

DEXUS Property Group (ASX:DXS)

ASX release

22 October 2013

September 2013 quarter portfolio update

DEXUS Property Group (DEXUS) today announced its portfolio update for the quarter ended 30 September 2013, making solid progress on leasing and continuing to deliver on key elements of its strategy.

Darren Steinberg, DEXUS CEO said: “Over the quarter we maintained our proactive leasing approach and focus on delivering quality customer service. This, combined with the adoption of best practice systems, has produced solid results in a challenging leasing market, with activity centred on properties located in Melbourne, Sydney and Brisbane.

“We successfully divested \$71.5 million of non-strategic properties and continued to actively manage our capital through the commencement of a \$245 million buy-back, resulting in the buying back and cancellation of approximately 74 million of securities.”

Proposal to acquire Commonwealth Property Office Fund (CPA)

On 25 July 2013, DEXUS announced that it had acquired, by way of a forward contract, a 14.9% interest in the ASX-listed Commonwealth Property Office Fund (CPA), which comprises a \$3.7 billion¹ prime grade Australian office portfolio. On 11 October 2013, DEXUS presented an indicative, non-binding joint proposal with Canada Pension Plan Investment Board (CPPIB) (the Proposal) to the responsible entity of CPA, Commonwealth Managed Investments Limited (CMIL), to acquire all of the units² in CPA for a cash and DEXUS scrip consideration.

DEXUS also submitted to the Commonwealth Bank of Australia an indicative and non-binding proposal outlining a potential facilitation of the Proposal and transition of the management of CPA, referred to by DEXUS as the ancillary proposal. On 14 October 2013, the Board of CMIL advised that the Proposal did not provide a compelling value proposition to CPA unitholders and would not grant access to due diligence material or progress the Proposal at this time.

Darren Steinberg said: “We acquired our initial interest in CPA at an attractive price and remain patient and disciplined.”

PORTFOLIO HIGHLIGHTS

During the quarter, DEXUS was involved in the leasing or renewal of a total of 67,592 square metres³ of space across 61 transactions. Total portfolio occupancy⁴ reduced slightly to 94.5% at 30 September 2013. The Office portfolio occupancy⁴ improved from 94.4% to 94.7% at 30 September 2013.

Office

- Leased 32,557 square metres³ across 45 transactions including securing lease extensions with IBM at Southgate, Melbourne across 11,485 square metres until December 2020 and Lumley General Insurance at 88 Shortland Street, Auckland across 5,283 square metres until October 2020
- Leased a further 2,011 square metres³ at 39 Martin Place, Sydney increasing occupancy⁴ to 94%. A total of 9,839 square metres³ has now been leased across the three Sydney CBD office properties acquired during the past 12 months

¹ CPA book value as at 30 June 2013.

² CPA units that DEXUS is not already entitled to under DEXUS's forward contract.

³ Including Heads of Agreement (HOA).

⁴ By area.

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Industrial

- Leased 35,035 square metres⁵ across 16 transactions including securing Cotton On for a 10 year lease term across 12,246 square metres at Wacol, South Brisbane
- Secured a seven year lease renewal with Allied Pickfords over 8,672 square metres at Foundation Place, Greystanes

PORTFOLIO UPDATE

Total portfolio metrics as at 30 September 2013

- Portfolio value: \$7.3 billion
- Net lettable area: 1.8 million square metres
- Area leased during quarter: 67,592 square metres⁵

	30 September 2013	30 June 2013
Occupancy by area	94.5%	95.3%
Occupancy by income	94.8%	94.9%
WALE by income	4.7 years	4.8 years
Retention rate (year to date)	69%	71%
Retention rate (rolling 12 months)	73%	71%

Valuations were completed at four properties in the quarter to 30 September 2013 including two office and two industrial properties delivering a total valuation uplift of \$16.3 million, representing a 3.1% increase on prior book value. The key driver was 45 Clarence Street, Sydney which recorded a valuation uplift of \$12.9 million, up 5.0%, resulting in the property delivering a total return of 12.1% for the 12 months to 30 September 2013 following on from leasing success over the past 12 months.

Office

- Portfolio value: \$5.7 billion
- Net lettable area: 669,066 square metres
- Area leased during quarter: 32,557 square metres⁵

	30 September 2013	30 June 2013
Occupancy by area	94.7%	94.4%
Occupancy by income	95.0%	94.6%
WALE by income	4.9 years	5.0 years
Average incentive	16.7%	12.2%
Average rental increase	4.5%	(0.1%)
Retention rate (year to date)	80%	72%
Retention rate (rolling 12 months)	72%	72%

Kevin George, DEXUS Executive General Manager, Office and Industrial, said: "We are encouraged by increased enquiry across our portfolio, particularly in the premium market which has been lagging. With an improving profit outlook and an uptick in business confidence post the election outcome, we expect this enquiry to translate into leasing over the next 12 months.

⁵ Including HOA.

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“DEXUS continues to benefit from businesses migrating from suburban to CBD properties and a flight to quality within the CBDs. Our customers are seeking to drive business efficiencies by consolidating from multiple locations into one, most notably across the legal, insurance and accounting sectors, with increased activity from serviced office providers.”

During the September quarter 32,557 square metres of office space was leased across 45 transactions including securing heads of agreement over 11,814 square metres. The major successes were the five year lease extension with IBM at Southgate, Melbourne across 11,485 square metres and the six year, nine month lease extension with Lumley General Insurance at 88 Shortland Street, Auckland across 5,283 square metres.

Occupancy by area for the office portfolio increased slightly by 0.3% and remains strong at 94.7% and the portfolio weighted average lease expiry (WALE) remains stable at 4.9 years.

DEXUS’s proactive leasing strategies for newly acquired properties continued to demonstrate success during the quarter. At 39 Martin Place, Sydney five new leases and one lease renewal were secured across 2,011 square metres with a weighted average lease term of 6.7 years, increasing the property’s occupancy to 94%, up from 74% on acquisition in February 2013.

Across the three Sydney CBD properties acquired since October 2012, a total of 23 new tenants have been secured over 9,839 square metres of space. The refurbishment of 50 Carrington Street, Sydney was completed and the implementation of an active leasing strategy enhanced occupancy from 61% to 82%.

An increase in the valuations of two properties during the quarter was driven by the leasing results achieved in the current uncertain market. The office portfolio capital value increased \$13.9 million, reflecting a 3.0% increase across these properties compared to prior book values.

The NABERS Energy rating for the DXS office portfolio increased from 4.7 stars at 30 June 2013 to 4.8 stars at 30 September 2013 following the achievement of increased ratings at ten properties across the office portfolio.

Industrial

- Portfolio value: \$1.6 billion
- Net lettable area: 1,090,832 square metres
- Area leased during quarter: 35,035 square metres⁶

	30 September 2013	30 June 2013
Occupancy by area	94.3%	95.9%
Occupancy by income	94.3%	96.1%
WALE by income	3.9 years	4.1 years
Average incentive	7.4%	7.9%
Average rental increase/decrease	1.1%	(2.4%)
Retention rate (year to date)	59%	70%
Retention rate (rolling 12 months)	74%	70%

Mark Cuddy, DEXUS Regional General Manager, Office and Industrial, said: “We are seeing a surge in small business sentiment translate into the leasing of small units in our Sydney secondary industrial facilities. Silverwater Industrial Estate is 100% leased⁷ following leasing success during the quarter.”

⁶ Including HOA.

⁷ Excluding 85 Egerton Street, Silverwater which is on the market for an owner-occupier purchase.

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During the September 2013 quarter DEXUS leased 35,035 square metres of industrial space across 16 transactions.

Key successes included securing a 10 year lease over 12,246 square metres to Cotton On at Wacol, South Brisbane and Allied Pickfords' lease renewal over 8,672 square metres at Foundation Place for a further seven year term.

Occupancy by area for the industrial portfolio decreased from 95.9% at 30 June 2013 to 94.3% at 30 September 2013, following the completion of an 11,854 square metre⁸ speculative facility at DEXUS Industrial Estate, Laverton North. The industrial portfolio WALE was slightly lower at 3.9 years, impacted by short term leases at Gillman, South Australia and AXCESS Corporate Park, Mount Waverley.

Developments

Quarry at Greystanes, Sydney

The three developments at Quarry at Greystanes in joint venture with the Australian Industrial Partnership are progressing on schedule and on budget:

- A \$14.3 million, 10,100 square metre facility pre-leased to Roche Diagnostics for a 15 year term is due for practical completion in December 2013
- A \$29.9 million, 17,815 square metre facility pre-leased to Blackwoods for a 15 year term is due for practical completion in December 2013
- Following the recent leasing of the first multi-tenanted speculative facility, DEXUS commenced a second speculative warehouse in September 2013. The \$26.1 million⁹, 19,480 square metre facility is due for practical completion in March 2014

Laverton North, Melbourne

Practical completion on the Toll Transport pre-committed 18,670 square metre facility was achieved in July 2013 with the tenant taking occupancy on 1 October 2013.

Erskine Park, Sydney

Practical completion was achieved on the 30,256 square metre multi-unit estate at 57-75 Templar Road, Erskine Park in March 2013. The property is currently 82% occupied with a focus on leasing the remaining space.

Wacol, Queensland

Practical completion was achieved on the remaining 12,246 square metre speculative building in July 2013. A ten year lease was secured with Cotton On, which commenced on 1 October 2013.

Andrew Whiteside, DEXUS Group General Manager, Developments, said: "We are pleased with the progress our team has made on leasing the two trading properties at Erskine Park and Wacol, which are now being prepared for sale."

⁸ DXS share 5,927 square metres.

⁹ Forecast end value.

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CAPITAL MANAGEMENT

	30 September 2013	30 June 2013
Gearing	30.9%	29.0%
Duration of debt	5.2 years	5.4 years
Current cost of debt	5.8% ¹⁰	5.9% ¹¹
Headroom	\$0.2bn	\$0.3bn

Craig Mitchell, DEXUS Chief Financial Officer, said: “Focusing on our active and strategic approach to capital management we commenced an on-market securities buy-back of up to \$245 million. During the quarter we secured approximately 74 million securities at a weighted average price of \$1.0211 per security, enhancing returns for our investors.

“Over the past three months we issued short-term commercial paper, increasing the diversity and improving the cost of debt. We continued to be active in the medium term note (MTN) market through completing a partial MTN buy-back, while maintaining strong debt duration of greater than five years, which is ahead of our target.”

DEXUS’s cost of debt as at 30 September 2013 was 10 basis points lower at 5.8%, mainly driven by the reduction in floating interest rates.

THIRD PARTY FUNDS MANAGEMENT

Craig Mitchell said: “Our third party funds business continues to deliver on performance and strategy for our capital partners. DEXUS Wholesale Property Fund’s (DWPF) committed development and fund-through pipeline, together with forecast growth in all our existing funds, provides the capacity to substantially expand our funds management platform.”

DWPF maintained its strong performance delivering a total return of 8.83%¹² for the 12 months to 30 September 2013, outperforming its benchmark over one, three and five year periods.

SUMMARY

Darren Steinberg said: “Over the past 18 months we have shown our ability to execute on our clearly defined strategy and achieve solid results in an uncertain leasing environment.

“We remain confident of delivering on our guidance¹³ for FFO for the year ending 30 June 2014 of 8.15 cents per security and a distribution of 6.12 cents per security, which excludes any upside from the on-market securities buy-back or the 14.9% economic interest in CPA.”

¹⁰ As at 30 September 2013.

¹¹ Weighted average across the year to 30 June 2013, inclusive of fees and margins on a drawn basis.

¹² Post fees.

¹³ Barring unforeseen circumstances. Assumptions include: 75% payout ratio, delivering 2.5-3.5% like-for-like NOI growth across the office and industrial portfolio, circa \$4m in trading profits and circa 6% cost of debt.

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About DEXUS Property Group

DEXUS Property Group (DEXUS) is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With over \$13 billion of assets under management, DEXUS also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. DEXUS manages an office portfolio of over 900,000 square metres across Sydney, Melbourne, Brisbane and Perth and is one of the largest institutional owners of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 18,000 investors from 15 countries. With over 25 years of experience in commercial property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns to investors. www.dexus.com

Download the DEXUS IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.



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

DEXUS PROPERTY GROUP

SEPTEMBER 2013 QUARTERLY UPDATE



DEXUS Funds Management Limited
ABN 24 060 920 783
AFSL 238163 as responsible entity for DEXUS Property Group

DEXUS
PROPERTY GROUP

AGENDA

- Overview
Darren Steinberg
- Capital management
Michael Christensen
- Portfolio update
Kevin George, Richard Garing, Andy Collins, Mark Cuddy,
Scott Travers, Amanda Kenny
- Strategy – core capabilities
Jim Jones, Joseph Stokes
- Market outlook
Peter Studley
- Summary
Darren Steinberg

OVERVIEW

Key achievements for the quarter ended 30 September 2013

Property portfolio	Transactions	Capital management	Third party funds management
67,592sqm Leased in total ¹	CPA 14.9% economic interest, lodged DXS/CPPIB proposal	30.9% Gearing	DWPF outperformed its benchmark to 30 Sep 13
10.2% Office total return 12 months to 30 Sep 13	\$71.5m Non-strategic properties divested ²	74m securities bought back since 1 July 2013	\$26m Partnered with AIP on a further property ³

1. Includes Heads of Agreement (HOA).

2. 10-16 South Street, Rydalmere (\$43.25m) and 40 Talavera Road, Macquarie Park (\$28.2m).

3. Forecast completion price at 100%.



CAPITAL MANAGEMENT



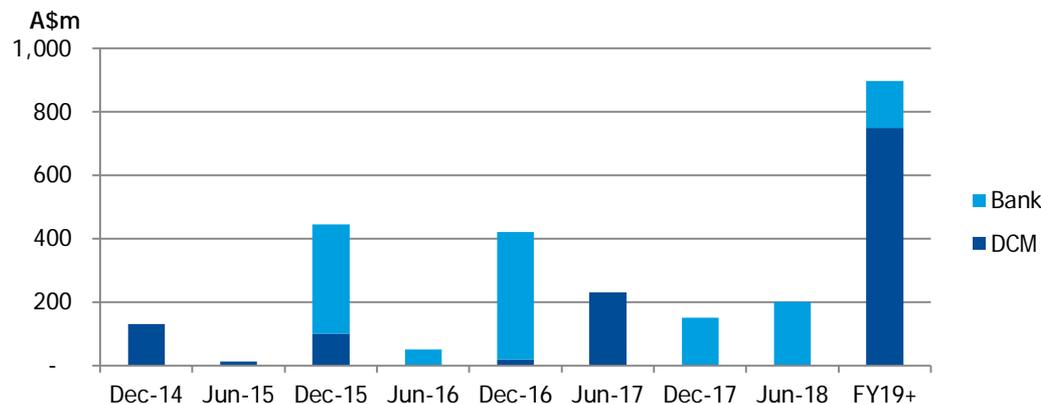
CAPITAL MANAGEMENT

Update

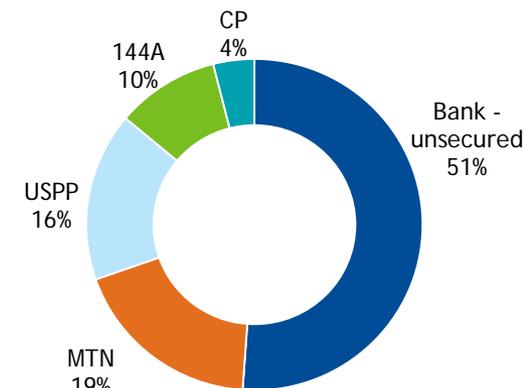
- \$245 million (5%) buy-back announced 2 July 13
 - \$75.3 million or 73.7 million securities bought back to date, 31% completed at weighted average price of \$1.0211
- Cost of debt was 10bps lower driven by reduced floating rates
- Debt duration remains above 5 years
 - Issued short-term commercial paper - new low cost funding, access new investor base
 - Completed partial buy-back of short-dated Medium Term Notes

Key metrics	30 Sep 13	30 Jun 13
Gearing	30.9%	29.0%
Cost of debt	5.8% ²	5.9% ¹
Duration of debt	5.2 years	5.4 years
Headroom	\$0.2bn	\$0.3bn
S&P/Moody's credit rating	BBB+/Baa1	BBB+/Baa1

Debt maturity profile



Diversified mix of facilities



1. Weighted average across the year to 30 June 2013, inclusive of fees and margins on a drawn basis.
 2. As at 30 September 2013.

PORTFOLIO UPDATE

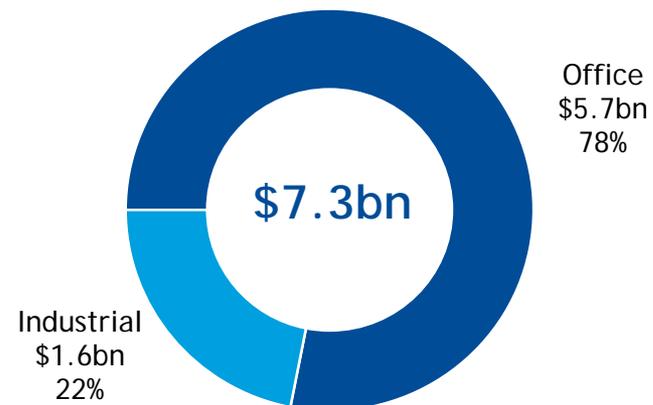


PORTFOLIO UPDATE

Total DXS portfolio

84 Properties	1.8 million sqm Net lettable area	4.8 stars NABERS Energy
94.5% Occupied ¹	4.7 years ² WALE	7.6% Average cap rate

Total DXS portfolio composition



1. By area at 30 September 2013. Occupancy by income at 30 September was 94.8%.
2. By income.

PORTFOLIO UPDATE

Office portfolio – solid operating performance

Achievements

- Achieved total return of 10.2% including 3.0% capital return
- Solid leasing activity securing 32,557sqm¹ of space across 45 transactions
 - IBM extended lease over 11,485sqm at Southgate, Melbourne for further five years until December 2020
 - Lumley General Insurance extended lease over 5,283sqm at 88 Shortland Street, Auckland until October 2020
 - Secured seven new or renewed leases totalling 2,613sqm at Flinders Gate, Melbourne on average terms of 3.1 years
 - Secured six new or renewed leases totalling 2,011sqm at 39 Martin Place, Sydney on average terms of 6.7 years
- Increased occupancy² to 94.7%
- Valuation uplift of \$13.9m secured from two properties, generating a 3.0% increase on prior book values

DXS office portfolio	30 Sep 13	30 Jun 13
Occupancy by area	94.7%	94.4%
Occupancy by income	95.0%	94.6%
Number of leasing transactions ¹	45	130
Average incentive	16.7%	12.2%
Average rental increase	4.5%	(0.1%)
Retention rate YTD	80%	72%
Retention rate 12 months	72%	72%
Weighted average lease expiry ³	4.9 years	5.0 years
Total return - 1 year	10.2%	10.6%

1. At 100% including HOA.

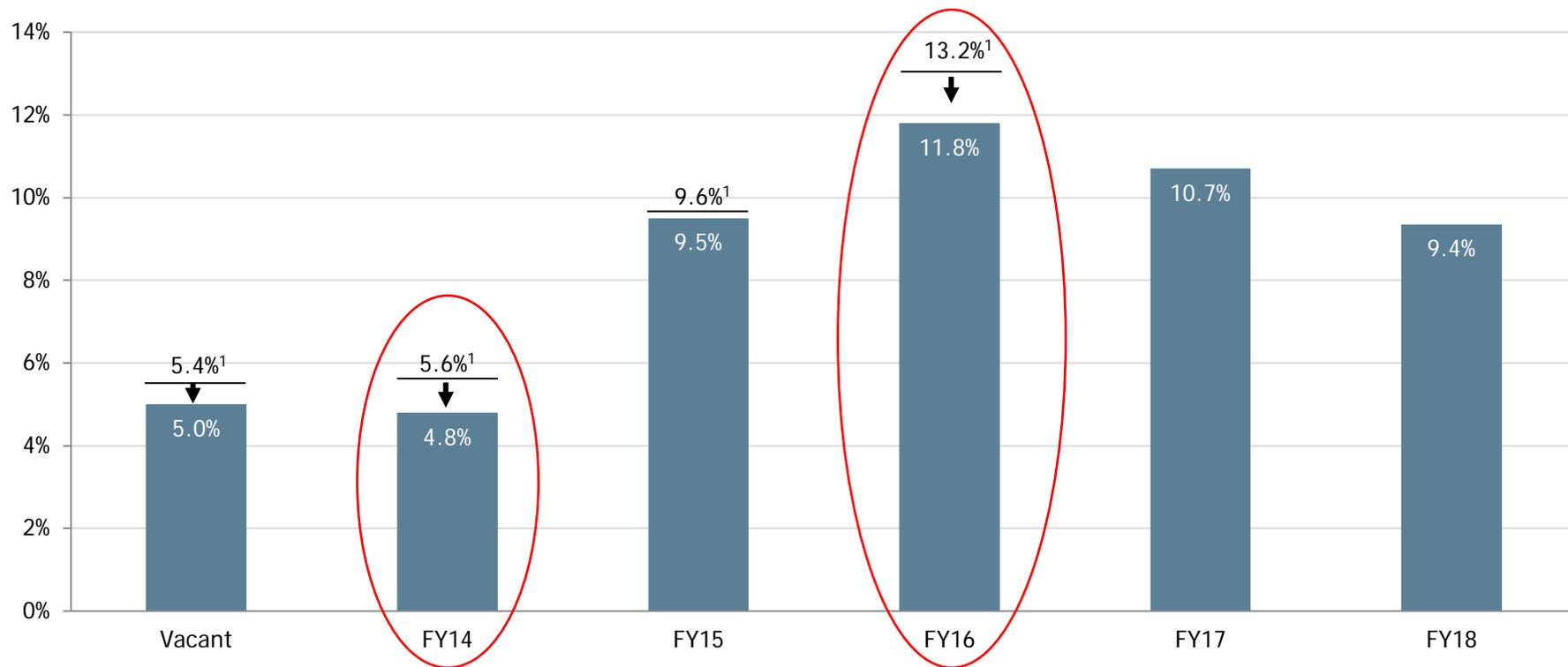
2. By area.

3. By income.

PORTFOLIO UPDATE

Office portfolio – lease expiry profile

Lease expiry profile by income as at 30 September 2013



1. 30 June 2013.

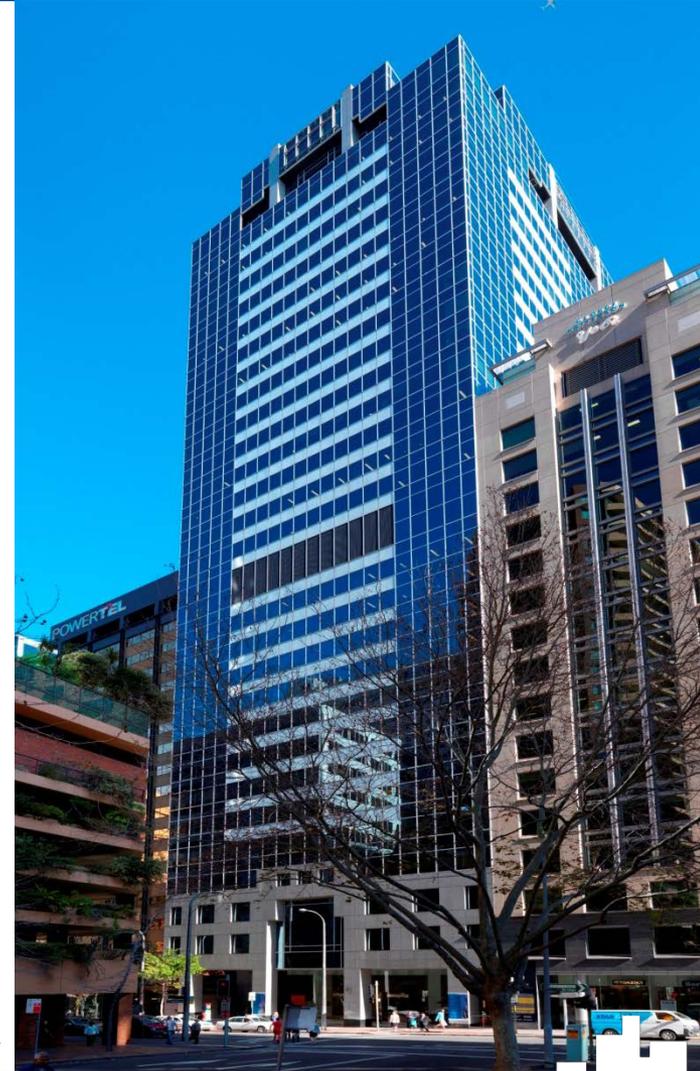
PORTFOLIO UPDATE

Office portfolio — case study

45 Clarence Street, Sydney

- Achieved total return of 12.1% for 12 months to 30 Sep 13
- Leasing brought in-house in Sep 12
 - Occupancy¹ increased by 10.5% to 99%
- Utilised strong tenant and market relationships to relocate tenants from suburban markets and B-grade properties
- Secured three new tenants on long-term leases
- Extended lease tenure from 2 to 5 years with a key tenant
- Valuation increased \$12.9 million or 5.0% at 30 Sep 13

45 Clarence Street, Sydney NSW



1. By area.

PORTFOLIO UPDATE

Office portfolio – case study

Newly acquired Sydney CBD office properties

- Secured a total of 23 new tenants¹ over 9,839sqm across three properties since acquisition
- Occupancy² increased through active management
 - 39 Martin Place from 74% to 94%
 - 50 Carrington Street from 61% to 82%
 - Grosvenor Place from 86% to 89%
- Average WALE³ increased 4.4 years to 5.0 years
- Enhanced quality of portfolio through \$6.3 million refurbishment of 50 Carrington Street

Grosvenor Place, 225 George Street, Sydney NSW

1. Across the three Sydney CBD properties acquired during the 12 months to 30 September 2013.
2. By area and excludes Martin Place Shopping Circle.
3. By income across the three properties acquired.



PORTFOLIO UPDATE

Industrial portfolio

Achievements

- Achieved total return of 8.9%
- Solid leasing result in a challenging market
 - Leased 35,035sqm¹ across 16 transactions
 - Cotton On signed HOA over 12,246sqm at Wacol for 10 years
 - Allied Pickfords renewed its lease over 8,672sqm at Foundation Place, Greystanes for a further seven year term
 - Lesandu renewed its lease over 3,330sqm at Arthur Street, Flemington for a further one year term
- Occupancy² down slightly to 94.3%
 - Includes completed 11,854sqm³ speculative development at Laverton North
- WALE⁴ down slightly to 3.9 years
 - Impacted by short term deals at Gillman and Axxess Corporate Park

DXS industrial portfolio	30 Sep 13	30 Jun 13
Occupancy by area	94.3%	95.9%
Occupancy by income	94.3%	96.1%
Number of leasing transactions ¹	16	122
Average incentive	7.4%	7.9%
Average rental increase	1.1%	(2.4%)
Retention rate YTD	59%	70%
Retention rate 12 months	74%	70%
Weighted average lease expiry ⁴	3.9 years	4.1 years
Total return - 1 year	8.9%	8.8%

1. At 100% including HOA.

2. By area.

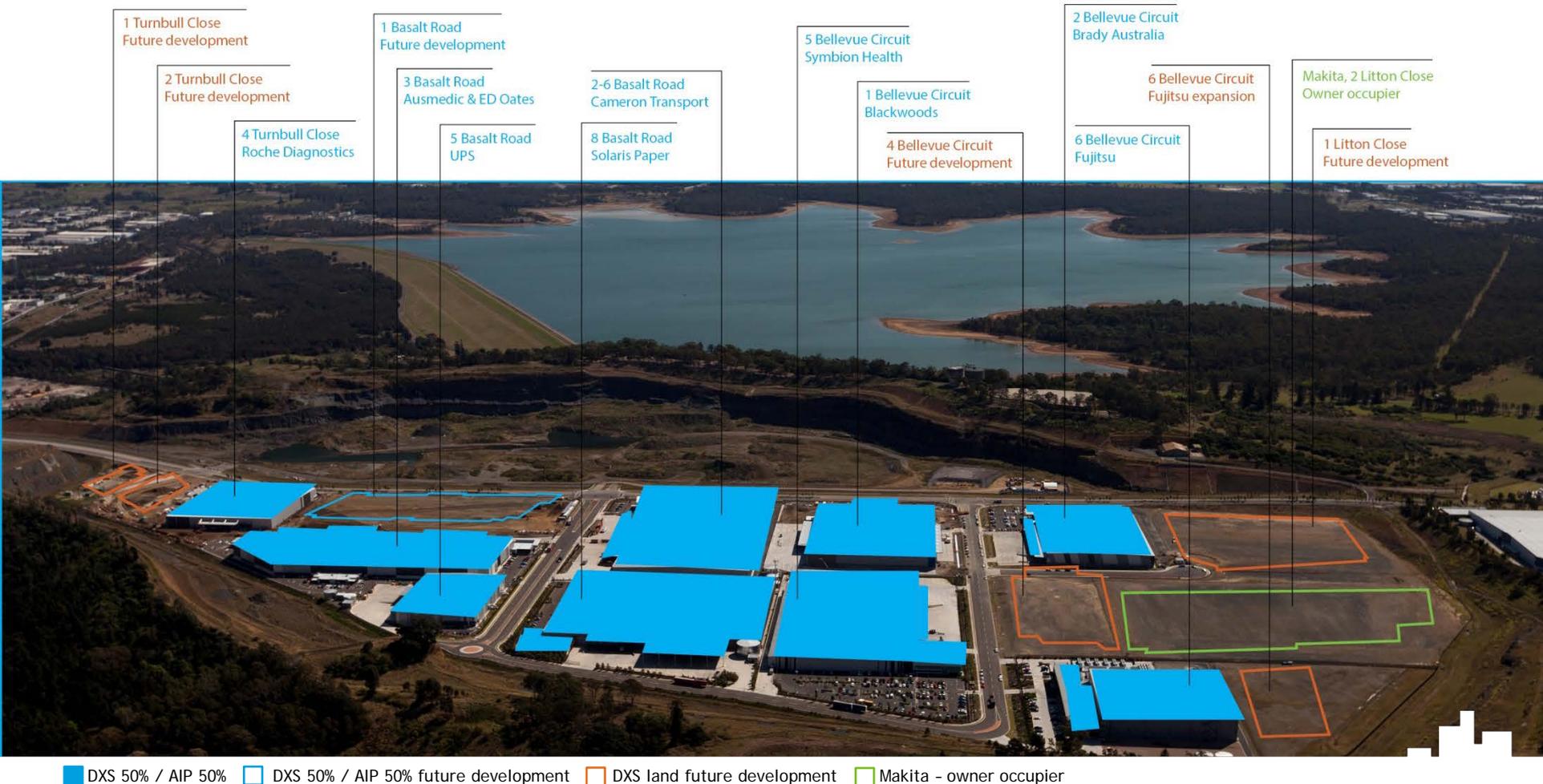
3. DXS share 5,927sqm.

4. By income.

PORTFOLIO UPDATE

Quarry at Greystanes

- 100% occupancy at completed developments



STRATEGY



STRATEGY

Core capabilities - Platform by DEXUS

PLATFORM BY DEXUS

- Focus on delivering a positive experience for our tenants/customers through health and well-being campaigns, increased convenience and social networking activities
 - Digital screens, car park signage and lift wrap advertising
 - Nespresso coffee samples
 - Office foyer brand awareness campaigns (Maserati, Samsonite, Bupa)
 - Pop-up stores
- Other tenant/customer initiatives
 - Hotel-style concierge in key office buildings
 - Improved end-of-trip facilities
- Generating new revenue streams
- Utilising space not typically considered lettable



STRATEGY

Core capabilities - business systems

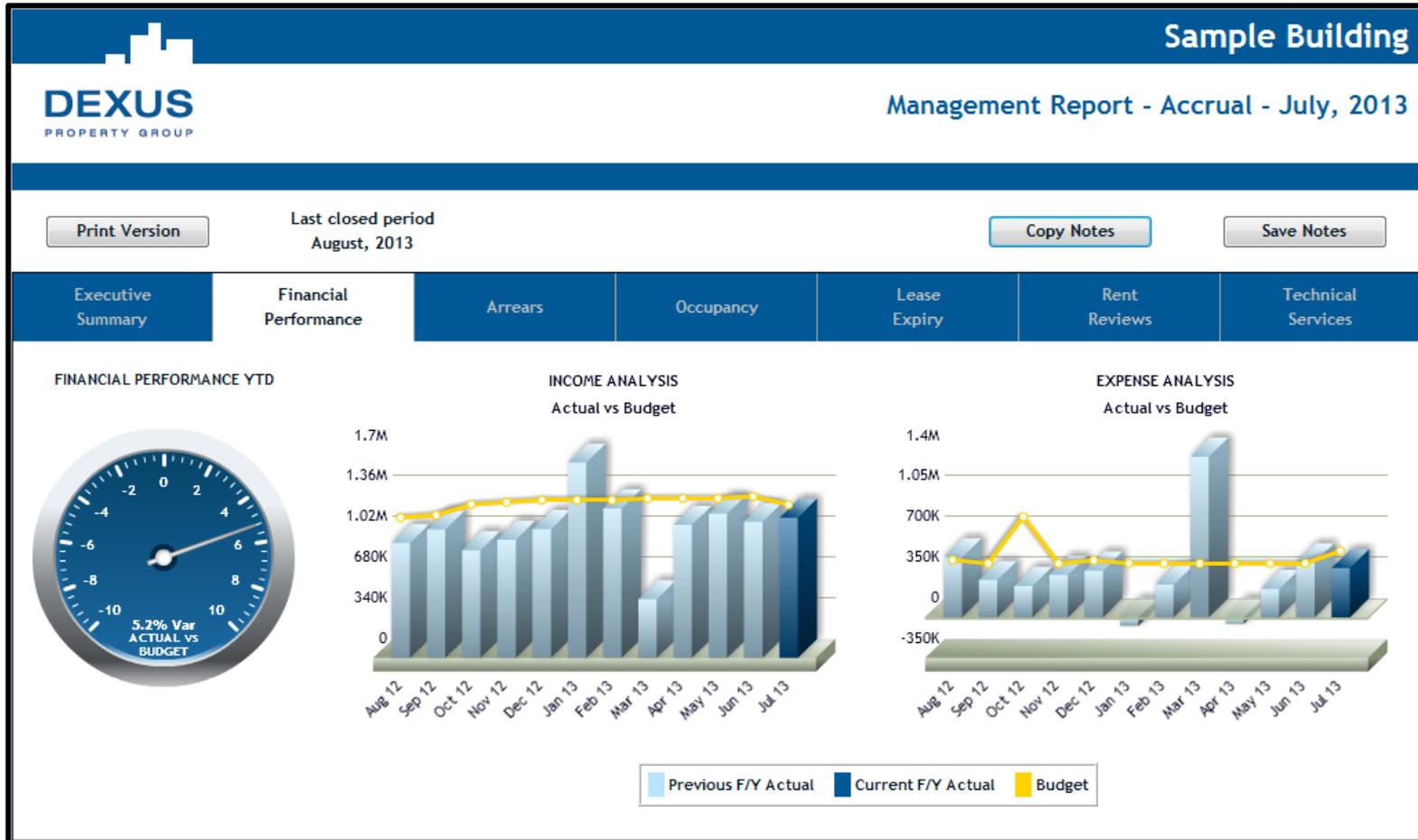
DXS systems and technology

- CBRE Pulse platform
 - Suite of fully-integrated applications comprises Pulse, Pulse Tech and DEXUS Response
 - Provides real-time operational and financial data 24 hours per day, 365 days per year
- periskope
 - DEXUS proprietary online property risk management tool
 - Increases transparency, improves efficiencies and provides strategic insight into the risk profile of the DEXUS property portfolio
 - Provides substantial savings in risk audit and administrator costs
- DEXUS leasing console
 - 1,600+ lease calculations have been completed since launch in FY13, saving over 650 hours



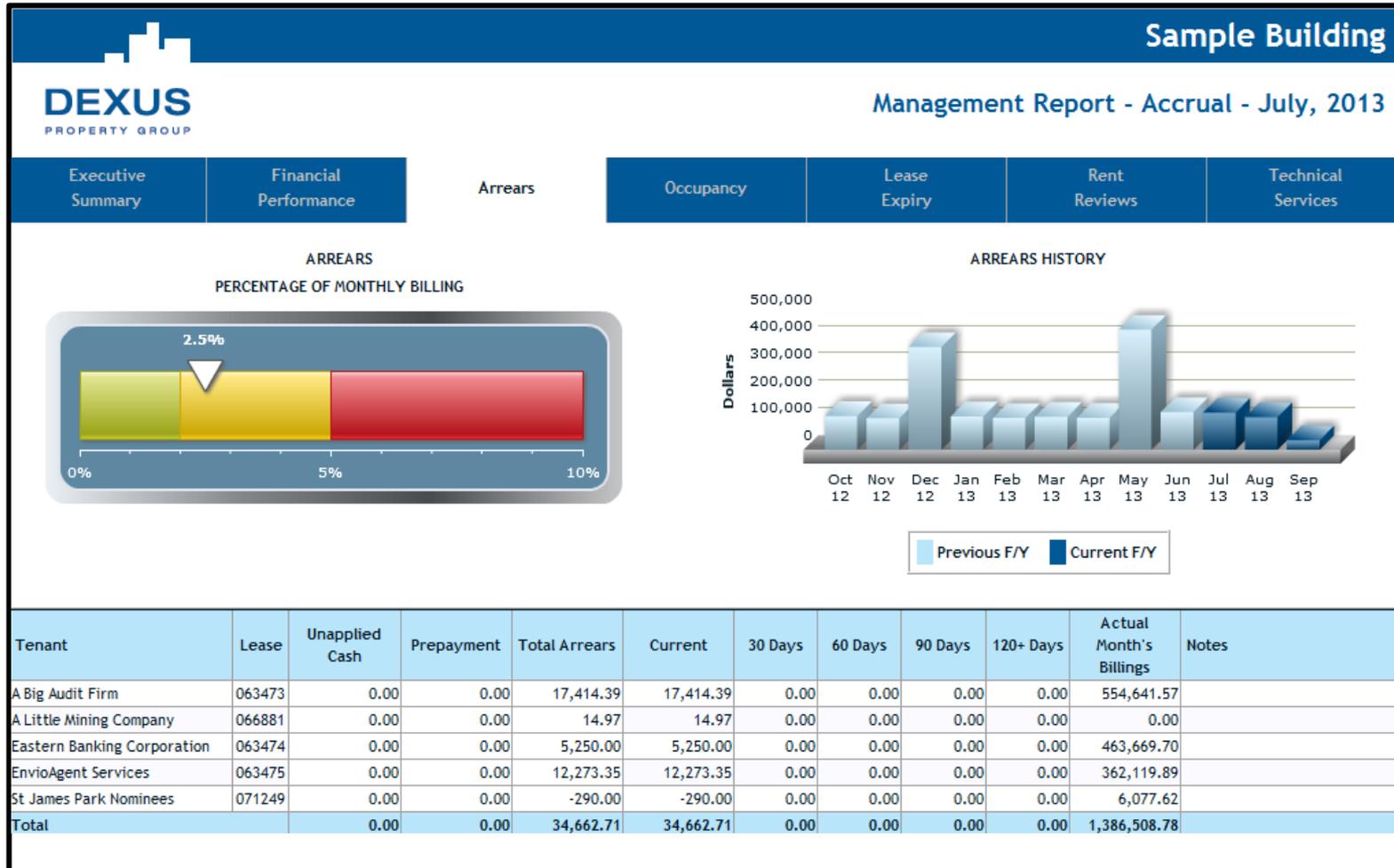
STRATEGY

Core capabilities - business systems



STRATEGY

Core capabilities - business systems



STRATEGY

Core capabilities - business systems

The screenshot displays the 'periskope' web application interface. At the top left is the 'periskope' logo, and at the top right is a 'Menu' dropdown. The main content area features a grid of 12 blue tiles, each representing a different business system:

- Incident Report (document icon)
- Fire Impairment (flame icon)
- Forms & Checklists (clipboard icon)
- Property Profiles (factory icon)
- Risk Map (globe icon)
- WHS&L, EM & Insurance Guides (double arrows icon)
- AON AON GPS (AON logo)
- sassi Contractor Management (sassi logo)
- Risk Alerts (signal tower icon, with a red circle containing '0' above it)
- Claims & Loss Data (document icon)
- User Profiles (person icon, with a grey background)
- CBRE Facilities Management (FM+) (CBRE logo)

At the bottom of the interface, there are navigation links for 'Home', 'Privacy Policy', and 'Terms and Conditions', followed by the 'DEXUS PROPERTY GROUP' logo and name.

STRATEGY

Core capabilities - business systems

periskope Menu

1 Bligh - 1592

Property Location

Risk Materiality Matrix

Property Stats

PropertyID	1592
Name	1 Bligh
Suburb	Sydney
State	NSW
PAddress	1 Bligh St SYD
Country	Australia
Post Code	2000

Claims/Loss Data

Related Documents

- HPR Underwriting Assessment 2013
- Initial Environmental Site Assessment 2012
- Aon Property Risk Audit 2012
- ACE Insurance Audit 2012
- Insurance Valuation July2011
- Site Business Continuity Plan
- Security Risk Assessment

MARKET OUTLOOK



MARKET OUTLOOK

CBD markets are in a reasonable state of balance

Market		Sydney	Melbourne	Brisbane	Perth
Vacancy (%)	Current	10.7	10.5	14.5	9.4
	Past 25 year average	9.7	12.0	8.4	12.1
	Past 25 year maximum	22.0	25.9	14.5	28.0
Incentives (%)	Current	30	23	28	11
	Past 25 year average	22	13	23	13
	Past 25 year maximum	47	23	41	34
Completions (sqm per annum)	FY14	45,013	85,500	2,140	3,105
	FY15	86,760	128,476	0	68,059
	FY16	212,349 ¹	76,974	128,061	118,191
	3 year forecast average	114,707	96,983	43,400	63,118
	Past 15 year average	113,205	93,208	56,081	25,809
	Past 15 year maximum	238,007	200,867	158,067	133,709

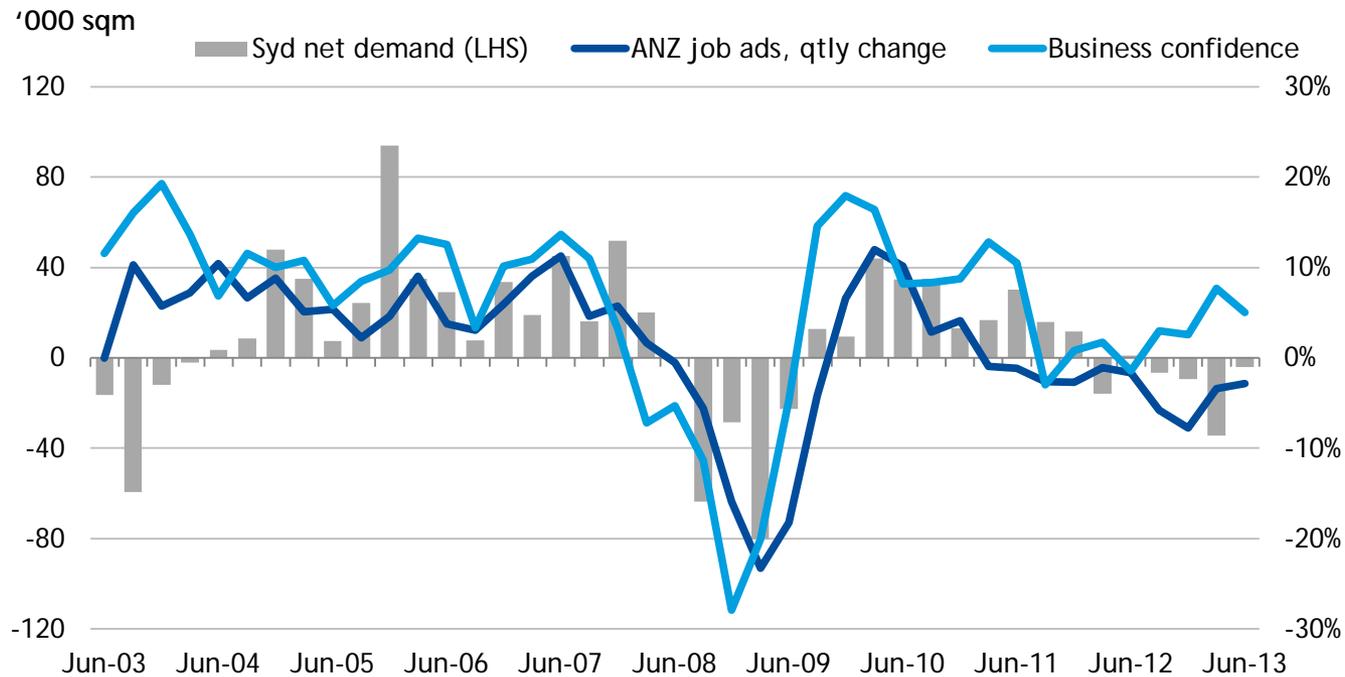
1. DEXUS assumptions include three office towers at Barangaroo.

Source: DEXUS Research, JLL Research. Some prime gross incentives and total market vacancy data does not go back the full 25 years.

MARKET OUTLOOK

Leading indicators beginning to improve

- Employment indicators still sluggish but leading indicators are turning
 - Such as business confidence, business profits, consumer sentiment and growth in China

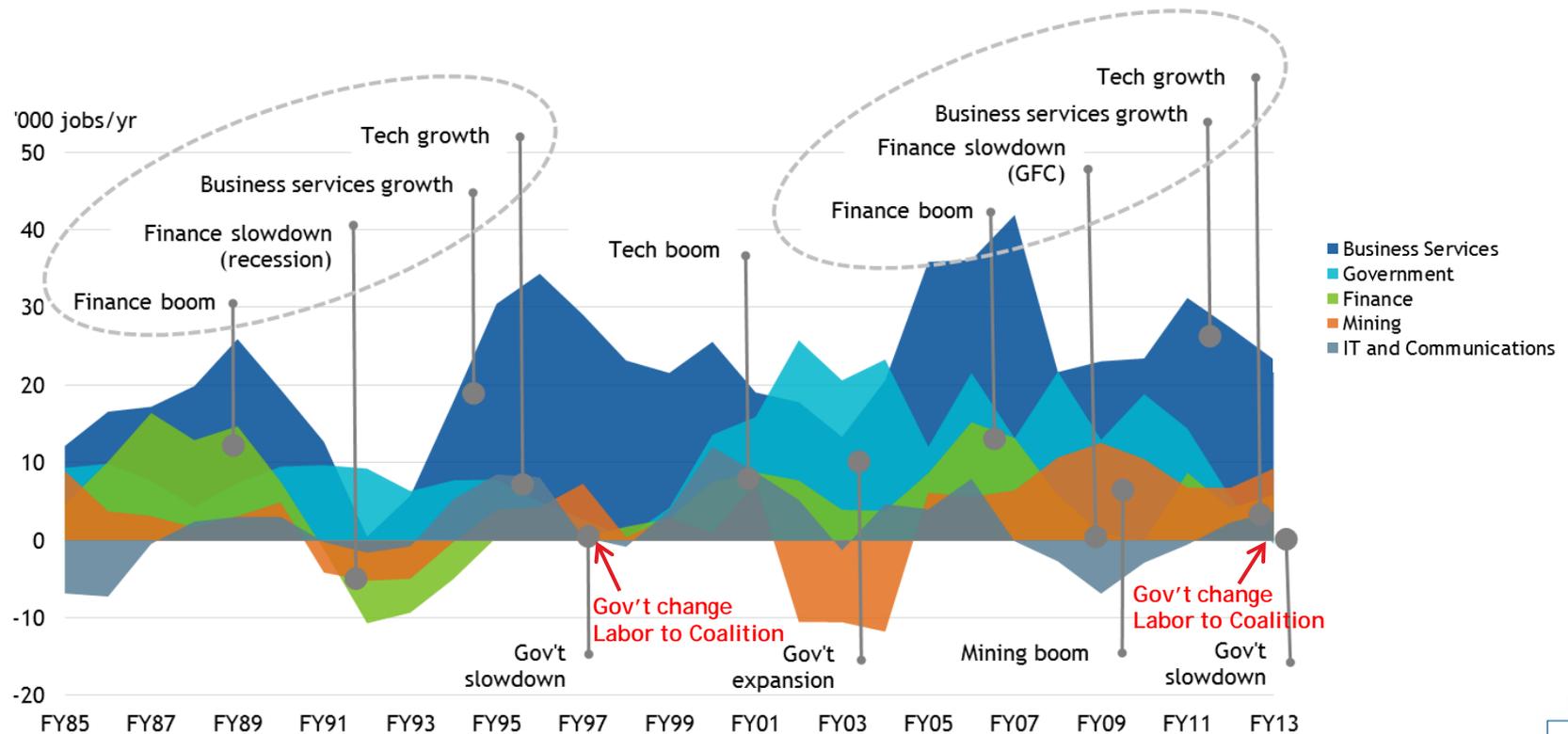


Source: DEXUS Research, ANZ, NAB, JLL Research.

MARKET OUTLOOK

Waves of industry growth point to sources of demand

- Business services and technology industries usually benefit from cuts in the public and finance sectors as they outsource
- Parallels to the 1990s with a conservative government elected and strong business services growth



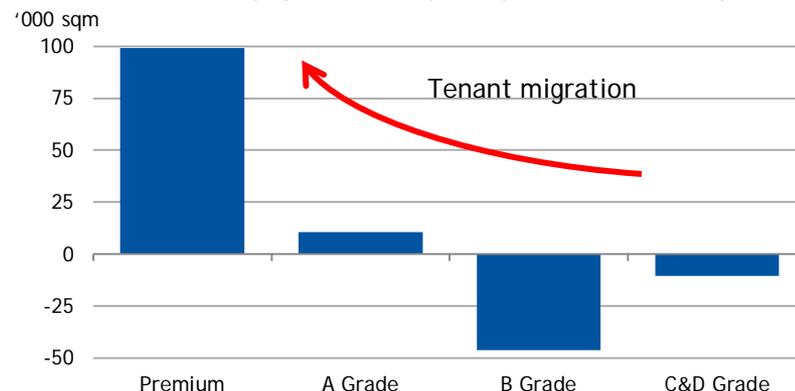
Source: DEXUS Research, Deloitte Access Economics.

MARKET OUTLOOK

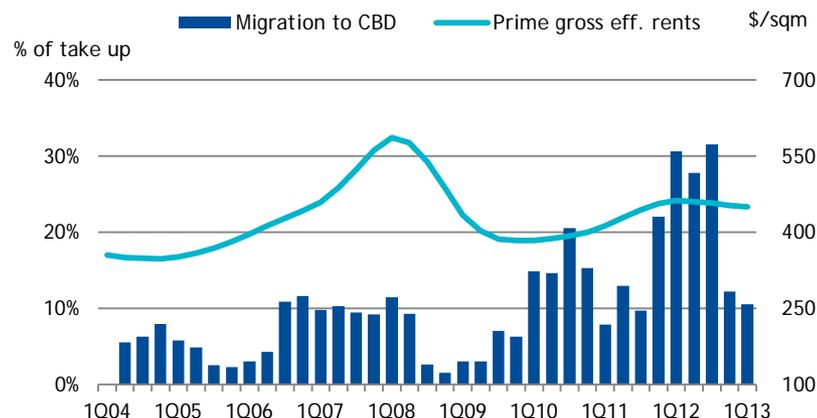
Prime grade office space to benefit from flight to quality and migration

- Expect a pronounced uptake of prime grade office space over the next three years at the expense of lower grade space
- We anticipate a solid contribution from migration from the CBD fringe and nearby metro markets with recent evidence including
 - TAL, North Sydney to CBD
 - Adobe, Chatswood to CBD
 - Equal Opportunity for Women, North Sydney to 309 Kent Street
 - Oakton, North Sydney to 45 Clarence Street
- Tenants taking the opportunity to consolidate from multiple locations, driving business efficiencies
 - Michael Page, 1 Margaret Street to Grosvenor Place

Net absorption by grade in Sydney CBD - past 3 years



CBD tenant migration into the Sydney CBD



Source: DEXUS Research, JLL Research.

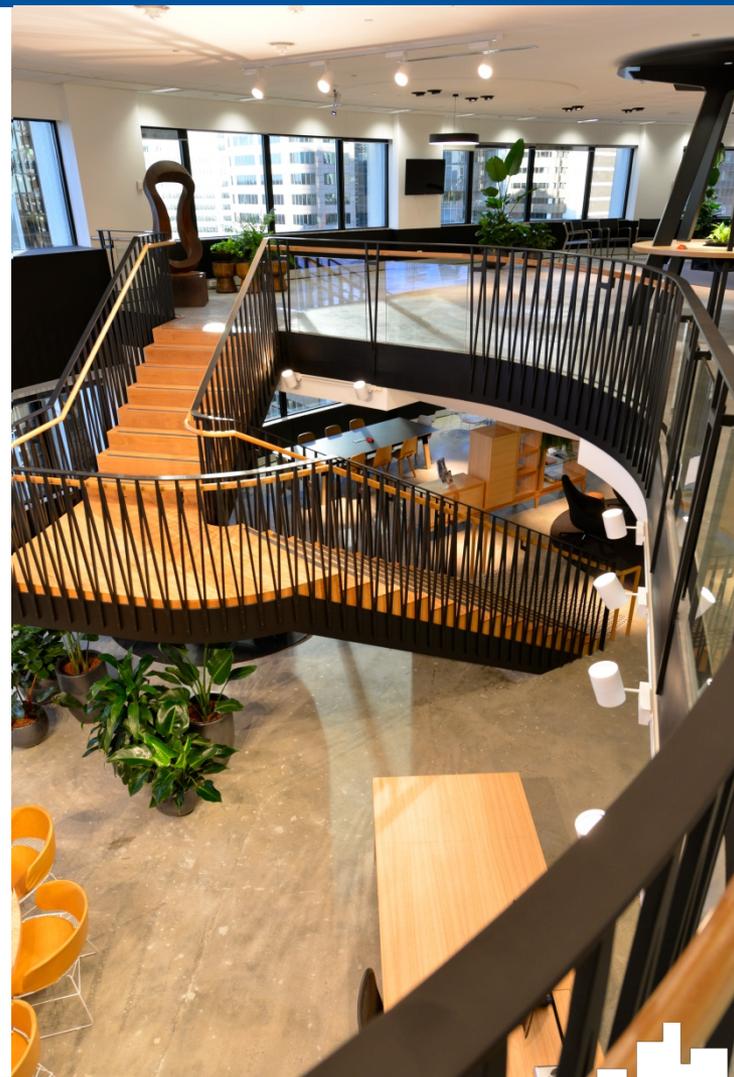
SUMMARY



SUMMARY

- A clear strategy with demonstrated execution capability
- Experienced management team achieving results in an uncertain market
- A strong third party funds management platform with strong growth potential
- Market guidance¹ for FY14 reaffirmed
 - FFO per security: 8.15 cents
 - Distribution per security: 6.12 cents
 - Excludes any upside from on-market securities buy-back or the 14.9% economic interest in CPA

View of DEXUS's reception and dynamic space, Australia Square, Sydney, NSW



1. Barring unforeseen circumstances. Assumptions include: 75% payout ratio, delivering 2.5-3.5% like-for-like NOI growth across the office and industrial portfolio, circa \$4m in trading profits and circa 6% cost of debt.

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