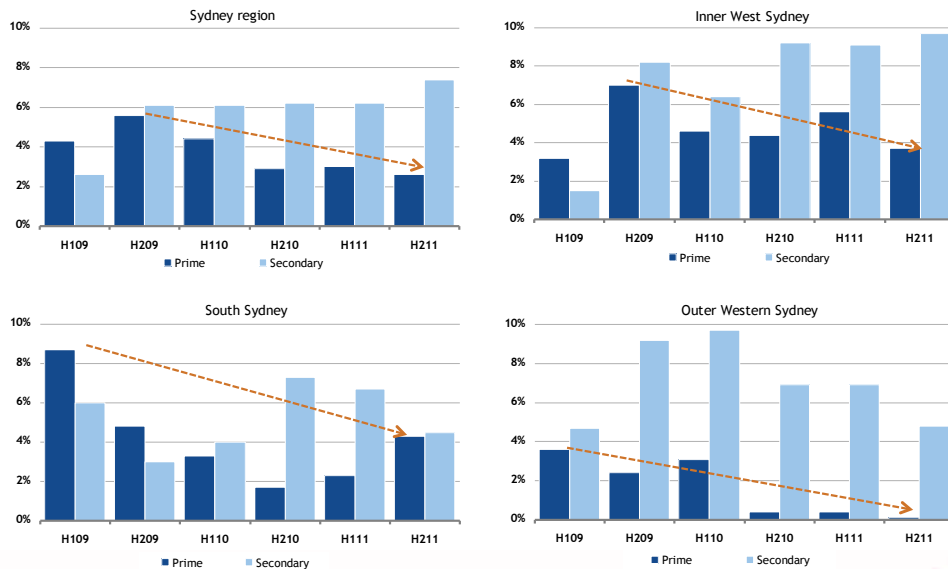
Source: Jones Lang LaSalle

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 10



SYDNEY INDUSTRIAL VACANCY

Declining trend in available prime space



Source: DEXUS Research, Savills Industrial Stock Survey H211

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 11

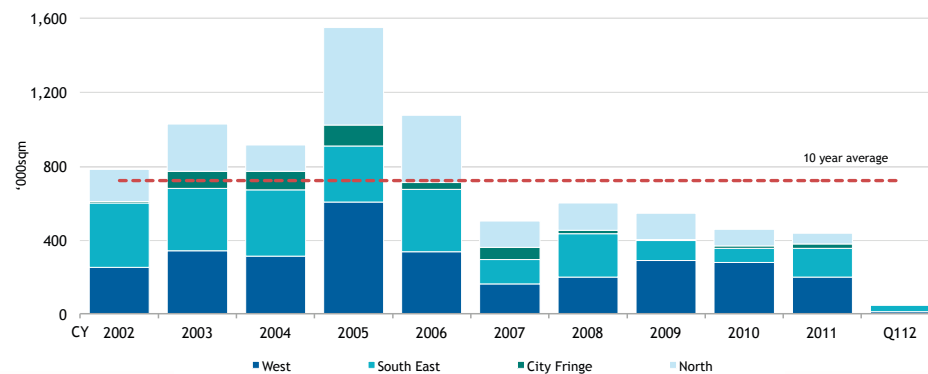
DEXUS
PROPERTY GROUP

MELBOURNE INDUSTRIAL DEMAND

Relative importance of the west and south east

- The west and south east markets have accounted for 65% of take-up in metro Melbourne
- Majority of take-up from logistics and retailer groups

Industrial take-up across Melbourne



Source: Jones Lang LaSalle, DEXUS Research

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 12

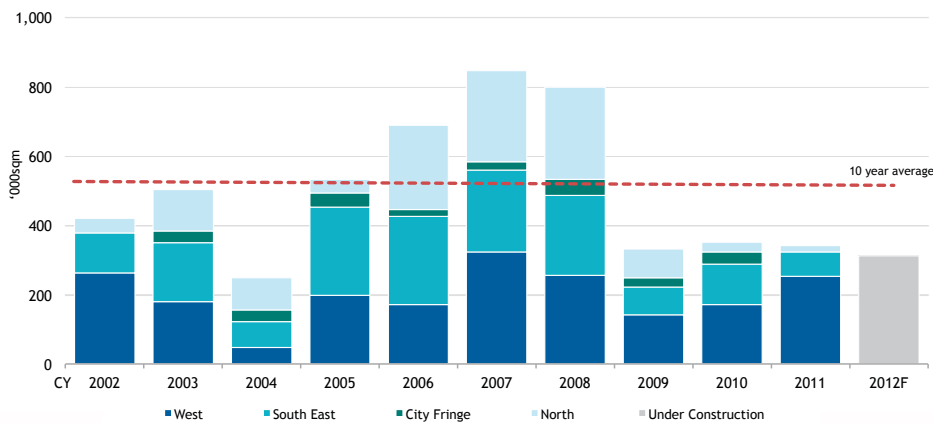
DEXUS
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MELBOURNE INDUSTRIAL SUPPLY

Selected markets have low supply levels

- Supply levels in Melbourne markets below the 10 year average
- Users seeking core locations with efficient infrastructure and proximity to employment hubs

Melbourne industrial supply



Source: Jones Lang LaSalle

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 13



MELBOURNE INDUSTRIAL VACANCY

Declining trend in available prime space



Source: DEXUS Research, Savills Industrial Stock Survey H211

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 14

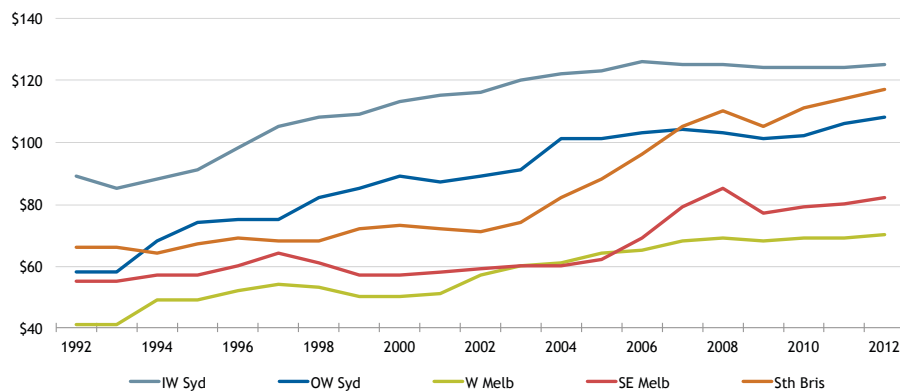


KEY INDUSTRIAL MARKETS

Rental growth

- Prime market rents have stabilised since the GFC

Industrial rents – major markets



Source: Jones Lang LaSalle

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 15

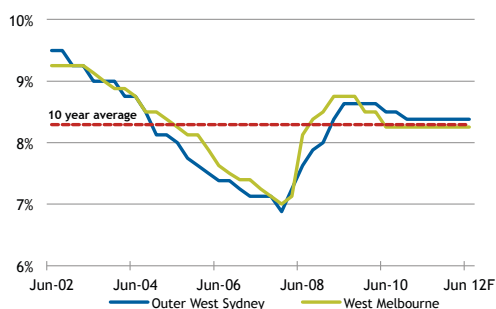


KEY INDUSTRIAL MARKETS

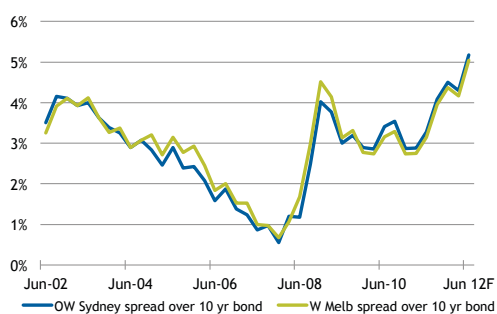
Prime asset yields

- Room for further tightening in industrial prime asset yields
- Yield spreads over bond rates are at record highs

Industrial prime asset yield



Yield spread to bond rate



Source: Jones Lang LaSalle, DEXUS Research

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 16

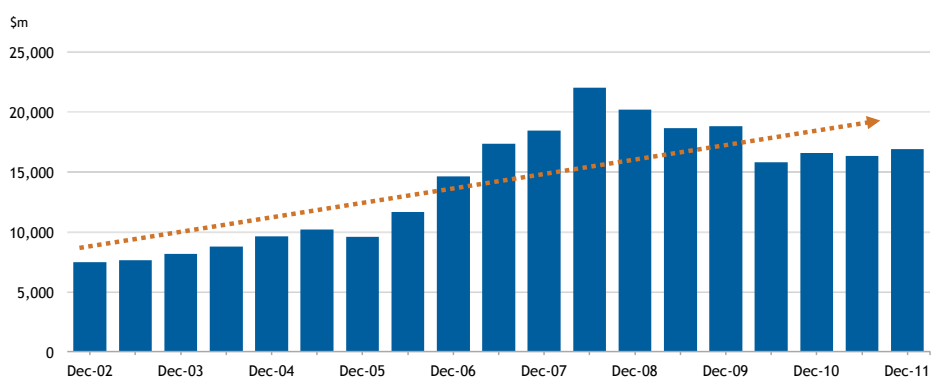


KEY INDUSTRIAL MARKETS

Institutional investment demand

- Institutional ownership of industrial assets has more than doubled in the past decade
- Industrial assets sought by institutions, including foreign pension funds

Industrial assets in A-REITs and wholesale funds



Source: UBS, Mercer Investment Consulting, DEXUS Research

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 17



DEXUS INDUSTRIAL PORTFOLIO



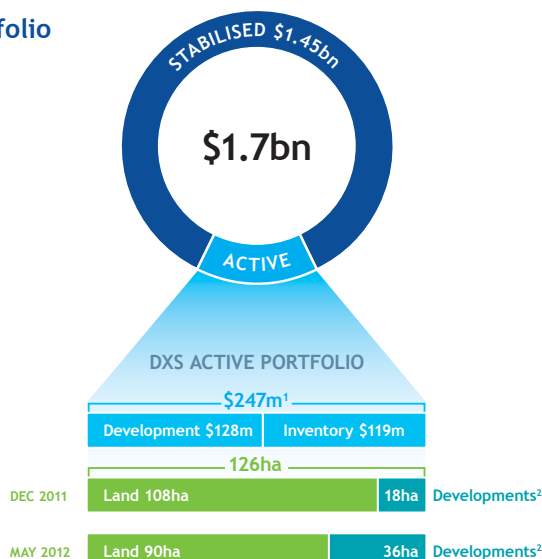
DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 18



INDUSTRIAL PORTFOLIO

Stabilised and active portfolio

DXS industrial portfolio



1. As at 31 December 2011.
2. Includes developments underway and completed.

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 19



INDUSTRIAL PORTFOLIO

Development pipeline

Pipeline at 31 Dec 2011	State	Estimated total cost (\$m)	Estimated cost to complete (\$m)	Forecast yield (%)	Building/land area (m ²)	FY12	FY13	FY14	FY15
Quarry at Greystanes	NSW	346.6	161.8	8.5	237,718				
57-75 Templar Road, Erskine Park	NSW	38.4	38.4	8.9	30,140				
94-106 Lenore Drive, Erskine Park	NSW	24.8	3.6	9.1	21,000				
DEXUS Industrial Estate, Laverton North	VIC	254.2	153.8	8.6	228,819				
3676 Ipswich Road, Wacol	QLD	22.3	11.2	9.0	12,735				
Total under construction projects					530,412				

■ Underway ■ Completed

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 20



INDUSTRIAL PORTFOLIO

Key areas of focus

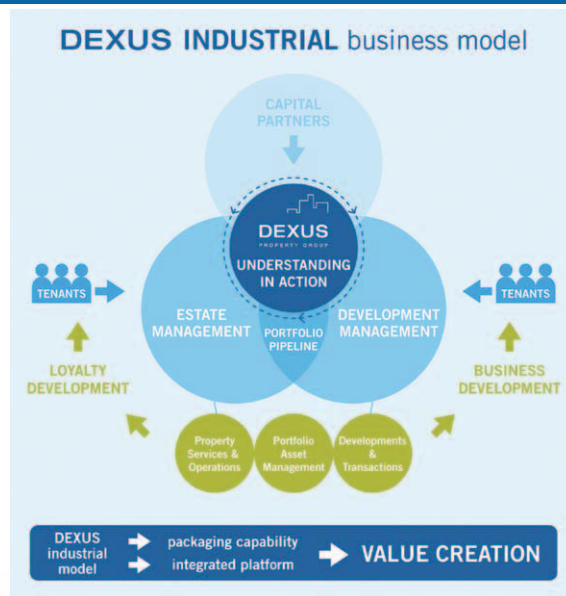
- Stabilised portfolio
 - Active management of existing portfolio
 - Seek opportunities to add value by proactively managing leasing risk
 - Continue to monitor non-core properties for potential divestment
 - Continue to seek strategic acquisitions in key markets
- Developments
 - Develop out existing land banks to meet market needs
 - Replenish land banks in key markets to deliver future active earnings
 - Secure pipeline to create “stock”
- Active/trading business
 - Target developments with more opportunistic focus
 - Leverage platform to transact in multiple markets (levers to deliver sustainable profits)
 - Use local expertise to secure enhanced returns
- Focused on building the portfolio through partnerships with like-minded capital partners

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 21



INDUSTRIAL PORTFOLIO

Australian business model



DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 22



INDUSTRIAL PORTFOLIO

Development capabilities

- Local market knowledge and focus
- Key sites with proven market appeal
- Expertise to identify strategic development, leasing and transaction opportunities
- Diverse design and delivery partners with demonstrated expertise
- Leading sustainable development



Quarry at Greystanes, 2-6 Basalt Road, Greystanes, NSW

DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 23



INDUSTRIAL PORTFOLIO

Asset management capabilities

- Local market knowledge and focus
- Well located properties in key markets
- Expertise, systems and scale to maintain and enhance tenant relationships and deliver consistent performance with a stable income profile
- Key agency and tenant advocacy relationships
- Integrated platform drives performance throughout the asset life cycle
- Active recycling and strategic rebalancing
 - Sold 8 non-core properties over the past three years valued at \$83 million



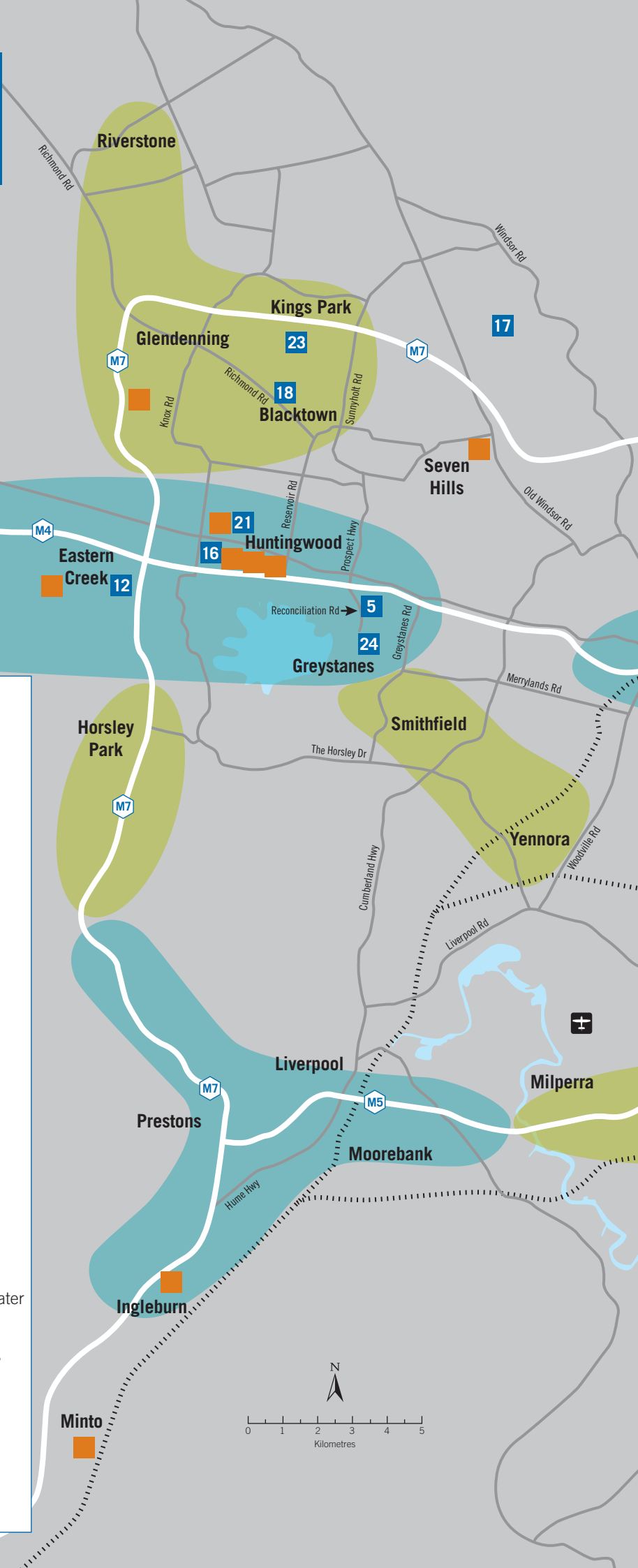
DEXUS Industrial Estate, Egerton Street, Silverwater, NSW

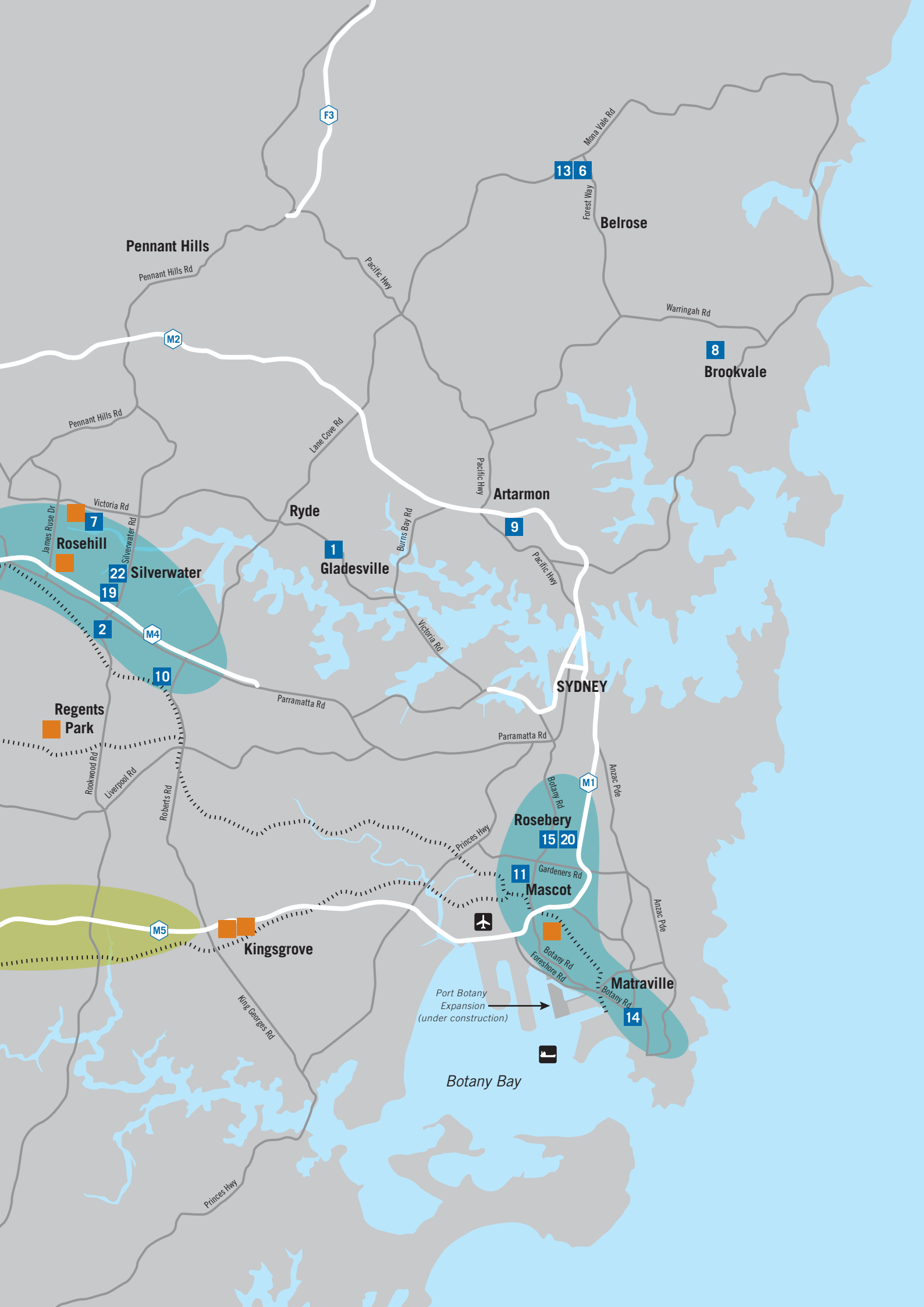
DEXUS Property Group Sydney Industrial Property Tour June 2012 – Slide 24



DEXUS SYDNEY INDUSTRIAL PORTFOLIO

- 1 436-484 Victoria Road, Gladesville
 - 2 79-99 St Hilliers Road, Auburn
 - 3 94-106 Lenore Drive, Erskine Park
 - 4 57-75 Templar Road, Erskine Park
 - 5 1 Foundation Place, Greystanes
 - 6 1 Garigal Road, Belrose
 - 7 10-16 South Street, Rydalmere
 - 8 114-120 Old Pittwater Road, Brookvale
 - 9 12 Frederick Street, St Leonards
 - 10 145-151 Arthur Street, Flemington
 - 11 154 O'Riordan Street, Mascot
 - 12 2 Alspec Place, Eastern Creek
 - 13 2 Minna Close, Belrose
 - 14 2-4 Military Road, Matraville
 - 15 25-55 Rothschild Avenue, Rosebery
 - 16 27-29 Liberty Road, Huntingwood
 - 17 3 Brookhollow Avenue, Baulkham Hills
 - 18 30-32 Bessemer Street, Blacktown
 - 19 DEXUS Industrial Estate, Egerton Street, Silverwater
 - 20 5-15 Rosebery Avenue, Rosebery
 - 21 52 Holbeche Road, Arndell Park
 - 22 Centrewest Industrial Estate, Silverwater Road, Silverwater
 - 23 Kings Park Industrial Estate, Vardys Road, Marayong
 - 24 Quarry at Greystanes, Reconciliation Road, Greystanes
- Listed asset
 - Third party asset
 - Key industrial markets
 - Supporting industrial corridors
 - Railway line (passenger and freight)







DEXUS's Silverwater portfolio comprises 15 properties that make up the Centrewest Industrial Estate on Silverwater Road and the DEXUS Industrial Estate on Egerton Street in Silverwater.

Silverwater is a long established industrial precinct located in the geographical centre of metropolitan Sydney.

The Silverwater precinct comprises 109 hectares located along Silverwater Road offering a diverse range of buildings and warehouses. Silverwater is located within the Auburn Local Government Area which includes Auburn, Regents Park, Lidcombe, Homebush Bay and Newington.

The original businesses located in the area were generally food processing and more heavy industrial manufacturing based. Today the focus is predominantly on light manufacturing, utilities and urban services users requiring strategic centrally located facilities to assist with their Sydney metropolitan distribution services.

The DEXUS properties (Centrewest Industrial Estate and DEXUS Industrial Estate) are ideally positioned close to transport links, located only four kilometres from the Parramatta CBD and 16 kilometres from the Sydney CBD. Both are easily accessible from the M4 and Parramatta and Silverwater Roads provide a direct conduit to the North.

The DEXUS property management team recently undertook a strategic property review with particular focus on secondary properties exposed to leasing risks and market challenges.

A report was commissioned which identified future key market users that the team could successfully target and secure long term tenants.

As a result, agency appointments were reviewed and new agency appointments made to strengthen the relationships with key agents and focus leasing performance. At the same time, new marketing initiatives were implemented including direct target marketing campaigns to users within identified growth sectors such as the healthcare and infrastructure services.

Key achievements at DEXUS Industrial Estate

Key achievements as a consequence of this focused strategic approach included:

Operational

- Leasing 11,891 square metres across five deals, securing three new tenants from our identified growth sectors and retaining two existing tenants
- Securing heads of agreement over the remaining expiries in the last quarter of FY12
- Advancing negotiations over a 10 year lease on the remaining vacancy

Asset metrics

- Increasing occupancy from 59.9% at 30 June 2011 to 86.5% at 31 March 2012
- Securing income growth with over 85% of the tenancies subject to fixed and or CPI annual reviews averaging 3.6%
- Maintaining the weighted average lease expiry at 3.1 years from 30 June 2011 to 31 March 2012

CENTREWEST INDUSTRIAL ESTATE, SILVERWATER



The estate is located on Silverwater Road adjacent to DEXUS's Egerton Street estate and comprises six buildings with 12 units. Six of the units front onto Silverwater Road with warehouse and parking access to the rear, another four units front Vore Street at the rear.

Property details as at 31 Dec 2011

Metro area	Sydney, Inner West
Building type	Industrial estate
Title	Freehold
Ownership (%)	DXS 100
Zoning	General Industrial 4(a)
Year built	1988
Site area (ha)	2.4
Lettable area ('000 m ²)	17.84
Number of buildings	6
Office content (%)	44
Car parking spaces	270
Major tenant	Christian City Church
Acquisition date	May 2010
Acquisition price plus additions (A\$m)	25.9
Book value (A\$m)	26.1
Independent valuation (A\$m)	N/A
Market cap rate (%)	9.00
Initial yield (%)	8.28
Discount rate (%)	9.50
Leased by area (%)	87
Weighted lease term by income (years)	3.2
Available (%)	12
2012 (%)	5
2013 (%)	13
2014 (%)	30
2015 (%)	5
2016 (%)	22
2017 (%)	0
2018 (%)	0
2019 (%)	0
2020 (%)	0
2021+ (%)	12

DEXUS INDUSTRIAL ESTATE, SILVERWATER



The estate is located on Egerton and Farliola Streets which are in close proximity to Silverwater Road. Silverwater is regarded as one of the premier central west industrial regions in Sydney with major arterials such as Victoria Road, the M4 and Parramatta Road in close proximity.

Property details as at 31 Dec 2011

Metro area	Sydney, Inner West
Building type	Industrial estate
Title	Freehold
Ownership (%)	DXS 100
Zoning	General Industrial 4(a)
Year built	1980s
Site area (ha)	8.8
Lettable area ('000 m ²)	29.33
Number of buildings	9
Office content (%)	29
Car parking spaces	290
Major tenant	Payless Shoes Pty Ltd
Acquisition date	May 1997
Acquisition price plus additions (A\$m)	41.6
Book value (A\$m)	42.0
Independent valuation date	Dec 2009
Independent valuation (A\$m)	39.5
Market cap rate (%)	8.65
Initial yield (%)	5.34
Discount rate (%)	9.61
Leased by area (%)	60
Weighted lease term by income (years)	4.5
Available (%)	38
2012 (%)	10
2013 (%)	4
2014 (%)	0
2015 (%)	0
2016 (%)	0
2017 (%)	13
2018 (%)	35
2019 (%)	0
2020 (%)	0
2021+ (%)	0



NOTES

[illegible]

DEXUS INDUSTRIAL ESTATE, EGERTON STREET TENANCY PROFILE



1 FOUNDATION PLACE GREYSTANES



The property is situated in the Greystanes business hub which is well located to major arterial routes being less than one kilometre south of the M4 and six kilometres east of the M7.

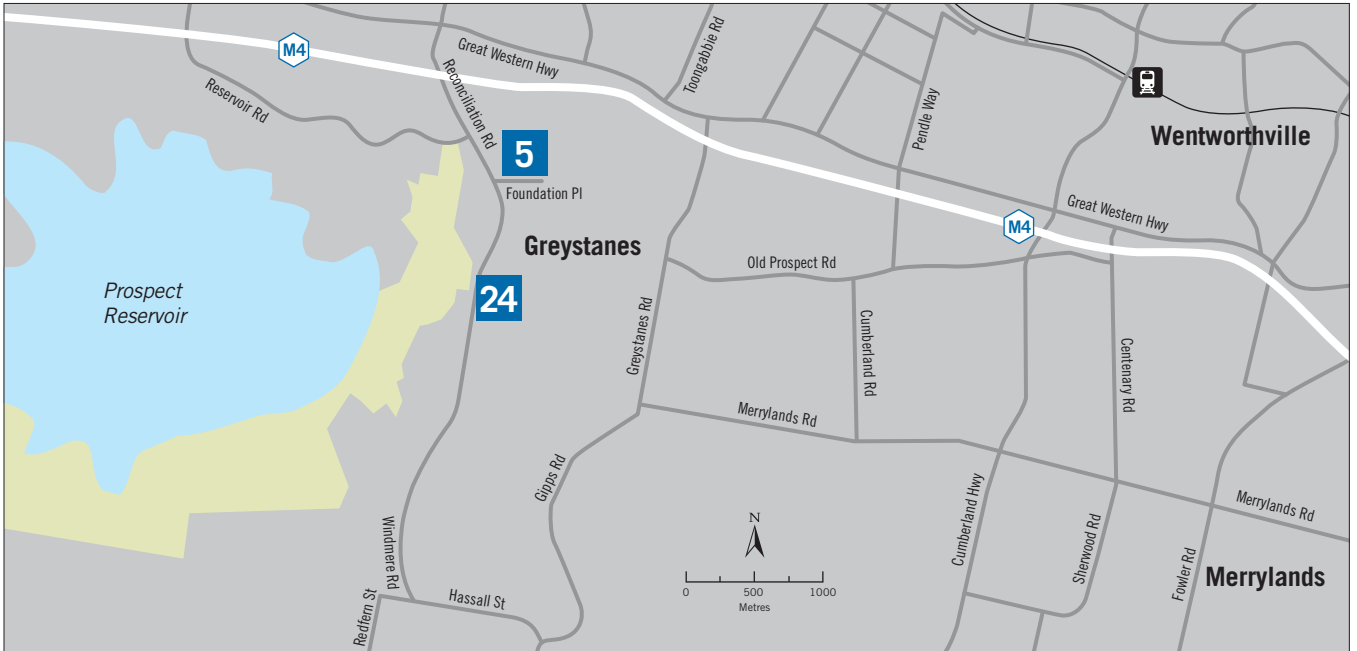
The property comprises four industrial warehouses covering more than 30,000 square metres. The Greystanes business hub is located six kilometres west of Parramatta and 26 kilometres west of the Sydney CBD.

Property details as at 31 Dec 2011

Building type	Industrial estate
Title	Freehold
Site area (ha)	5.8
Lettable area ('000 m ²)	30.76
Number of buildings	4
Car parking spaces	278
Year built	2004
Major tenant	Hitachi Construction Machinery
Ownership (%)	DXS 100

Key statistics as at 31 Dec 2011

Metro area	Greystanes
Zoning	Employment
Acquisition date	Feb 2003
Acquisition price plus additions (A\$m)	39.3
Book value (A\$m)	43.2
Independent valuation date	Jun 2010
Independent valuation (A\$m)	41.5
Market cap rate (%)	8.25
Initial yield (%)	9.13
Discount rate (%)	9.50
Leased by area (%)	100
Weighted lease term by income (years)	2.7
Available (%)	0
2012 (%)	0
2013 (%)	16
2014 (%)	27
2015 (%)	42
2016 (%)	0
2017 (%)	15
2018 (%)	0
2019 (%)	0
2020 (%)	0
2021+ (%)	0



NOTES

QUARRY AT GREYSTANES RECONCILIATION ROAD, GREYSTANES



Quarry at Greystanes is DEXUS's premier industrial estate.

For over 100 years this site was part of the Prospect Quarry and is now fully serviced, providing a platform for construction of up to 240,000 square metres of industrial space. The site can accommodate a variety of industrial uses including warehousing, manufacturing, logistics, storage, research and development.

The Quarry is conveniently located with direct access to the M4 and is located strategically to the M7 interchange providing easy access to Sydney's orbital road network and key business areas such as Parramatta, Port Botany, Sydney Airport and Sydney CBD.

The development plan is designed over three precincts. Each precinct features premium quality office and warehouse design solutions incorporating Green Star principles, operational functionality, signage opportunities and exposure.

Capabilities

This project demonstrates DEXUS's capabilities in

- Identifying strategic development, leasing and transaction opportunities in a key market
- Designing developments to meet market demand and incorporating leading sustainable development and business practices
- Securing quality multi-national tenants

Key achievements

Key achievements since acquiring this site have included:

- Obtaining a Part 3A Major Project approval from the Department of Planning & Infrastructure for the estate. As a master plan approval, this provides us with "speed to market" delivery avoiding lengthy DA processes
- Retaining the Quarry walls to form a tribute to the site's previous use and developing a biodiversity swale at the base of the Quarry walls that runs the entire length of the eastern perimeter of the site capturing ground and storm water from the estate. This is both a practical solution but also a pioneering green initiative in industrial estates with the recycled ground and storm water is used by the nearby Cumberland Country Golf Club for irrigation
- Undertaking extensive civil works and infrastructure in preparation for development, including the construction of roads and installation of power, communications, water and sewerage
- Constructing four industrial properties totalling 76,295 square metres costing \$110.5 million
- Attracting multi-national tenants to a site that can accommodate a variety of uses
- Demonstrating our ability to construct purpose built properties suiting tenant needs
- Constructing an additional three developments covering more than 36,928 square metres, at an estimated cost of \$55.5 million
- Selling a 47,500 square metre site to a long term international owner occupier that fits into the target tenant mix



Environmentally Sustainable Design achievements

We are leading the way in industrial sustainability through our commitment to environmentally sustainable development and business practices:

- Rain water harvesting/recycling
- Native plant landscaping
- Natural ventilation initiatives
- Natural light enhancement
- Storm water and ground water recycling
- Solar hot water
- Sensor lighting controls
- Use of recycled timber

The remaining development area of 157,808 square metres caters to a broad range of users by offering the flexibility of building size, land area, tailored design and construction.

Quarry at Greystanes as at 31 March 2012

	Land developed	Under construction	Land sold	Remaining land	Total estate
Land area (ha)	15.0	7.5	4.8	15.8	43.0
Building area ('000 m²)	76.3	36.9	–	81.1	194.3
Site coverage	51%	49%	–	51%	–

QUARRY AT GREYSTANES RECONCILIATION ROAD, GREYSTANES

QUARRY AT GREYSTANES,
8 BASALT ROAD, GREYSTANES



The Solaris property was the first development at the Quarry. We secured a pre-lease commitment with Solaris to build a warehouse/office facility for storing, packaging and re-distribution of their paper products.

QUARRY AT GREYSTANES,
5 BELLEVUE CIRCUIT, GREYSTANES



The Symbion property was the second development at the Quarry. It is a purpose built 17,300 square metre distribution facility constructed for Symbion Health. The development was completed in December 2010.

QUARRY AT GREYSTANES,
6 BELLEVUE CIRCUIT, GREYSTANES



The Fujitsu property was the third development at the Quarry. We purpose built a 7,000 square metre data storage facility for Fujitsu which was completed in September 2011.

Property details as at 31 Dec 2011

Metro area	Sydney, Outer West
Building type	Industrial estate
Title	Freehold
Ownership (%)	DXS 100
Zoning	Employment
Year built	2010
Site area (ha)	3.0
Lettable area ('000 m ²)	18.65
Number of buildings	1
Office content (%)	3
Car parking spaces	84
Major tenant	Solaris Paper Pty Ltd
Acquisition date	Dec 2007
Acquisition price plus additions (A\$m)	23.0
Book value (A\$m)	25.3
Independent valuation (A\$m)	25.3
Independent valuation date	Dec 2011
Market cap rate (%)	8.12
Initial yield (%)	8.01
Discount rate (%)	9.50
Leased by area (%)	100
Weighted lease term by income (years)	8.7
Available (%)	0
2012 (%)	0
2013 (%)	0
2014 (%)	0
2015 (%)	0
2016 (%)	0
2017 (%)	0
2018 (%)	0
2019 (%)	0
2020 (%)	100
2021+ (%)	0

Property details as at 31 Dec 2011

Metro area	Sydney, Outer West
Building type	Industrial estate
Title	Freehold
Ownership (%)	DXS 100
Zoning	Employment
Year built	2010
Site area (ha)	3.8
Lettable area ('000 m ²)	17.30
Number of buildings	1
Office content (%)	14
Car parking spaces	243
Major tenant	Symbion Health
Acquisition date	Dec 2007
Acquisition price plus additions (A\$m)	29.6
Book value (A\$m)	30.5
Independent valuation (A\$m)	N/A
Independent valuation date	N/A
Market cap rate (%)	7.75
Initial yield (%)	7.70
Discount rate (%)	9.50
Leased by area (%)	100
Weighted lease term by income (years)	14.2
Available (%)	0
2012 (%)	0
2013 (%)	0
2014 (%)	0
2015 (%)	0
2016 (%)	0
2017 (%)	0
2018 (%)	0
2019 (%)	0
2020 (%)	0
2021+ (%)	100

Property details as at 31 Dec 2011

Metro area	Sydney, Outer West
Building type	Industrial estate
Title	Freehold
Ownership (%)	DXS 100
Zoning	Employment
Year built	2011
Site area (ha)	3.9
Lettable area ('000 m ²)	17.00
Number of buildings	1
Office content (%)	6
Car parking spaces	115
Major tenant	Fujitsu
Acquisition date	Dec 2007
Acquisition price plus additions (A\$m)	39.1
Book value (A\$m)	39.6
Independent valuation (A\$m)	N/A
Independent valuation date	N/A
Market cap rate (%)	8.00
Initial yield (%)	8.03
Discount rate (%)	9.75
Leased by area (%)	100
Weighted lease term by income (years)	14.8
Available (%)	0
2012 (%)	0
2013 (%)	0
2014 (%)	0
2015 (%)	0
2016 (%)	0
2017 (%)	0
2018 (%)	0
2019 (%)	0
2020 (%)	0
2021+ (%)	100

QUARRY AT GREYSTANES, 2-6 BASALT ROAD, GREYSTANES



This 23,340 square metre speculative warehouse was completed in May 2012, for a total cost of \$30 million. The property is 46% leased to Glen Cameron Group and we are actively marketing the remaining space.

QUARRY AT GREYSTANES, 5 BASALT ROAD, GREYSTANES



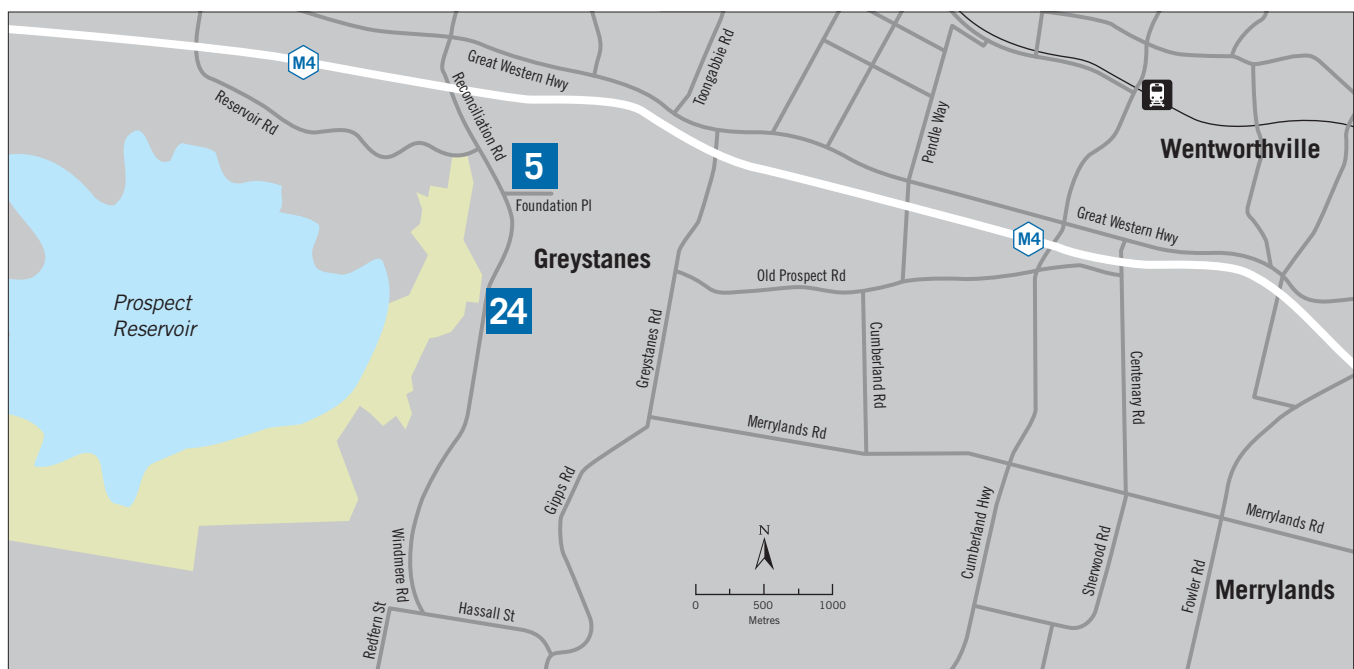
This \$9 million, 5,437 square metre facility is pre-leased to UPS Australia on a seven year term. Construction is due to complete in July 2012.

Property details as at 31 Mar 2012

Metro area	Sydney, Outer West
Building type	Industrial estate
Title	Freehold
Site area (ha)	4.2
Lettable area ('000 m ²)	23.34
Car parking spaces	111
Year built	2012
Tenant	Glen Cameron Group

Property details as at 31 Mar 2012

Metro area	Sydney, Outer West
Building type	Industrial estate
Title	Freehold
Site area (ha)	1.2
Lettable area ('000 m ²)	5.44
Car parking spaces	33
Year built	2012
Tenant	UPS Australia



94-106 LENORE DRIVE ERSKINE PARK



In August 2010, DEXUS acquired a 7.6 hectare industrial zoned site located on Lenore Drive, Erskine Park.

The site, in one of Western Sydney's most recognised industrial precincts, is 45 kilometres west of the Sydney CBD and just 15 kilometres west of the Parramatta CBD. It has excellent access to major transport routes, being only 2.7 kilometres south of the M4 on-ramp and, upon completion of the Erskine Park Link Road, will provide direct access from Lenore Drive through to the M7 and Old Wallgrove Road.

Capabilities

This project demonstrates DEXUS's capabilities in

- Identifying strategic development, leasing and transaction opportunities in a key market
- Designing a development to meet market demand and incorporating leading sustainability features and resource consumption efficiencies
- Securing an outstanding leasing outcome ahead of time and in line with budget

Investment objectives

The investment objectives from acquisition, were to:

- Subdivide the site into three individual lots
- Sell the two smaller land parcels of 1.8 hectares and 1.6 hectares by July 2011
- Design, construct and lease a 21,000 square metre industrial facility on the remaining 4.2 hectares on a speculative basis
- Sell the developed facility and generate revenue for DEXUS in the form of trading profits

Key achievements

The key timeframes and achievements since acquiring the site included:

- August 2010 – site acquired
- December 2010 – received planning approval
- February 2011 – commenced construction of a 21,000 square metre industrial facility onsite combined with a sales marketing campaign for the two smaller land parcels
 - Developed the facility using leading sustainability practices including an underground rainwater tank for water recycling and irrigation use, using 10% translucent sheeting on the roof and rooftop solar panels to power the hot water system
- July 2011 – sold the two smaller land parcels to Digital Realty, an owner occupier, realising a trading profit of \$1.4 million
- September 2011 – reached practical completion of the development ahead of schedule and under budget
- March 2012 – secured a seven year lease with global logistics and distribution company DB Schenker, in one of the largest industrial leasing deals in the Australian market for the 2012 financial year

Property details as at 31 Mar 2012

Metro area	Erskine Park
Zoning	Industrial
Building type	Industrial/Warehouse
Title	Freehold
Site area (ha)	4.1
Lettable area ('000 m ²)	21.0
Car parking spaces	164
Year built	2011
Tenant	DB Schenker
Forecast IRR	20%+

**57-75 TEMPLAR ROAD
ERSKINE PARK**



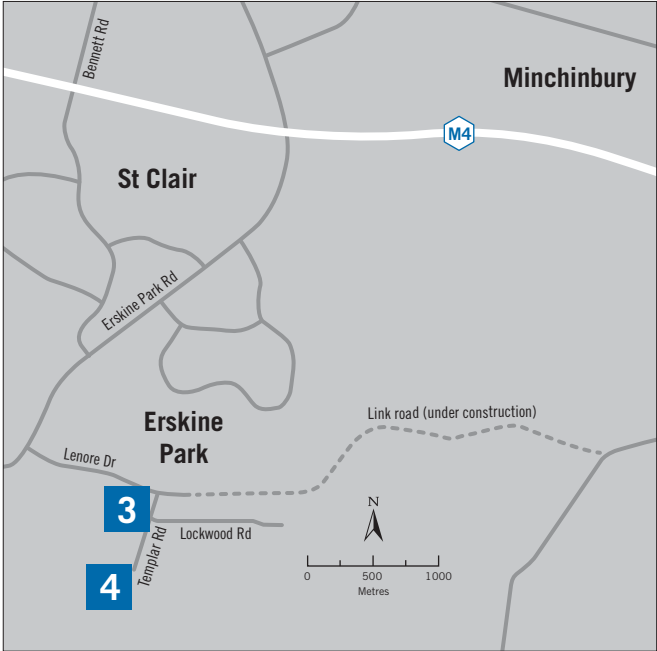
DEXUS has exchanged contracts to acquire land at 57-75 Templar Road, Erskine Park, with settlement expected prior to 30 June 2012.

Approval has already been obtained to construct a new speculative development project. The site is situated approximately 300 metres south of the controlled intersection of Lenore Drive and Templar Road, and is approximately 2.7 kilometres south of the junction of Erskine Park Road and the M4 junction.

The masterplan allows for the subdivision of smaller units across two buildings offering the flexibility to accommodate a variety of industrial uses and incorporates sustainable design and innovation. The target audience is smaller industrial businesses located in central west Sydney looking for cost effective functional facilities close to major transport distribution routes. On completion, the development will be one of the only available sites in the Erskine Park area offering smaller tenancy sizes through to large individual buildings more commonly seen in Erskine Park.

Property details

Building type	Industrial/Warehouse
Title	Freehold
Net site area (ha)	5.6
Target lettable area ('000 m ²)	(over two buildings) 30
Car parking spaces	240
Construction timeline	Jul 12 – Feb 13
Target IRR	15%+



NOTES

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KINGS PARK INDUSTRIAL ESTATE MARAYONG



Kings Park Industrial Estate comprises nine office/warehouse buildings and a café covering over 68,000 square metres.

The buildings range from 2,500-27,300 square metres. The property is located in Marayong (Kings Park) near the Marayong railway station and is in close proximity to Sunnyholt Road, the M7 and M2. The catchment is also linked to the Great Western Highway and the M4.

Upon acquisition of this property in 1990, the development strategy was to develop 1 Coronation Avenue and expand existing buildings where applicable to maximise the gross lettable area and total returns.

The staged value-add development included:

- 1/1 Coronation Avenue development as a pre-commitment design and construct project for CSL Limited in 2004.
- 2/1 Coronation Avenue was a speculative development, completed in early 2006 and leased from May 2008.
- Building extensions have been undertaken to 2 Coronation Avenue (Geoff Penney Australia), 7 Coronation Avenue (Visy PET) and 6 Harvey Road (Regency Media – previously Harper Collins).

More recently the property strategy has been a core focus with an emphasis on lease renewals to maintain 100% occupancy and increase the weighted average lease expiry.

Key achievements

In the financial year to date, the property management team has achieved the following leasing results:

- Secured all FY12 expiries
- Renewed four leases with existing tenants including Visy PET (27,300 square metres) for a further five years
- Increased the WALE (by income) from 2.4 years at 30 June 2011 to 3.7 years at 31 March 2012
- Secured a steady income growth profile for the estate with all tenancies subject to fixed and or CPI annual reviews, averaging 3.4%

Property details as at 31 Dec 2011

Building type	Industrial estate
Title	Freehold
Site area (ha)	13.7
Lettable area ('000 m ²)	68.86
Number of buildings	10
Office content (%)	13
Car parking spaces	484
Year built	1991
Major tenant	Visy PET Pty Ltd



Key statistics as at 31 Dec 2011

Metro area	Marayong
Zoning	4(a) General Industrial
Acquisition date	May 1990
Acquisition price plus additions (A\$m)	81.2
Book value (A\$m)	88.7
Independent valuation date	Dec 2009
Independent valuation (A\$m)	88.0
Market cap rate (%)	8.50
Initial yield (%)	9.35
Discount rate (%)	9.50
Leased by area (%)	100
Weighted lease term by income (years)	1.9
Available (%)	0
2012 (%)	44
2013 (%)	9
2014 (%)	0
2015 (%)	42
2016 (%)	0
2017 (%)	5
2018 (%)	0
2019 (%)	0
2020 (%)	0
2021+ (%)	0

NOTES

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DEXUS MELBOURNE INDUSTRIAL PORTFOLIO

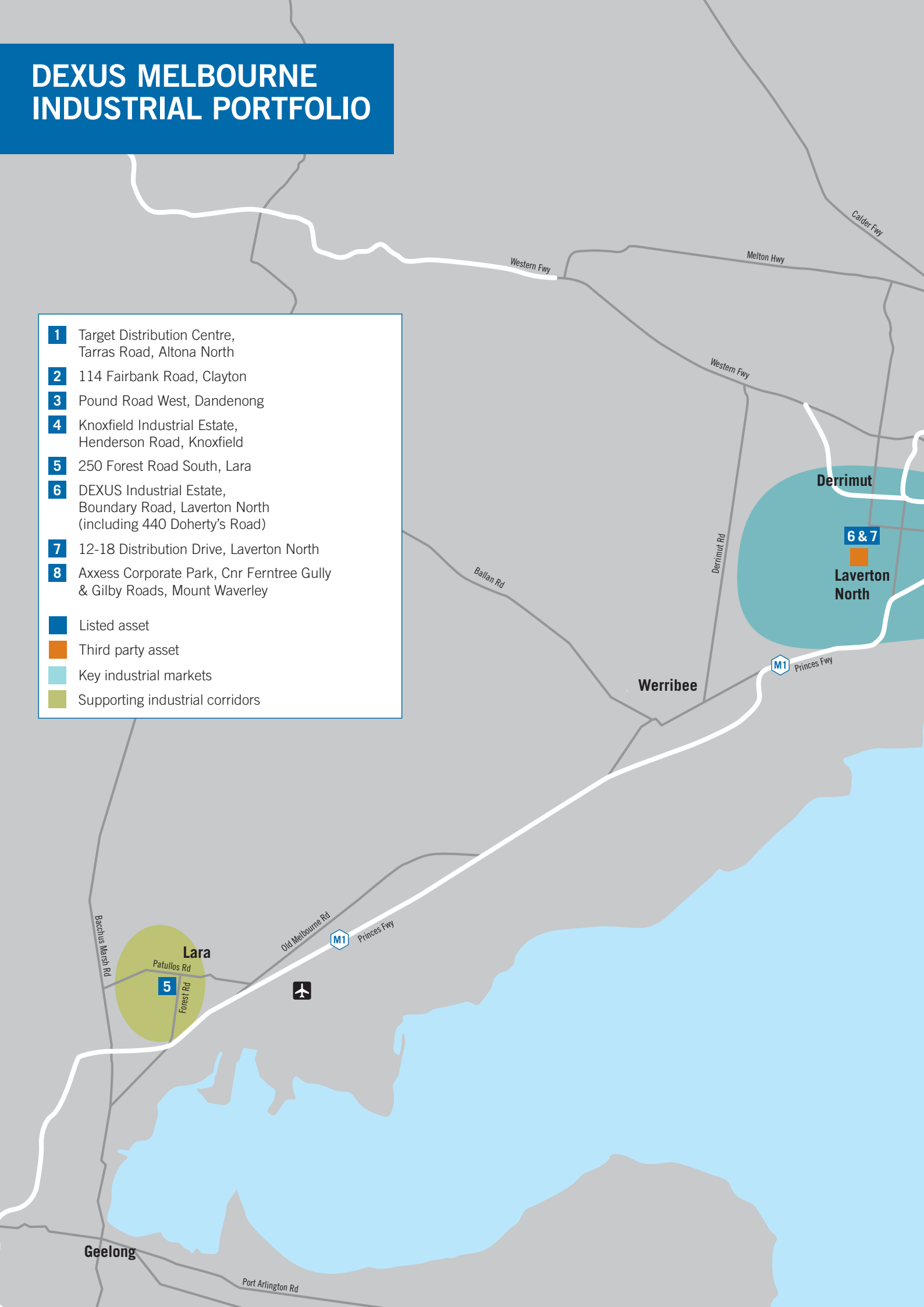
- 1** Target Distribution Centre,
Tarras Road, Altona North
- 2** 114 Fairbank Road, Clayton
- 3** Pound Road West, Dandenong
- 4** Knoxfield Industrial Estate,
Henderson Road, Knoxfield
- 5** 250 Forest Road South, Lara
- 6** DEXUS Industrial Estate,
Boundary Road, Laverton North
(including 440 Doherty's Road)
- 7** 12-18 Distribution Drive, Laverton North
- 8** Axxess Corporate Park, Cnr Ferntree Gully
& Gilby Roads, Mount Waverley

 Listed asset

 Third party asset

 Key industrial markets

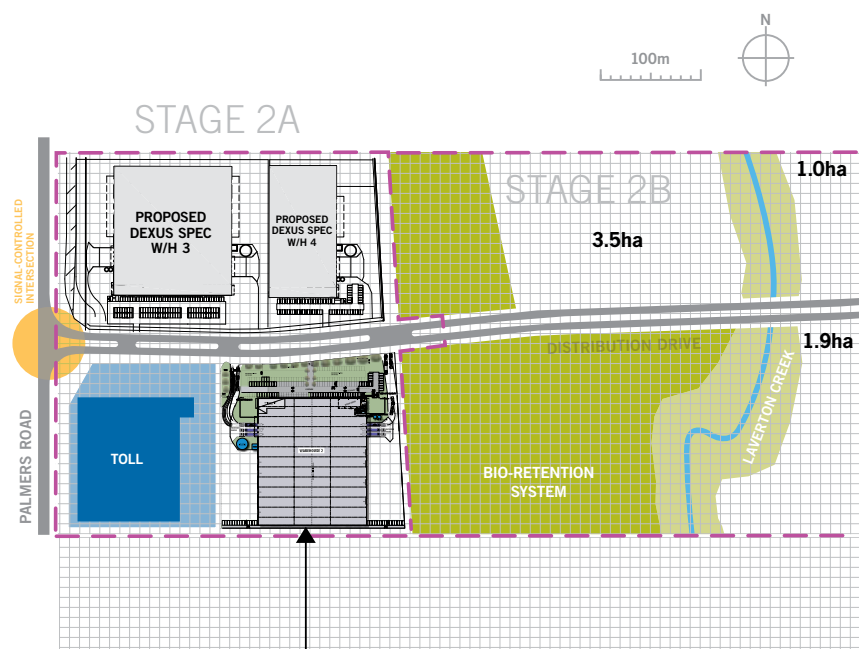
 Supporting industrial corridors





DEXUS INDUSTRIAL ESTATE
LAVERTON NORTH

DEXUS INDUSTRIAL ESTATE, LAVERTON NORTH MASTERPLAN



TOLL TRANSPORT

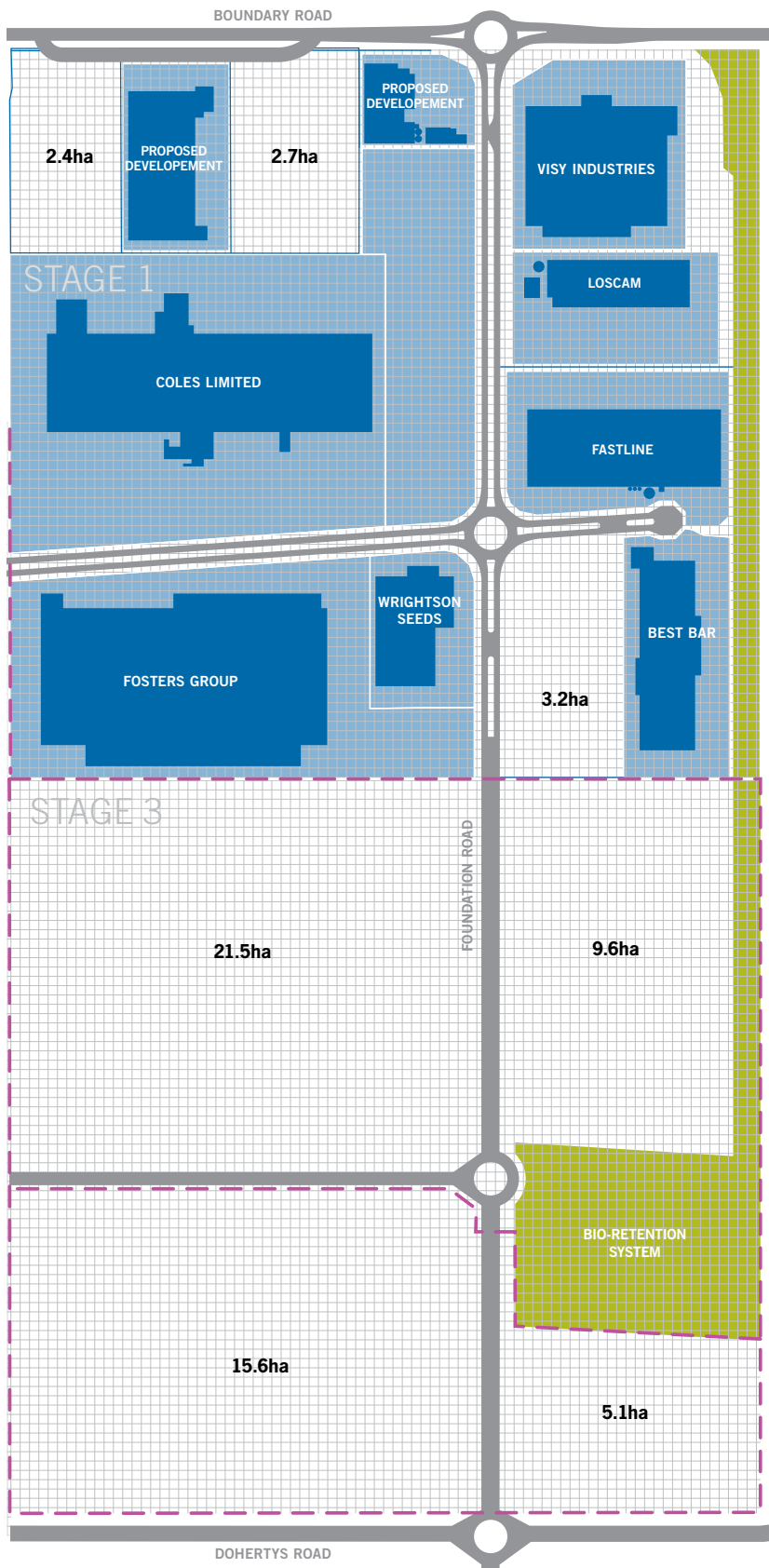


FASTLINE



DEXUS SPEC 2





VISY INDUSTRIES



COLES LIMITED



FOSTER'S GROUP



WRIGHTSON SEEDS



BEST BAR



LOSCAM



Key achievements

Stage 1

Loscam facility

In March 2010 we entered into a 10 year pre-lease with pallet manufacturer Loscam for a 6,534 square metre building on a 3.1 hectare site. Construction commenced in February 2011 and the lease commenced in August 2011. This property was sold in September 2011 for \$11.7 million, realising a trading profit of \$1.3 million. While the facility has a low site coverage to accommodate Loscam's requirement for hardstand, the site was future-proofed by designing the facility in such a way that the building could be replicated on the hardstand at a future time.

Fastline facility

In March 2011 construction commenced on Laverton's first speculative development, a 17,347 square metre building on a 3.7 hectare site. Practical completion was reached in September 2011 with a number of enquiries already under consideration. The building was subsequently leased to Fastline Logistics with the lease commencing on 1 December 2011 on a five year term.

Land sales

Two lots fronting Boundary Road totalling 3.3 hectares are currently under contract and are expected to settle in August 2012. Settlement is subject the completion of the service road adjoining Boundary Road and the registration of the subdivision.

Stage 2 A & B

Toll in 2 Store facility

In September 2011 we entered into a seven year pre-lease with Toll in 2 Store for a 13,720 square metre building on a 2.5 hectare site. Practical completion of the \$12.2 million development is expected by the end of June 2012 with a forecast yield on cost of 8.15%.

Speculative facility 2

A 15,564 square metre speculative building has been constructed adjacent to the Toll in 2 Store facility, utilising the same builder across both buildings to achieve economies of scale. This building is expected to reach practical completion by end of June 2012 at a cost of \$13.5 million. Heads of agreement have been reached with a new tenant on this building.

Development 3

Development approval was obtained for a 26,000 square metre facility on 5.7 hectares in the north-west corner of Stage 2A. Construction is expected to commence in the second half of 2012 at an estimated cost of \$22.5 million.

Stage 2A road and infrastructure

Practical completion was reached on the Stage 2A road and infrastructure that provides access from Palmers Road, on the western side of the precinct, to Toll in 2 Store, Speculative facility 2 and Development 3.

Stage 3

Subdivision, road and infrastructure

Development approval was obtained for the Stage 3 subdivision, road and infrastructure, which will open up 51 hectares of developable land and join the estate from Boundary Road in the north to Doherty's Road in the south.

DEXUS Industrial Estate, Laverton North as at 31 March 2012

	Land developed	Under construction	Developed & sold	Land sold	Remaining land	Total estate
Land area (ha)	39.6	5.8	3.1	3.3	71.5	123.5
Building area ('000 m ²)	146.0	29.3	6.5	–	174.0	355.7
Site coverage	37%	50%	21%	–	24%	

DEXUS PROPERTY GROUP SYDNEY INDUSTRIAL PROPERTY TOUR 39

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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