

2014 ANNUAL REVIEW

DEXUS

LEVERAGING CAPABILITIES
DRIVING PERFORMANCE

FEATURES

DELIVERING ON STRATEGY

PAGE 12

DEXUS successfully completed the acquisition of Commonwealth Property Office Fund

DEMAND FOR CAPABILITIES & EXPERTISE

PAGE 20

DEXUS secured two new capital partners reflecting demand for the Group's office management and industrial development expertise

ACHIEVING PERFORMANCE FOR PARTNERS

PAGE 50

DWPF outperformed its benchmark and the Group secured \$2 billion of transactions for its capital partners



DEXUS

Property expertise.
Institutional rigour.
Entrepreneurial spirit.

As one of Australia's leading real estate groups with \$17.8 billion of funds under management, DEXUS leverages its core capabilities to drive high performance.

With 30 years of expertise in property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for its investors.

For more information visit www.dexus.com

www.dexus.com

DEXUS
PROPERTY GROUP

2014 ANNUAL REVIEW

DEXUS

LEVERAGING CAPABILITIES
DRIVING PERFORMANCE



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ABOUT THIS REPORT

The 2014 Annual Review is a consolidated summary of DEXUS Property Group's operational and financial performance for the financial year ended 30 June 2014. See the full reporting suite on page 80.

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

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

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

DEXUS referred to the GRI Sustainability Reporting Guidelines (version 3.1) to set the report's boundaries in relation to material issues reporting key performance indicators across stakeholder groups including security holders, prospective investors, employees, customers, suppliers and the community. DEXUS's Annual Review 2014 meets all disclosure requirements.

DEXUS's FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs.

ABOUT DEXUS PROPERTY GROUP

DEXUS Property Group is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With \$17.8 billion of assets under management, the Group also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners.

The Group manages an office portfolio of 1.7 million square metres located predominantly across Sydney, Melbourne, Brisbane and Perth and is the largest owner of office buildings in the Sydney CBD, Australia's largest office market.

DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (ASX) under the stock market trading code 'DXS' and is supported by more than 32,000 investors from 20 countries.

With nearly 30 years of expertise in property investment, development and asset management, the Group has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for its investors.

\$17.8bn

TOTAL VALUE

145






TOTAL PROPERTIES

3.3m sqm

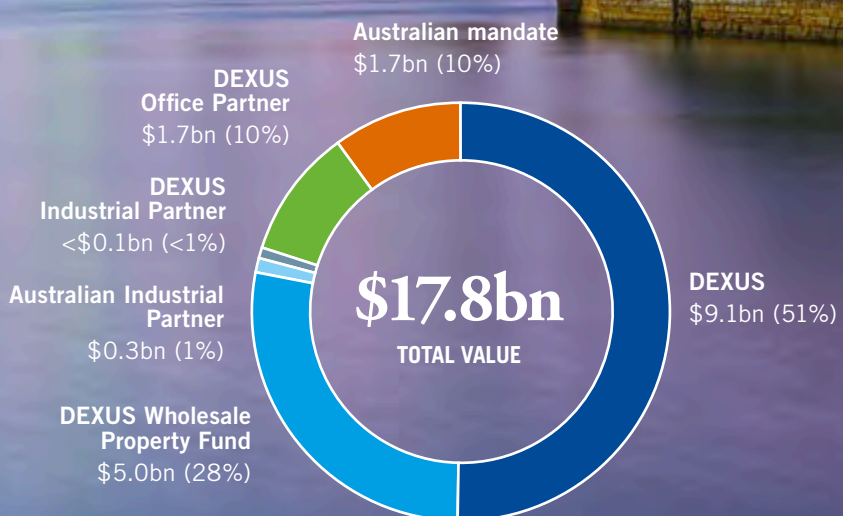
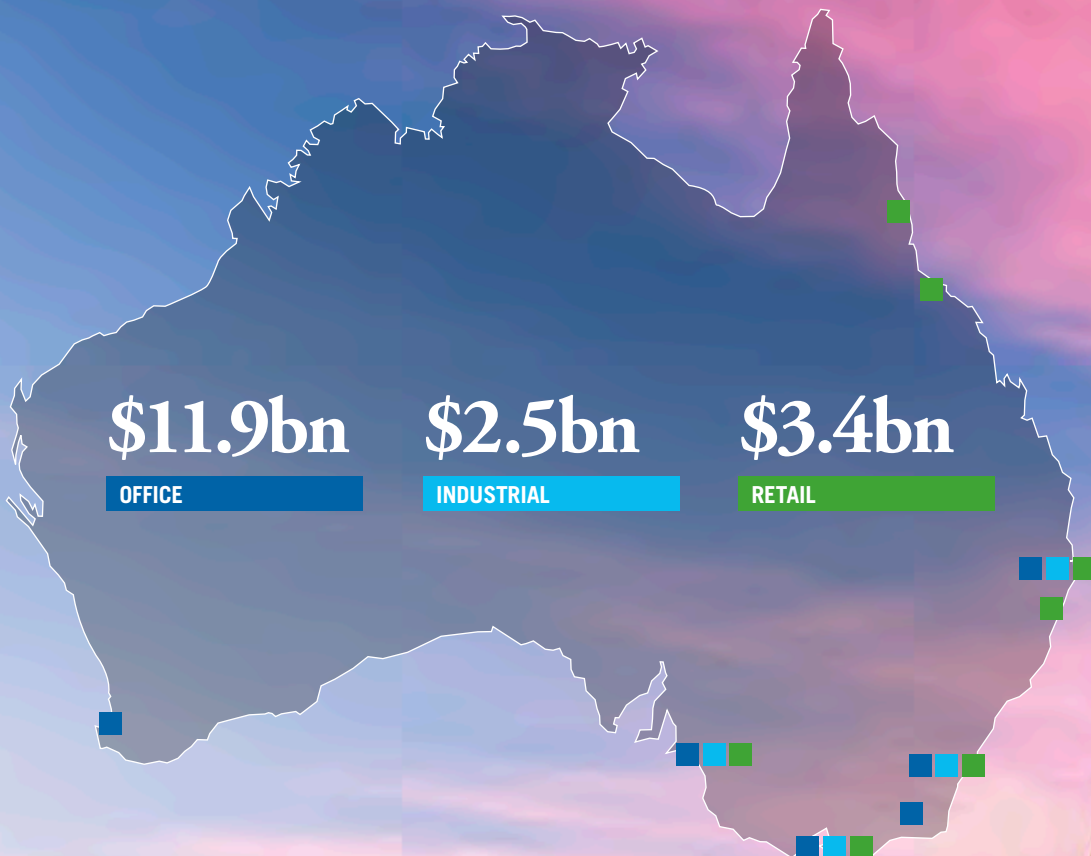
TOTAL NLA

DEXUS PROPERTY GROUP

Group portfolio \$17.8bn

DEXUS portfolio \$9.1bn		Third Party Funds Management ¹ \$8.7bn		
Office \$7.7bn	Industrial \$1.4bn	Office \$4.2bn	Industrial \$1.1bn	Retail \$3.4bn
				


1. Includes DEXUS Wholesale Property Fund, Australian mandate, Australian Industrial Partnership, DEXUS Industrial Partnership and DEXUS Office Partnership.



2014 HIGHLIGHTS



Third party funds under management increased by **41%** from FY13



Increased FY14 distribution per security by **4.3%** to 6.26 cents



Achieved a **7.6%** increase in FY14 Funds from Operations to 8.34 cents per security



Secured **significant** leasing pre-commitments at fund-through developments
480 Queen Street, Brisbane 62%
Kings Square, Perth 55%



Secured **two new** capital partners – Canada Pension Plan Investment Board (CPPIB) and the Future Fund



Leased **524,597sqm** of space across the Group



Increased premium grade office leasing by more than **200%** from FY13





Achieved upgrades to
**S&P and
 Moody's**
 credit ratings



DEXUS awarded

**Green Star
 Status**

for Global Real Estate Sustainability
 Benchmark results



Delivered
\$4.3m
 in trading profits



Successfully completed the **\$3.4bn**
 takeover of Commonwealth Property Office Fund with CPPIB



STRATEGY

DEXUS Property Group's strategy is to deliver superior risk-adjusted returns for investors from high quality Australian real estate.



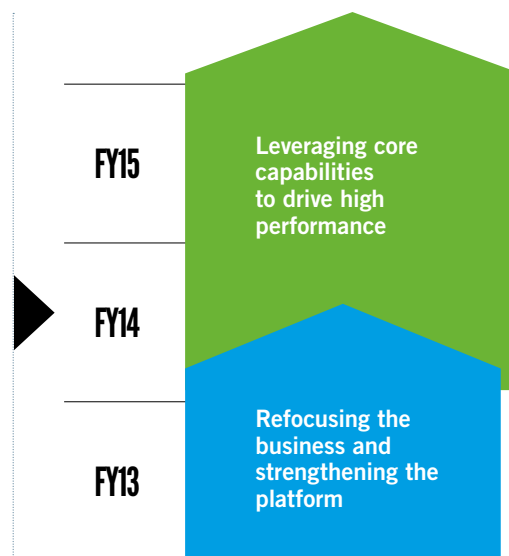
Strategic progress

DEXUS Property Group has successfully delivered on its revised strategy launched in August 2012, divesting properties in offshore markets where it lacked comparative scale and refocusing and reinvesting back in Australia.

The Group now benefits from a leading market share position in the Australian office market and a sizeable Third Party Funds Management business that has grown by more than 50% over the past two years. The strategy has been executed through a continued investment in the Group's core capabilities:

- Office, industrial and retail expertise across asset management, leasing and development
- Transactional expertise
- Third Party Funds Management
- Capital and risk management and governance

Strategy implementation



FY14 Achievements: Leveraging core capabilities to drive high performance

The Group delivered against all of its FY14 strategic objectives.

DEXUS VISION

To be globally recognised as Australia's leading real estate company

STRATEGY

To deliver superior risk-adjusted returns for investors from high quality Australian real estate primarily comprising CBD office buildings

STRATEGIC OBJECTIVES

OFFICE

Being the leading owner and manager of Australian office

CORE CAPABILITIES

Having the best people, strongest tenant relationships and most efficient systems

CAPITAL PARTNERSHIPS

Being the wholesale partner of choice in Australian office, industrial and retail

CAPITAL & RISK MANAGEMENT

Actively managing capital and risk in a prudent and disciplined manner

FY14 ACHIEVEMENTS

- ✓ Proactively managed and drove performance in the office portfolio
- ✓ Enhanced the value of newly acquired properties
- ✓ Enhanced the tenant experience
- ✓ Implemented initiatives that develop tenant loyalty

- ✓ Implemented key process improvement programs
- ✓ Reinforced a culture of service excellence and high performance
- ✓ Leveraged best-in-class industrial capabilities to drive portfolio performance, development and trading opportunities
- ✓ Leveraged retail capabilities to drive performance, developments and new opportunities for capital partners

- ✓ Delivered performance for existing capital partners and funds
- ✓ Leveraged relationships and capabilities into new opportunities through:
 - Securing further investment opportunities for capital partners
 - Attracting additional sources of capital for long term co-investment

- ✓ Maintained a competitive cost of funding and improved access and diversity of sources of capital
- ✓ Selectively divested non-strategic properties when supported by investment fundamentals
- ✓ Engaged in transactions that created value for investors

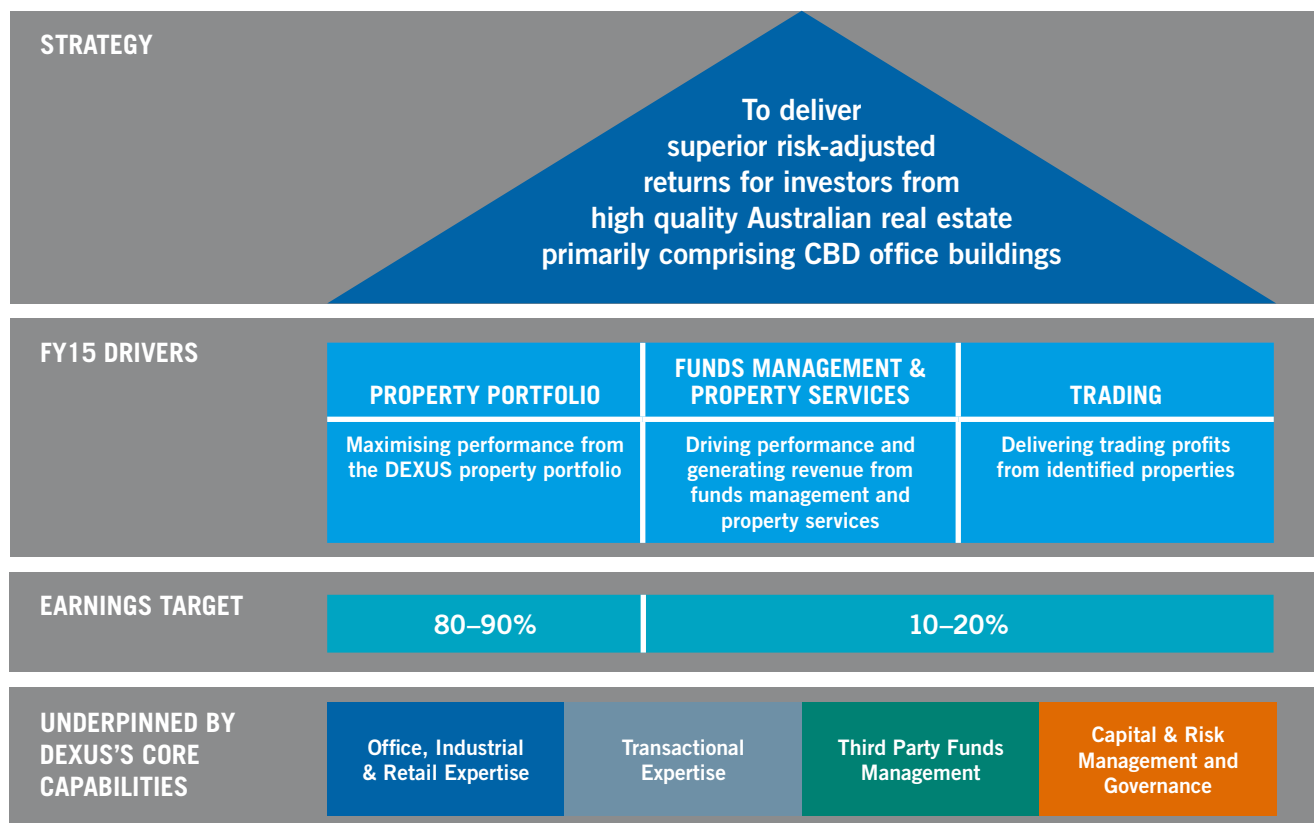
FY15 Focus: Further leveraging core capabilities to drive high performance

In FY15, the Group will further leverage its core capabilities to respond to opportunities and market conditions.

As the Group's strategy further evolves, these core capabilities will underpin the creation of value through three drivers:

- Investment performance in the direct property portfolio
- Growth in funds management and property services revenue
- Contribution from the trading business

These drivers support the Group's strategy to deliver superior risk-adjusted returns for investors.



FY15 DRIVERS

Three key drivers will continue to create value for investors in FY15. The Group will utilise its core capabilities to deliver results through its property portfolio, funds management and property services platforms and trading business.

Property portfolio

DEXUS's high quality office and industrial property portfolio is a key driver of income for investors.

DEXUS's office portfolio is the largest office portfolio in Australia and DEXUS is the largest owner and manager of office buildings in the Sydney CBD, Australia's largest office market. The Group's strategy of investing for the long term in high quality properties located in core CBD office markets ensures exposure to a larger number of quality tenants, enabling its portfolio to deliver stable returns through property market cycles. DEXUS's office portfolio comprises 53 office buildings, of which 88% are prime grade.

DEXUS's industrial portfolio of properties is one of the largest in Australia. DEXUS has established a quality portfolio of premium business parks, industrial estates and logistics and distribution facilities located close to multi-modal infrastructure and employment hubs in the key metropolitan markets of Sydney, Melbourne and Brisbane. Investing in industrial property provides investors with diversification and higher yields, assisting to balance out the cyclical market fluctuations.

DEXUS will continue to drive the performance of its property portfolio utilising its strong long term relationships and market expertise to deliver leasing results, increase occupancy and enhance property values.

DEXUS's target portfolio composition is 80% office and 20% industrial properties.

Funds management and property services

Since launching its revised strategy in August 2012, the change in the Group's business structure and size has seen increased opportunities for the provision of funds management and property services to third party capital partners.

The Group will continue to apply its multi-sector expertise to provide property management, development management and funds management services across the Group's office, industrial and retail portfolios.

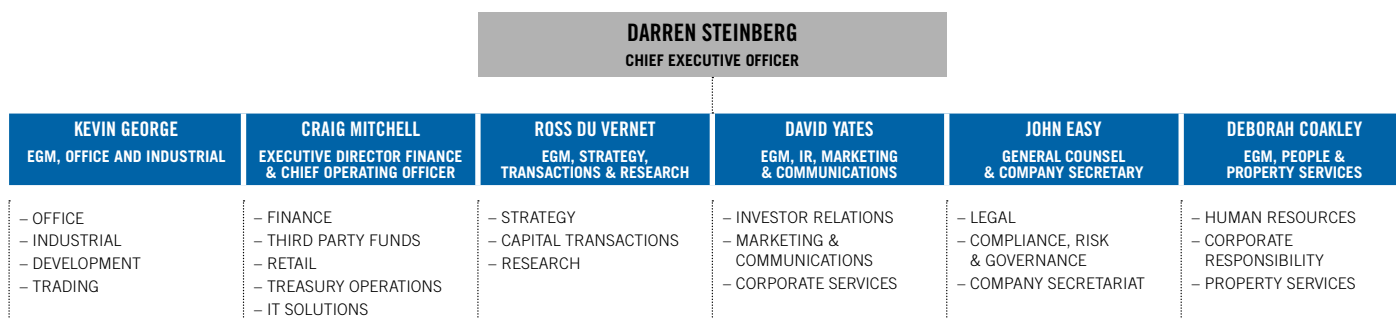
Trading

DEXUS has developed a team with strong asset management and development capabilities and proven transactional expertise that is backed by a respected research function. The Group has a demonstrated track record in using its market intelligence to identify product, ensuring it is best placed to opportunistically acquire properties that can be repositioned for trading through asset management and development.

DEXUS has identified a number of properties on balance sheet as alternative use and trading opportunities and will use its capabilities to maximise income at the right time in the cycle. The divestment of these trading properties will enhance trading profits over the next two to three years.

Group Management Committee (GMC) delivers strategic direction

The GMC is the leadership team responsible for delivering the strategic direction of the business. The areas of GMC responsibility are defined in the organisation chart below. Profiles of GMC members are provided on pages 68–69.



CORPORATE RESPONSIBILITY & SUSTAINABILITY (CR&S)

DEXUS Property Group creates value for all of its stakeholders by integrating CR&S objectives into every aspect of business operations.

The Group has a proud record of developing and implementing leading practices in CR&S. As a responsible property investor, manager and developer, the Group integrates CR&S objectives across the property lifecycle to create long term value for its stakeholders including tenants, employees, investors, suppliers, community and the environment.

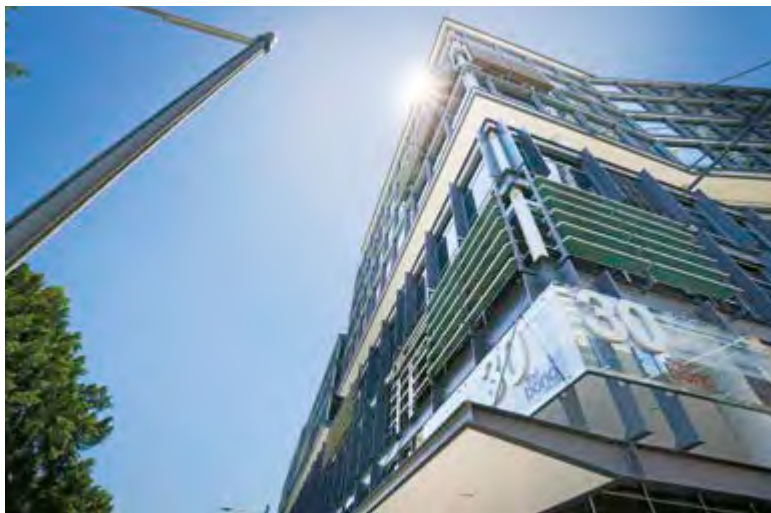
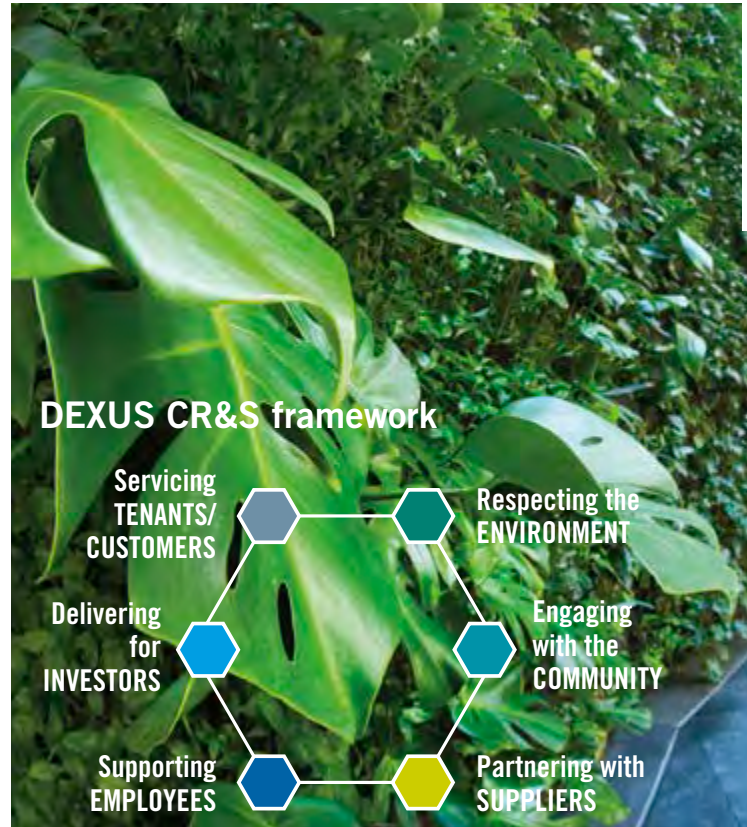
Experience has demonstrated that a holistic approach – from the boardroom to the plant room – reduces operating costs, enhances property values and improves tenant appeal, resulting in enhanced long term returns for investors together with lower environmental risks.

The Group adopts a balanced approach to addressing environmental, social and governance (ESG) issues. The Group utilises a CR&S framework through which it systematically identifies, quantifies and responds to ESG issues within strategic decision making and operations. For example, the Group conducts ESG due diligence for property transactions, applies technology and operational expertise to reduce resource use and greenhouse gas emissions, partners with like-minded suppliers, and promotes diversity, equality and basic human rights.

As a signatory to the United Nations Principles of Responsible Investment (UNPRI), DEXUS has a commitment to invest responsibly and raise awareness of responsible investment with its stakeholders. In recognition of the UNPRI, DEXUS delivers CR&S benefits, keeping four guiding values at the forefront of its business:

- Investing responsibly, managing properties and consolidating property services
- Achieving positive environmental outcomes through business operations
- Identifying material issues through stakeholder engagement
- Delivering responsible outcomes for the community

The Group's FY14 achievements for each stakeholder group and FY15 commitments are outlined on pages 22–25.





MANAGING RISK

A prudent and robust approach to risk management is an essential part of the ongoing success of DEXUS Property Group in a dynamic and challenging industry.

Recognising the importance of active and prudent management of risk, the Group identifies risk management as one of its key strategic objectives. The Group continuously reviews and actively evaluates risk to ensure that it is appropriately managed at Board level through the Board Audit, Risk & Sustainability Committee, together with the Group Management Committee.

Risk reviews are conducted by an experienced team using up-to-date information on market developments, regulatory changes and organisational performance and these are prioritised according to their materiality to the business.

The Group's strategy of investing for the long term in high quality properties located in core CBD office markets supports its portfolio to deliver stable returns through the property market cycles. The portfolio's concentration of properties in the CBDs of Australia's larger capital cities provides access and exposure to a larger number of quality tenants.

The Group takes a prudent approach when managing property investment risks, taking into account a potential property's fit with its strategy, together with its fundamentals, in order to determine whether the property will deliver superior risk-adjusted returns to investors.

The Corporate Governance section on page 70 contains further information on DEXUS's approach to risk management.

DELIVERING ON STRATEGY

COMMONWEALTH PROPERTY OFFICE FUND TRANSACTION

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

\$3.4bn
TRANSACTION VALUE

87%
PRIME GRADE PORTFOLIO

21
OFFICE PROPERTIES

>9.5%
BLENDED UNLEVERED IRR¹

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

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

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

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

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

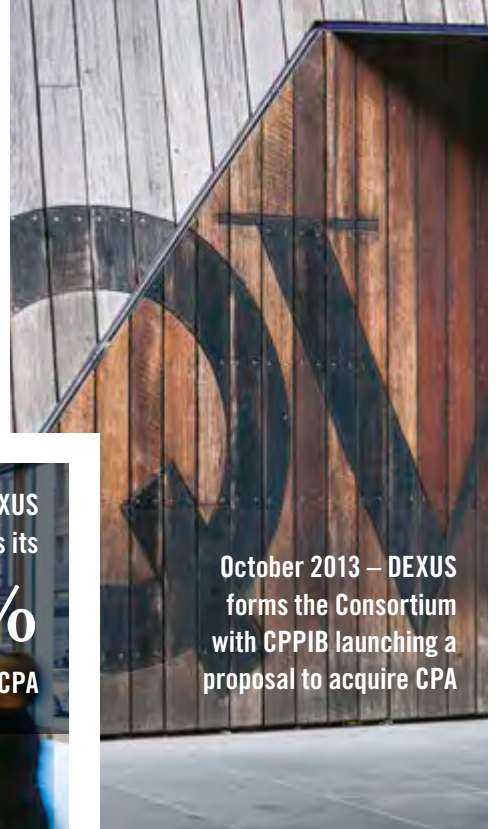
As a result of the CPA transaction, DEXUS manages 24% of prime grade property in Sydney's CBD and has a strong presence in the core CBD office markets of Melbourne, Brisbane and Perth.

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

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

Who is Canada Pension Plan Investment Board (CPPIB)?

CPPIB forms part of the Consortium that undertook the off-market takeover of CPA. CPPIB is one of the world's largest retirement funds and an experienced real estate investor with a long term investment horizon. CPPIB seeks strong operating partners who have deep, local expertise and partnering with DEXUS provided a clear third party endorsement of both the DEXUS Offer and the Group's capability to deliver value.



October 2013 – DEXUS forms the Consortium with CPPIB launching a proposal to acquire CPA



July 2013 DEXUS announces its **14.9%** interest in CPA

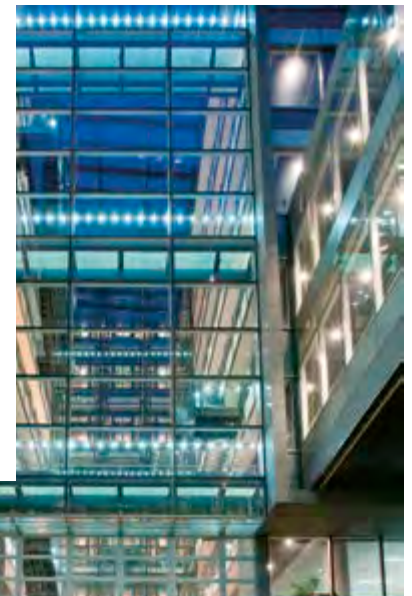
December 2013 – The Consortium announces an off-market takeover offer (DEXUS Offer)



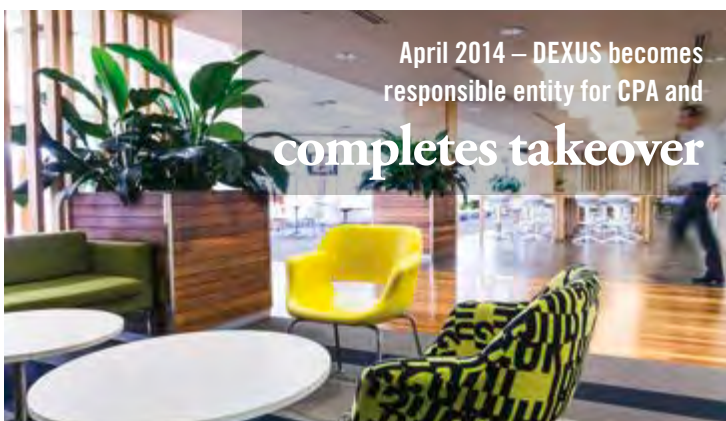
January 2014 – CMIL recommends CPA unitholders accept the DEXUS Offer



July 2014
As a result of the transaction DEXUS Property Group manages **24%** of Sydney CBD prime office market



March 2014 – The Consortium secures **90% of CPA** units on issue and proceeds to compulsory acquisition



April 2014 – DEXUS becomes responsible entity for CPA and **completes takeover**



July 2014 – CPA portfolio transitions to the **Group's platform**

LETTER FROM THE CHAIR

2014 was a year in which the Group worked towards cementing its position as the leader in Australian office and the wholesale partner of choice. In office we completed the takeover of CPA and achieved significant leasing success and portfolio rebalancing in a challenging environment. We teamed with new partners CPPIB and the Future Fund in two significant new partnerships. Our capital management is stronger than ever. All of this was achieved through our property expertise, institutional rigour and entrepreneurial spirit.

A year of adding value and delivering performance

2014 was a successful year for DEXUS Property Group. The Group maintained positive momentum across all parts of the business and delivered a solid operational result. Driven by strategic investment decisions and an active and disciplined approach to capital management, DEXUS delivered a 7.6% increase in FFO per security on the prior year.

DEXUS continued to achieve results across its property portfolio. The team worked even closer with its customers to drive leasing during the year. New initiatives were implemented to strengthen relationships and improve the customer experience throughout the tenant lifecycle.

Commonwealth Property Office Fund (CPA) transaction

The most significant achievement this year was the successful takeover of CPA which was a transformational transaction for the Group. The team's agility in execution and rigorous approach commenced with the acquisition of a 14.9% interest in CPA in July 2013.

The completion of the CPA transaction in April 2014 increased the scale and quality of the Group's office portfolio and introduced a new capital partner, the Canada Pension Plan Investment Board (CPPIB), enhancing our diversity of equity sources.

The expertise of our people was demonstrated through their agility in execution, countering a competing proposal from another party and undertaking a thorough due diligence process which gave DEXUS an understanding of how to extract value from the portfolio and subsequently resulted in CPA investor support. The integration has been managed smoothly and professionally with no surprises.

Economic conditions provide opportunities and challenges

The flow of offshore and local capital seeking quality Australian office and industrial buildings maintained its momentum during the year, providing opportunities for DEXUS to secure two new capital partners with CPPIB and the Future Fund.

While supply tightened in core investment markets, our people were able to identify and execute a number of off-market transactions which enhanced the quality and diversity of our portfolio and satisfied the objectives of our capital partners.

Tenant demand across office and industrial markets remained tempered in 2014. Despite this, a number of indicators in the domestic economy appear to be having a positive impact on business decision making.


Our team experienced an increase in office leasing enquiry and achieved encouraging forward leasing results. The prolonged economic downturn has been challenging for some of our tenants, however we have seen a number of large Australian corporates make decisions relating to their office space requirements and enter into new leases. Our team's deep market relationships and the Group's quality portfolio have ensured a number of high calibre tenants have been retained or secured.

Commitment to excellence in corporate governance

The Board aspires to the highest standards of corporate governance and has embedded a set of well-defined policies and processes to enhance corporate performance and protect the interests of key stakeholders. The Board views corporate governance as the foundation for the long term success of the Group and the achievement of our strategy is underpinned by a strong governance platform.

Supporting the launch of the Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations (Third edition) in March 2014, we made a number of enhancements to our corporate governance approach in advance of the implementation of the guidelines in FY15, including the following:

- Reinforcing the Group's values and continuing our focus on inclusion and diversity at all levels
- Reviewing the Board Committee structure to provide stronger governance, more guidance to management and a better alignment with strategy
- Reviewing and improving our non-executive director induction program



Along with the Board Committee restructure, we reviewed membership of the committees to ensure that the skills and experience that each of our independent directors bring to the Board are best utilised. Details relating to the new DEXUS Board Committee structure are included in the Corporate Governance section on pages 70–75.

Our 2014 Remuneration Report details management’s achievements against key performance indicators over the past year and how this aligns with investor returns. The full remuneration report starts on page 21 in the 2014 Annual Report. A summary can be found on pages 74–75 of this Annual Review.

Annual General Meeting

In October 2013 we held our Annual General Meeting (AGM) in a new format to enhance engagement with investors. The revised format allowed us to cover the formal aspects relating to the resolutions and provided investors the opportunity to discuss any aspect of the business in an informal setting with Directors and members of the Group Management Committee. Post the AGM, investors were given the opportunity to tour our new head office workspace which spans levels 25 and 26 of Australia Square.

“Driven by strategic investment decisions and an active and disciplined approach to capital management, DEXUS delivered a 7.6% increase in Funds from Operations per security on the prior year.”

LETTER FROM THE CHAIR

“The Board aspires to the highest standards of corporate governance and has embedded a set of well-defined policies and processes to enhance corporate performance and protect the interests of key stakeholders.”

Changes to the Board of Directors

Two of our long standing Non-Executive Directors, Stewart Ewen and Barry Brownjohn, retired from the Board at the Group's AGM on 29 October 2013. Stewart Ewen had been a member of the Board since 4 August 2004 and Barry Brownjohn joined the Board on 1 January 2005. Both had significant influence on the evolution of the Group and made considerable contributions to the Board and its committees over the years. I would like to acknowledge and thank Stewart and Barry for their dedication.

As part of our continuing Board renewal process we welcomed Penny Bingham-Hall to the Board on 10 June 2014. Ms Bingham-Hall is an experienced Director and brings to the Board more diversity of thinking from her background in the construction and infrastructure sectors. I am confident that Penny will make a strong contribution to the Board.

At the date of this report, the Board comprised nine Directors, seven of whom are independent.

Corporate responsibility

Our commitment to maintaining the highest standards of governance and business ethics is embedded in our Corporate Responsibility and Sustainability (CR&S) framework.

A key focus for the year was further developing our people and enhancing our culture, driven through the relaunch of the Group's values, the investment in leadership programs and the establishment of the Corporate Responsibility, Inclusion and Diversity Committee. Further details relating to the progress in this area can be found in the People and Culture section of this report.

This year we continued to build upon the significant successes that we have achieved in environmental sustainability and, as a result, we have been recognised as a performance leader in global sustainability indices. Outlined in an integrated way throughout this report are our CR&S achievements which include, among others, maintaining the efficiency of the office portfolio and leveraging efficiency upgrades to generate revenue from the sale of Energy Savings Certificates.

Progress on diversity

As an active employer in the real estate sector, we are committed to diversity in our workforce and developing and maintaining an inclusive and collaborative culture. Through our values, policies and behaviours, we believe diversity enables our people to make better informed decisions.

Our diversity commitment includes establishing measurable diversity objectives, and in 2011 we set a gender target of 33% female participation by Non-Executive Directors and at senior management level by 2015. At 30 June 2014, I am pleased to report we are at 43% and 26% respectively.

2015 priorities

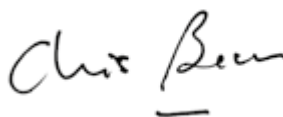
DEXUS Property Group enters 2015 with significant achievements in delivering against its strategy, placing us in a position to deliver strong performance over the long term for our security holders and third party capital partners.

Our main goals for 2015 are concentrated on using our capabilities to deliver value through three drivers:

- Maximising performance in the DEXUS property portfolio
- Driving performance and generating revenue from funds management and property services
- Delivering trading profits from identified opportunities

On behalf of the Board, I thank DEXUS CEO, Darren Steinberg, the Group Management Committee and our people for delivering a strong performance over the year. I am confident that the strength of our people will continue to deliver results in 2015 and beyond.

I also thank all DEXUS security holders for taking the journey with us throughout the CPA transaction and I appreciate their continued support.



Christopher T Beare
Chair

13 August 2014



CHIEF EXECUTIVE OFFICER'S REPORT

2014 was a year in which we made significant achievements against our strategic objectives to enable the delivery of superior risk-adjusted returns for investors.

CHIEF EXECUTIVE OFFICER'S REPORT



In FY14, we delivered a strong net profit after tax of \$406.6 million, with our operations continuing to be firmly geared towards delivering against our strategy.

Two years ago we embarked on a strategy of delivering superior risk-adjusted returns for our investors from high quality Australian real estate primarily comprising CBD office buildings. In 2014 we continued the implementation of this strategy using our core capabilities to enhance the quality and scale of our office portfolio, most notably with the successful completion of the takeover of CPA.

The CPA transaction progressed our office leadership objective as well as our objective of being the wholesale partner of choice, attracting a major new capital partner. Our Third Party Funds Management business was further enhanced by securing a second new partner with an industrial development focus, together with the acquisition of properties for our existing funds.

Using our core capabilities to deliver results

Many of our team were involved in the CPA transaction, with the majority engaged during the due diligence process where we undertook a thorough analysis of the portfolio, enabling us to confirm our view on value. Our disciplined approach allowed us to counter an alternative offer and, importantly, ensured that we could deliver value for DEXUS investors.

The process identified future opportunities in the CPA portfolio under our management and we are focused on delivering on some of these over the coming year. The transaction also enabled us to be one of the most cost efficient operators in the office sector, achieving a management expense ratio of 49 basis points at 30 June 2014.

While it was a very busy year undertaking the CPA transaction, we maintained our focus on driving performance from our existing portfolio and delivered solid operational results in a challenging leasing market.

Demonstrating transactional capability

We continued to proactively pursue new opportunities to expand our listed portfolio and satisfy the objectives of our capital partners. Including the CPA transaction, we sourced new investments and divested non-strategic properties through being actively involved in \$5.4 billion of transactions across the office, industrial and retail sectors.

DWPF increased its exposure to key office, retail and industrial markets through the strategic acquisitions of AM60 tower in Brisbane, Beenleigh Marketplace in Beenleigh, Queensland, two industrial properties on Brisbane's Trade Coast and post 30 June 2014, through the acquisition of two retail properties in regional NSW.

20 YEARS OF RECOGNITION



In November 2013, DEXUS celebrated the 20th year of hosting its Annual Excellence in Agency Awards, one of the agency community's premier events that recognises the outstanding achievements of the real estate community within the Group's portfolio.

These awards recognise the efforts of agencies and individual agents in helping to drive results for DEXUS and its third party partners. Six awards were presented with all the winners involved in specific leasing transactions, acquisitions or divestments that were successfully concluded on behalf of the Group over the 2013 financial year.

Delivering an increase in FFO and distribution guidance

I am pleased to report that we exceeded our FFO and distribution guidance set in August 2013.

The decision to utilise the on-market securities buy back in August 2013, combined with the net impact of the distribution associated with the 14.9% interest in CPA, assisted in an upgrade to FFO and distribution per security for the first six months to 31 December 2013.

The completion of the CPA transaction in April 2014 resulted in a further upgrade to our FFO and distribution per security guidance for the six months to 30 June 2014.

We achieved FFO of \$410.6 million or 8.34 cents per security and delivered a distribution of 6.26 cents per security for the 12 months ended 30 June 2014, reflecting a 4.3% increase on FY13.

Recognition for capital management approach

2014 was a year in which we continued to enjoy the benefits of accessing debt capital markets with historically low financing costs, resulting in a significant improvement in the duration and cost of debt. We secured new facilities and engaged in transactions that created value, including positioning our hedging to benefit from low floating interest rates and utilising the on-market securities buy back.

Pleasingly, we received recognition for our active and disciplined capital management approach through an upgrade to our credit rating metrics. Further details relating to capital management are provided on pages 48–49.

Delivering security holder returns

While delivering solid total security holder returns over the one and three year periods of 9.9% and 14.6% per annum respectively, DEXUS slightly underperformed against the S&P/ASX 200 Property Accumulation Index ('A-REIT Index'). Over the five year period, DEXUS outperformed the A-REIT index by 50 basis points.

As at 30 June 2014	1 Year	3 Years	5 Years
DEXUS (DXS)	9.9%	14.6%	14.8%
S&P/ASX 200 Property Accumulation Index	11.1%	15.3%	14.3%

Source: UBS Securities Australia.



\$11.9bn

GROUP OFFICE PORTFOLIO

DEXUS is positioned to deliver the best workspace solutions through its strong long term relationships and a focus on providing service excellence to its customers

Return on equity through the cycle

DEXUS calculates Return on Equity (ROE) by adding the change in net tangible asset value (NTA) per security over the year to the income distribution paid to security holders during the year. Excluding the impact of the CPA transaction, the core business delivered an ROE for the 12 months to June 2014 of 8.7%, slightly below our target of 9–10% per annum through the cycle. Taking into account the CPA transaction, DEXUS delivered an ROE of 6.7% for the year, impacted by the costs associated with the CPA transaction.

Continued focus in office and industrial

Our office and industrial portfolios remain a constant focus for the Group as a driver of returns. Over the year we were successful in securing major, long term leases and lease renewals in both portfolios, improving our lease expiry profile. In the face of challenging leasing conditions, we continued to leverage relationships to attract and retain high calibre tenants to our quality portfolio focusing on service excellence, which resulted in the leasing of almost half a million square metres of space across the Group.

This result reflects the dedication and efforts of our people in driving net operating income across our property portfolios and constantly assessing rent at risk.

Further details on achievements and metrics in the office and industrial portfolios are provided on pages 32–43.



Maximising value and progress in the development pipeline

We applied our development expertise to drive DEXUS's \$1.3 billion development pipeline, building on our strong track record in delivering high quality office, industrial and retail properties to the Australian market.

In addition to developments underway, our diverse pipeline identifies uncommitted industrial and office developments, value-add properties and our office development fund-through investments.

We also seek to maximise value from securing profits from our trading book and pleasingly delivered \$4.3 million of trading profits for the year within our targeted \$4–5 million range.

Further details relating to DEXUS's development and trading pipeline are provided on pages 44–47.

Continued demand supports growth in third party funds

Another active year in our Third Party Funds Management business contributed to the 41% growth in funds under management to \$8.7 billion.

With increased competition for capital seeking to partner with businesses that have a clear strategy and a strong track record of delivering returns, we formed two new individual partnerships with Canada Pension Plan Investment Board and the Future Fund, reflecting demand for office management and industrial development expertise. Over the past two years we have attracted three new partners, a clear endorsement of our ability to attract significant long term capital partners.

There was also a boost in demand from existing investors in DEXUS Wholesale Property Fund (DWPF), with the Fund successfully raising \$350 million and investing in four properties, enabling it to execute on its investment plan. DWPF continues to deliver outperformance against its benchmark across one, three and five years after fees.

We have also revitalised our Retail leadership team through key appointments in leasing, transactions and retail asset management. The team has produced some early wins through the acquisition and leasing of retail centres on behalf of our third party clients.

Further details relating to the Group's Third Party Funds Management business are provided from page 50, Retail from page 54 and DWPF from page 58.

Sustainability achievements

We are committed to our strategy of integrating leading sustainable practice into all aspects of the way we do business. We have continued to reduce our environmental impacts by maximising the efficiency of our portfolio while maintaining oversight of Australia's climate change policy debate.

Value-add properties such as 50 Carrington Street in Sydney integrated sustainability initiatives, repositioning them to ensure they can deliver long term environmental efficiency, increasing the appeal to tenants and ultimately the value to investors.

This year saw the commencement of the inaugural '1 Bligh Master of Architecture Final Year Prize for Sustainable Commercial Architecture' scholarship with the University of New South Wales. The scholarship was created from the €50,000 prize money awarded to the owners of 1 Bligh Street in Sydney for the prestigious International High-Rise Award in 2012. We are proud to play a role in promoting future sustainable design in Australia.

We are on a journey to look beyond our corporate boundary at the impacts we can make on the broader community. We have a commitment to our charity partners and we focus on understanding and improving human rights and diversity practices within the Group and across our supply chain. We are also transitioning to report under the Global Reporting Initiative G4 protocol from FY15.



Future priorities

As we enter the new financial year, we are well positioned to deliver enhanced investor returns, supported by our strong financial position and experienced team. We have a solid business, boosted by an increased market share in the Australian office market and a Third Party Funds Management platform that has grown significantly to provide us with a diverse capital source to invest alongside through the cycle.

We have been quick to recognise and respond to opportunities to execute our strategy and our active approach to capital management has ensured we have maintained a solid balance sheet.

Looking ahead, we will continue to drive performance across all parts of the Group utilising our capabilities to continue to add value. In FY15 we will focus on maximising income from the DEXUS property portfolio, driving performance and generating revenue from our property services and funds management business and delivering further income from trading.

Distributions per security for the year were 6.26 cents per security, representing a 4.3% increase on the prior year (2013: 6.0 cents). The payout ratio for the year to 30 June 2014 was 75% in accordance with DEXUS's FY14 payout policy to distribute 70–80% of FFO, in line with free cash flow.

As foreshadowed 12 months ago, DEXUS will adopt the Property Council of Australia's (PCA) recommended approach for calculating FFO from 1 July 2014.

Barring unforeseen changes to operating conditions, DEXUS's guidance for PCA FFO for the 12 months ending 30 June 2015 is 9.84 cents per security, reflecting an 8.5% increase from FY14 PCA FFO of 9.07 cents per security.

We are targeting a payout in line with free cash flow for FY15 which is expected to deliver a distribution of 6.79 cents per security reflecting 8.5% growth from FY14.

I look forward to keeping you informed about our achievements and updating you on our journey over the coming year.

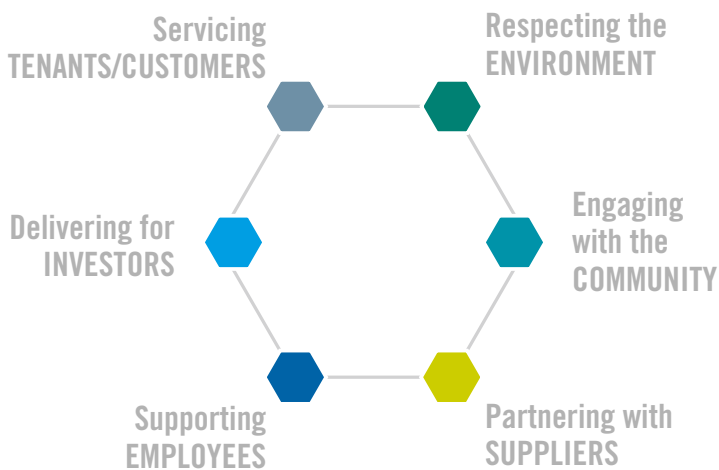
Darren Steinberg
Chief Executive Officer

13 August 2014

DELIVERING COMMITMENTS

DEXUS sets measurable performance targets across its key stakeholders in line with the Group's strategy to deliver superior risk-adjusted returns for its investors from high quality real estate and drives ethical and responsible performance in all areas of its operations.

DEXUS CR&S Framework



The Group's FY15 commitments are derived from its strategy and commitment to responsible investment. They span the Group's CR&S framework and reflect DEXUS's commitment to consistently deliver strong financial performance, supported by a prudent and robust approach to risk management. The Group will continue to invest in operational initiatives that result in improved sustainable performance.

DEXUS developed its FY15 commitments following a review of material issues from across the Group, combined with an external review of material issues which have the greatest impact for key property sector stakeholders and industry peers.

This process was the first step in DEXUS's transition from GRI Sustainability Reporting Guidelines version G3.1 to its materiality-based G4 guidelines in FY15. Further transitional work involves engaging directly with key stakeholders and prioritising issues for input into future strategy objectives, target setting and reporting.

By developing FY15 commitments based on the most material issues for its stakeholders, DEXUS seeks to focus the business on targets that are relevant, aspirational yet achievable, measurable and aligned with the interests of investors and the wider community.

✓ Achieved
➔ Underway
✗ Not Achieved
⊕ Committed

FY14 ACHIEVEMENTS

Investors

- ✓ Delivered FFO of 8.34 cents per security exceeding the 8.15 cents per security target
- ✗ Delivered a return on equity (ROE) of 8.7%, slightly below the target range of 9–10% through the cycle (including the impact of the CPA transaction, ROE was 6.7%)
- ✓ Delivered a total security holder return of 14.8% over the five year period, relative to DEXUS's target peer group of 16.1% and industry benchmarks of 14.3% over five years

Capital management

- ✓ Achieved credit ratings upgrades from Standard & Poor's and Moody's
- ✓ Reduced cost of debt by 50bps to 5.4%
- ✓ Acquired 73.7m DEXUS securities at an 8.1% discount to NTA through an on-market securities buy back, providing accretive investor returns

DELIVERING FOR INVESTORS

FY15 COMMITMENTS

Investors

- ⊕ Deliver PCA FFO of 9.84 cents per security
- ⊕ Deliver a return on equity of 9–10%
- ⊕ Deliver long term top quartile performance relative to DEXUS's target peer group and industry benchmarks
- ⊕ Report under GRI G4 reporting standards and undertake a materiality assessment

Capital management

- ⊕ Take advantage of improved credit rating metrics to reduce cost of debt
- ⊕ Improve diversification and length of the debt profile through refinancing bridge funding
- ⊕ Maintain gearing at the lower end of the target range of 30–40%

Investors

Office and Industrial

- ✓ Delivered 3.6% like-for-like income growth in the office portfolio, in line with the 4% target
- ➔ Reduced Sydney office portfolio lease expiries to 7.5% for FY15 and 10.4% for FY16 relative to the 7.5% and 10.0% respective targets
- ✗ Delivered 1.5% Industrial portfolio like-for-like income growth, marginally below the 2% target
- ✓ Delivered 90,214sqm of industrial development and secured 41,034sqm of industrial development leasing
- ✓ Delivered \$4.3m in trading profits within the targeted range of \$4–5m
- ✗ Generated \$0.7m of additional income through the PLATFORM by DEXUS initiative, below the \$1.5m target
- ✓ Selectively divested \$588m of properties

Third Party

- ✓ DWPF achieved top quartile performance over 1, 3 and 5 years and DEXUS continued to deliver on its capital partners' investment objectives
- ✓ The Group acquired 30 properties for \$2.3bn on behalf of its capital partners and in line with their investment objectives
- ✓ DEXUS secured two new capital partners for long term co-investment

Tenants/Customers

- ✓ Launched tenant/customer initiatives to enhance the tenant experience through:
 - Upgrading end of trip tenant facilities
 - Enhancing concierge services
 - Introducing PLATFORM by DEXUS initiatives promoting lifestyle, and health and well-being campaigns, increased convenience and social networking
- ➔ Implemented a Customer Records Management system which is utilised to strengthen tenant relationships and developed customer loyalty through initiatives undertaken throughout the tenant lifecycle
- ✗ Total DEXUS office and industrial portfolio retention rate reduced to 51%, below the 75% target, primarily due to intended vacancies in the industrial portfolio and a competitive office market, where in many instances, it was more viable to replace tenants than to renew and retain

SERVICING TENANTS/CUSTOMERS

Investors

Office and Industrial

- +
 - +
 - +
 - +
- Maintain >95% occupancy in the DEXUS office portfolio
- Reduce the DEXUS office portfolio lease expiries in FY16–FY17 to 8.5% and 9.5% respectively
- Target positive like-for-like income growth across the DEXUS combined portfolio
- Focus on reducing incentives and undertaking effective leasing deals

Trading

- +
- Deliver trading profits of approximately \$40m

Third Party

- +
 - +
 - +
- Continue to achieve top quartile performance for DWPF
- Continue to deliver on investment plans and objectives for capital partners
- Leverage retail management team to enhance performance

- +
 - +
 - +
- Target a tenant satisfaction score of 8 out of 10 in tenant surveys
- Achieve a top quartile Tenant Net Promoter Score compared to global customer services norms for the real estate industry
- Implement initiatives to enhance the customer experience



DELIVERING COMMITMENTS

Employees

- ✓ Implemented the initial two modules of the DEXUS Leadership Program to enhance leader capabilities in line with the Group's high performance culture
- ✓ Enhanced the link between performance and reward through aligning a Group objective – the shared financial scorecard – with individual KPIs incorporating the Group's values
- ✓ Created an online performance management system to improve the leadership abilities of managers and piloted a system that facilitates employee self-development
- ✓ Facilitated education and training events to enable Directors to meet professional development requirements, exceeding the Continuing Professional Development points target
- Increased representation of women as Non-Executive Directors to 43%, exceeding the 2015 target of 33%, and progressed the target at senior management level to 26%

SUPPORTING EMPLOYEES

- + Implement human resources technologies that enhance people practices and efficiencies, with a focus on employee self-development and on-boarding applications
- + Develop a series of learning and development programs to support people strategies relating to property expertise, institutional rigour and entrepreneurial spirit
- + Implement a program of events and practices supporting diversity and inclusion in the workplace
- + Adopt the 'Plus One' initiative in which executive leaders commit to hiring a minimum of one senior female into an approved open role

Suppliers

- ✓ Conducted all tenders in accordance with the Group's Procurement Procedures and Code of Conduct, resulting in operational efficiencies
- Established a preferred supplier panel through tendering of major services, structured to enhance value and ensure alignment with sustainable procurement guidelines. National tendering for fire, mechanical and lift services resulted in a consolidation of suppliers from 92 to 16 key partnerships
- ✓ Promoted, accurately measured and monitored the use of efficient, sustainable materials through the establishment of direct purchasing arrangements with key materials suppliers, e.g. replaced over 10,000 light fittings with high efficiency lighting

PARTNERING WITH SUPPLIERS

- + Establish a supply chain management framework through
 - Engaging the Group's direct suppliers to adhere to benchmark practices
 - Identifying supply chain risks and opportunities for shared value across the supply chain
 - Enhancing existing supplier monitoring and engagement where required
- + Increase awareness of sustainable procurement principles by offering training programs for employees and service providers
- + Conduct tenders in accordance with the Group's Business Procedures for Procurement and Code of Conduct with a focus on recently acquired properties

Community

- Continued commitment to employee volunteering across the community, completing 589 hours of service
- ✓ The corporate responsibility program was refreshed to align with the Group's culture following a review of existing relationships and community support. An initiative was launched in support of the Sydney Children's Hospital Foundation and other children's hospital charities
- ✓ Established the Corporate Responsibility, Inclusion and Diversity Committee to oversee the Group's corporate responsibility programs and lead the business inclusion and diversity activities

ENGAGING WITH THE COMMUNITY

- + Enhance the Group's community involvement through engagement in initiatives and employee volunteering targeted to assist charities that support children
- + Work with charities and community organisations to facilitate events in foyer areas within the Group's portfolio



Environment

- ✓ Achieved an average NABERS Energy rating of 4.6 stars across the DEXUS office portfolio, exceeding the 4.5 star target and reducing purchased GreenPower. On a like-for-like basis, the DEXUS office portfolio achieved a 4.8 star NABERS Energy rating
- Delivered 8.4% energy savings across the Group's like-for-like property portfolio on an absolute basis in the second year of a three year program targeting a 10% reduction
- In FY14 the Group expanded waste reporting to the retail portfolio and diverted 49% of waste from landfill across the office and retail portfolios, a 12.7% improvement in the first year of a three year program against the 2012 base year
- ✓ DEXUS's Sydney head office achieved its targeted 4.5 star NABERS Energy rating in June 2014
- ✓ Created and transacted Energy Savings Certificates valued at \$470,379 through participation in the NSW Energy Savings Scheme

RESPECTING THE ENVIRONMENT

- + Continue to expand waste reporting across the office and retail portfolios and target 65% diversion from landfill for the Group's office portfolio by the end of the three year program in FY16
- + Implement new Environmental Reporting Systems across the Group's portfolio providing visibility over granular environmental data and streamlined data collection to enhance analysis of consumption trends
- + Establish Regional Control Centres to centrally monitor and optimise heating, ventilation and air conditioning operations to reduce energy and maintenance costs
- + Extend the minimum 4.5 star average NABERS Energy rating across the entire DEXUS office portfolio, including newly acquired properties
- + Extend the minimum 3.5 star average NABERS Water rating across the entire DEXUS office portfolio, including newly acquired properties

PEOPLE AND CULTURE

DEXUS Property Group recognises that there is a direct relationship between the success of the business and the capability of its people.

Embedding a high performance culture

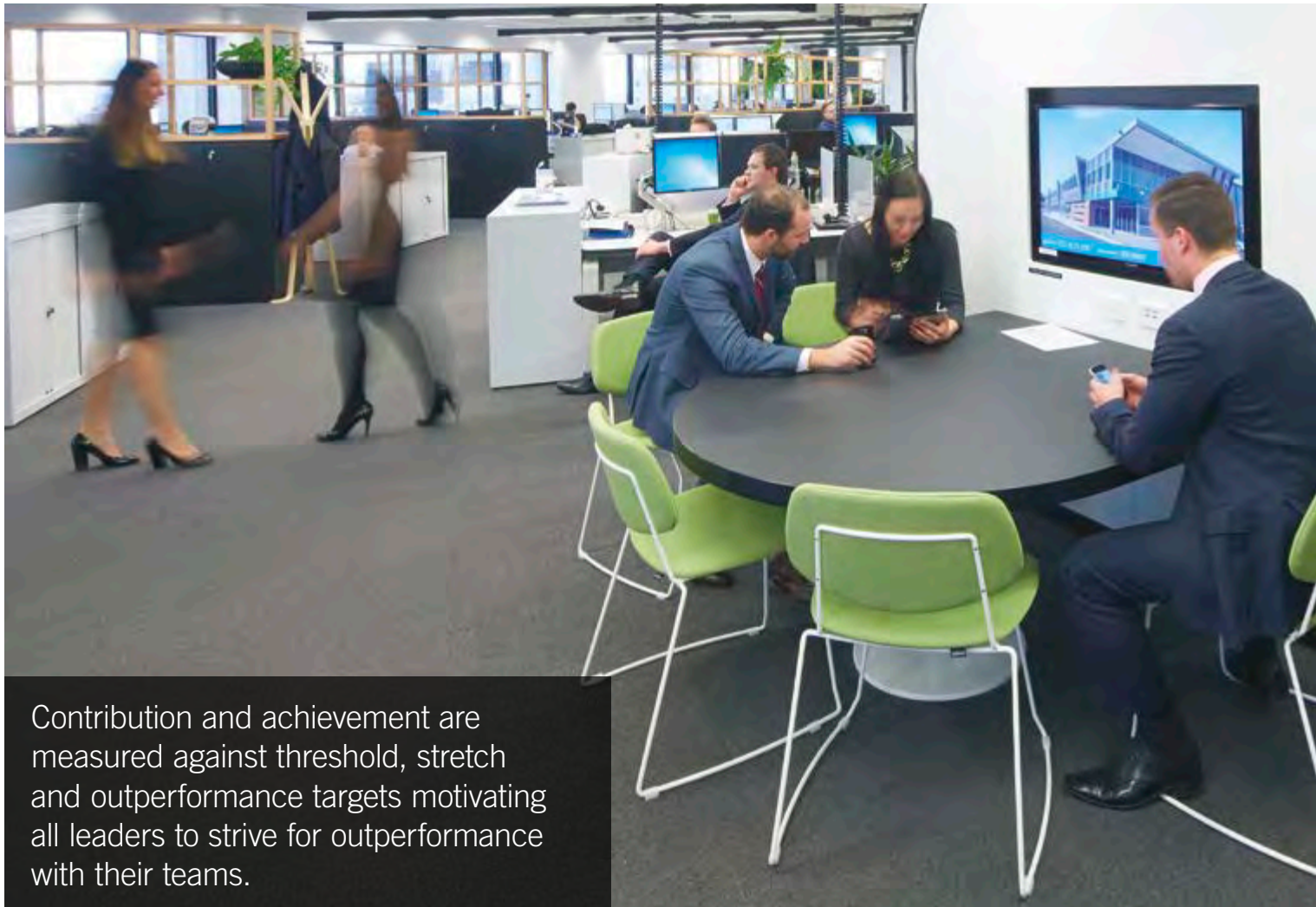
DEXUS Property Group recognises the importance of leadership in delivering high performance outcomes and enhanced returns for its security holders. The performance review process specifies measurable outcomes which take into account the overall business objectives together with the individual contribution of each senior leader.

The performance of senior leaders is aligned with:

- The financial performance of the business
- The overall business strategy
- The contribution to stakeholder engagement
- Their leadership role with our people
- The Group's culture

Over the year, the Balanced Scorecard methodology utilised by the Group's executives was cascaded to all employees. Under this system, contribution and achievement are measured against threshold, stretch and outperformance targets motivating all leaders to strive for outperformance with their teams.

The Group continues to enhance communication and transparency throughout the organisation to ensure its people are informed of the goals and outcomes required to achieve the Group's strategy and deliver on its strategic objectives.



Contribution and achievement are measured against threshold, stretch and outperformance targets motivating all leaders to strive for outperformance with their teams.



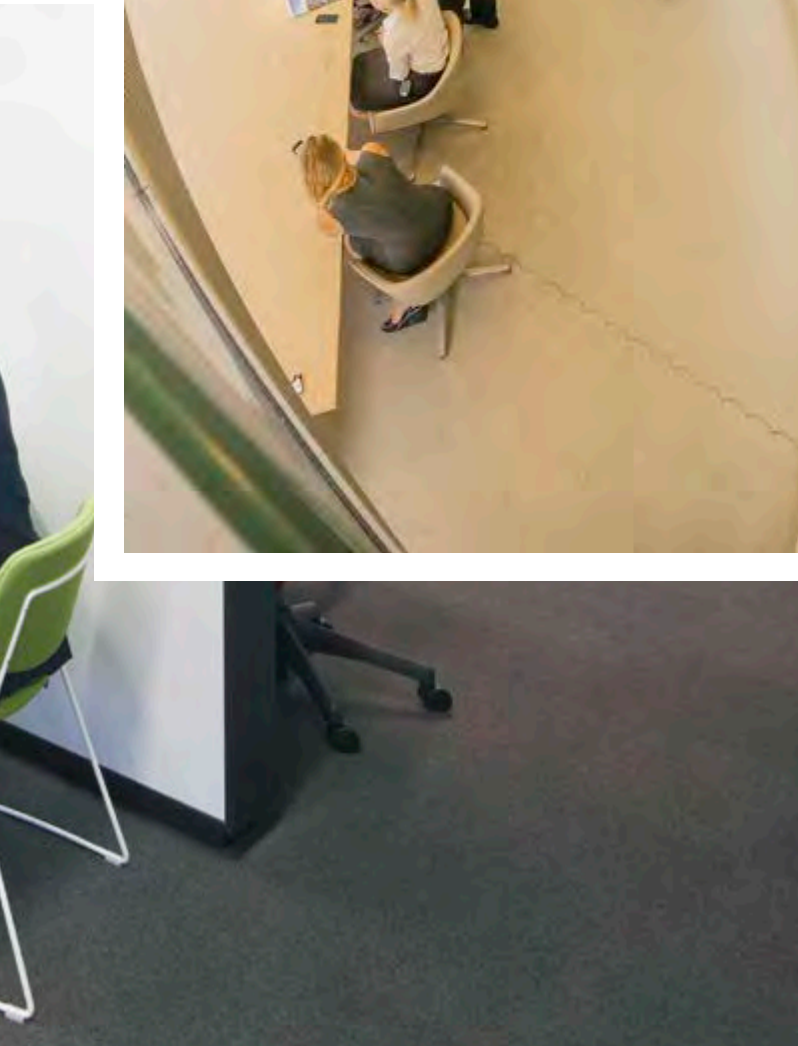
DEXUS REVITALISES RECRUITMENT MODEL



Talent management is an integrated and continuous process, from attracting the right people, to developing and retaining them. During the year the Group launched a new recruitment model incorporating the following initiatives:

- Promoting opportunities within the organisation before advertising roles externally to aid career development and retention
- Building capacity in the People and Culture team to better access and more efficiently recruit high quality people
- Adopting new recruitment technology to support an enhanced best practice recruitment process
- Launching the Careers @ DEXUS website to capture talent pools for key job segments

The Group's revitalised recruitment model has improved access to previously hidden diverse talent pools along with increasing the efficiency of the recruitment process, enabling the Group to more effectively attract the best people.



PEOPLE AND CULTURE

Supporting employee health and well-being

DEXUS Property Group values its employees, recognising the importance of their health and well-being as a driver of performance. Encouraging employees to take control of their own health, the Group provides complimentary health screenings and access to a professional counselling service.

In a collaborative culture, awareness of fellow team members is important. The Group participated in the national R U OK Day initiative, inviting a guest speaker to provide insights into maintaining mental health and supporting the ongoing well-being of fellow colleagues.

The Group operates a safety management system and is certified under BS OHSAS 18001, an internationally applied Standard for occupational health and safety management systems. Through this system, the Group comprehensively monitors the health and well-being of employees and manages solutions to prevent workplace incidents. During the year, the Group recorded six incidents involving the Group's employees, generally related to first aid and medical treatment incurred during journeys and absences from the workplace.

Embracing DEXUS's values

A set of team values enables employees to make better informed decisions that create value for investors and is a key requirement for employee advancement.

This year, the Group engaged with employees to refresh its values and promote them to the team. Together with the Group's policies, the DEXUS Values embrace a culture that is inclusive and supports commitment to workforce diversity.



EXCELLENCE



INTEGRITY



EMPOWERMENT



INNOVATION



COLLABORATION

Supporting workforce diversity and the community

To promote workforce diversity and to further the Group's community commitment, it established a Corporate Responsibility, Inclusion and Diversity Committee chaired by the CEO. The Committee is charged with the oversight of the Group's corporate responsibility programs and leads the business inclusion and diversity activities.



Contributing to the community

The theme of 'Building and Housing the Community' provides a broad base for the Group to contribute to the well-being of society. Providing employees with one day's paid volunteering leave develops engagement through directly experiencing the challenges faced by charities and understanding the benefits to the community.

Over the past year, employees volunteered at organisations assisting homeless and displaced individuals, contributing a total of \$659,444 of in-kind support and donations.

The Group also provided indirect support to aligned charities, hosting abseiling fundraising events at high-rise buildings, Woodside Plaza in Perth and 10 Eagle Street in Brisbane, through which the proceeds were provided to charitable organisations that support children.



589 hours

**VOLUNTEERED IN
COMMUNITY SERVICE**

NEW FLEXIBLE WORKSPACE FOR DEXUS BRISBANE



Following the success of DEXUS's flexible working environment (FWE) at its head office in Sydney, the Brisbane team adopted a new office fit-out modelled on the Sydney office when it relocated to 12 Creek Street in May 2014.

The Brisbane office fit-out features:

- Wireless technology enabling laptop mobility
- A variety of workspaces to suit different work activities and styles
- Wireless interactive screen display panels to encourage collaboration
- Electronic document management reducing reliance on printed documents

FWE has increased collaboration, improved efficiency and inspired innovation. With the Brisbane team experiencing these benefits, DEXUS aims to incorporate a flexible fit-out into its Melbourne office in early FY15.



Aiming for workplace diversity

Gender diversity is promoted at all levels and the Group has set a measurable gender diversity objective of 33% female participation for Non-Executive Directors and at senior management level by 2015. Following the appointment of Penny Bingham-Hall in June 2014, the representation of women as Non-Executive Directors increased to 43%, exceeding the 2015 target. At senior management level, 26% are women. The Group will continuously improve the proportion of women across all levels of its workforce and is developing a pipeline of female talent for future opportunities.





Increased employee engagement is the foundation of enhanced business performance.

The 2013 Employee Engagement Survey measured a high level of engagement across the team.

87%

OVERALL EMPLOYEE ENGAGEMENT (2012: 78%)

Community support

- Barnardos Australia
- Chain Reaction
- CREATE Foundation
- Currumbin Wildlife Sanctuary
- Lifeline Western Sydney
- OzHarvest
- Point Lookout Surf Lifesaving Club
- Property Industry Foundation
- Sydney Children's Hospital Foundation
- Stapylton Animal Welfare League
- Tangaroa Blue
- The Station
- The Wayside Chapel
- The Wesley Mission
- Wheelchair Sports
- YMCA
- You Have a Friend



CELEBRATING INTERNATIONAL WOMEN'S DAY



DEXUS marked the occasion of International Women's Day with an event that addressed the 2014 theme, 'Inspiring Change' and invited **DEXUS** Board Director, **Tonianne Dwyer**, to address the **DEXUS** head office team. Drawing on her own career experiences, **Ms Dwyer** shared insights on the evolution of the workplace for women and promoted the value of a diverse workforce.

Supporting the advancement of women in the property industry, **DEXUS** partnered with **CBRE** to host an evening of conversation and inspiration out of which an initiative was originated to sponsor a 12 week work experience placement. The opportunity, open to women studying at university in a property-related field, involves a six week placement at each organisation.



DELIVERING THE CPA TRANSACTION



The success of the CPA transaction relied on collaboration of teams across the entire DEXUS workforce.

Connected by a strong set of values, the DEXUS team delivered timely investor information through a transparent process, conducted a thorough due diligence process and achieved investor support for the takeover.

Committed to providing career opportunities to its people, DEXUS recruited new people to roles created to manage its enhanced office portfolio.

Empowering employees through training and development

The Group provides training and development opportunities in order to enhance the skills and knowledge of its people and achieve high performance outcomes. A number of employees are completing DEXUS Property Group sponsored undergraduate and postgraduate courses, management and vocational qualifications.

With a focus on programs that will have the highest impact, the Group launched Project Connect, designed to give people the skills to form enduring relationships through effective communication and the tools to help them deliver service excellence.

The DEXUS Leadership Program was launched in September 2013 with the primary aim being to challenge senior talent to extend their leadership capability to drive commercial and cultural change. The program is delivered over a two year period and develops individualised leadership plans targeting improvement in specific behaviours, skills and knowledge. The program utilises the Human Synergistics Lifestyles Inventory Tool (LSI Tool) which provides the opportunity for leaders to gain awareness of their own leadership style by taking into account feedback from peers and direct reports with tailored guidance for future development.

For the Group's newer people managers, participation in DEXUS Management Essentials this year has been a new and inspiring experience. A newly designed program, it equips new leaders to meet team leadership and role responsibility challenges.

Training activities extend to developing the capabilities of the Group's partner providers, including onsite training of facilities management teams in the operation of enhanced building management systems and customer service.

Enhancing Board professional development

DEXUS provided the opportunity for its Directors to undertake professional development activities that would contribute to obligations set by the Australian Institute of Company Directors (AICD). DEXUS Board members exceeded AICD's minimum professional development requirements for the year ended 30 June 2014, also exceeding DEXUS's FY14 commitment to achieve up to 10 Continuing Professional Development points towards the AICD requirement.

DEXUS PORTFOLIO

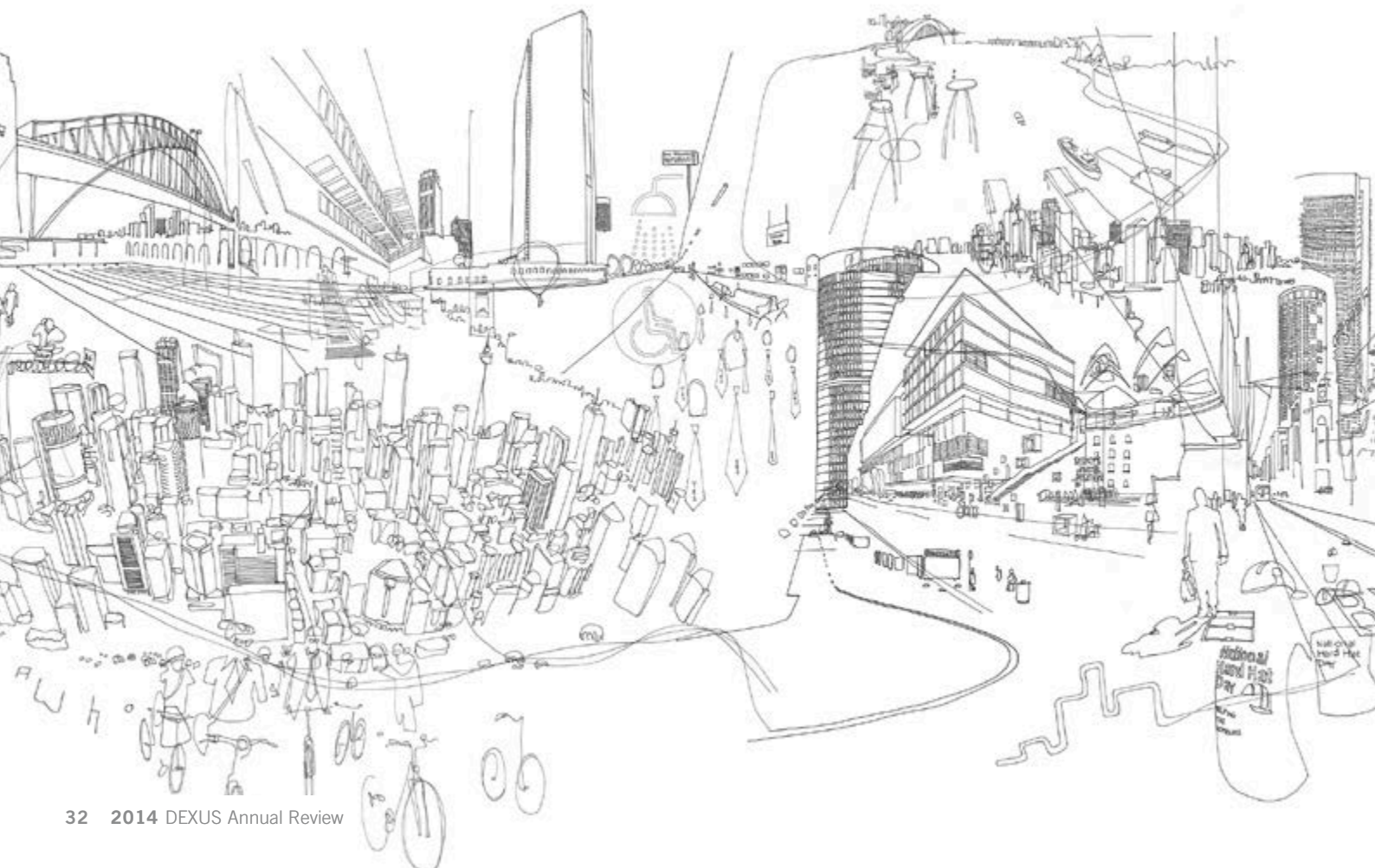
The DEXUS portfolio comprises \$9.1 billion of high quality Australian office and industrial properties located predominantly across the core markets of Sydney, Melbourne, Brisbane and Perth. DEXUS is the largest owner of office buildings in the Sydney CBD, Australia's largest office market, and one of the largest listed owners of Australian industrial property.

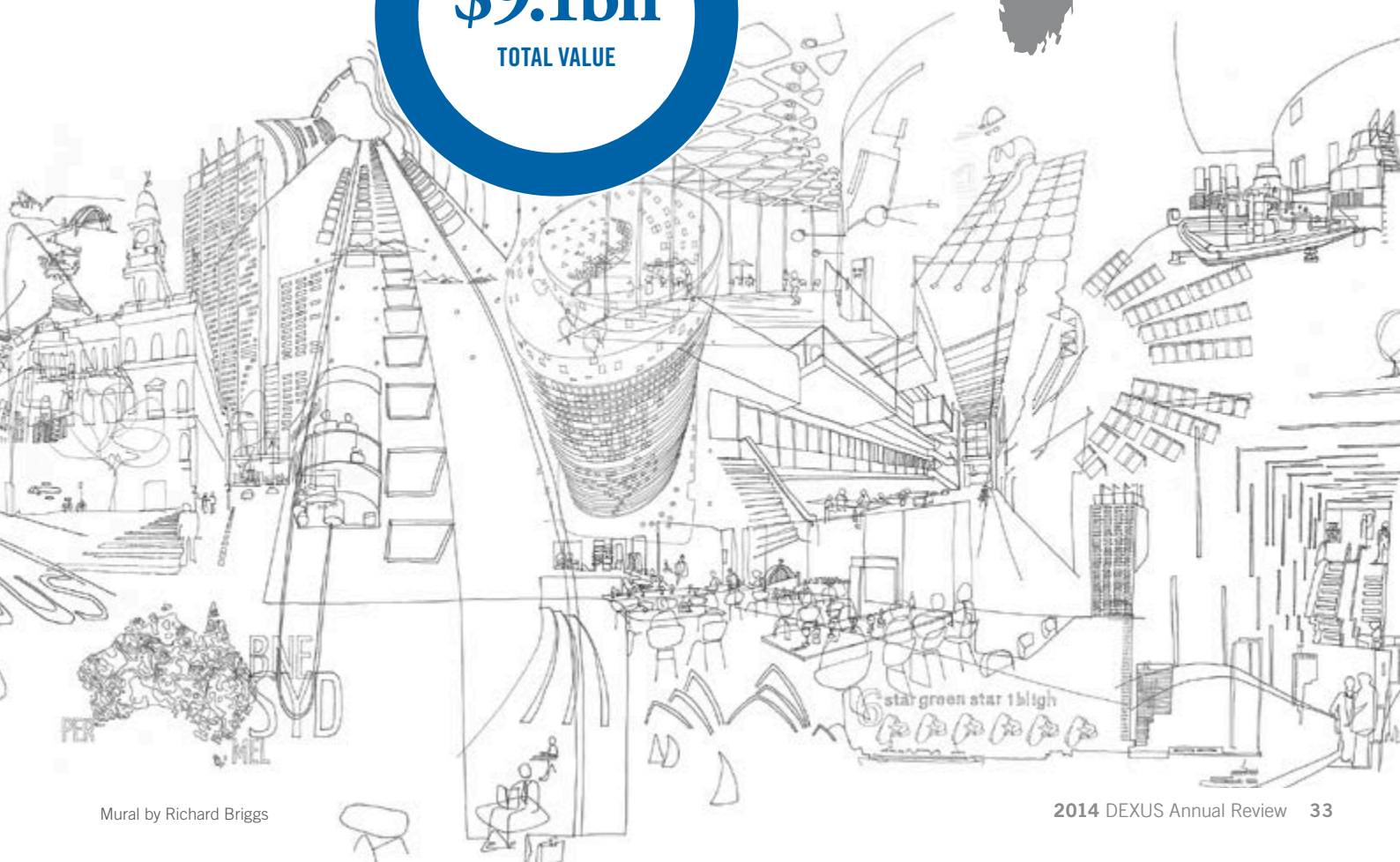
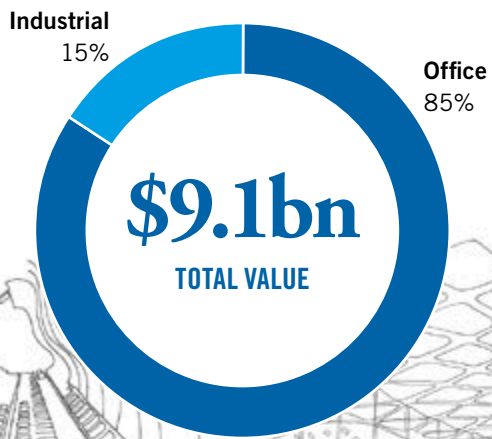
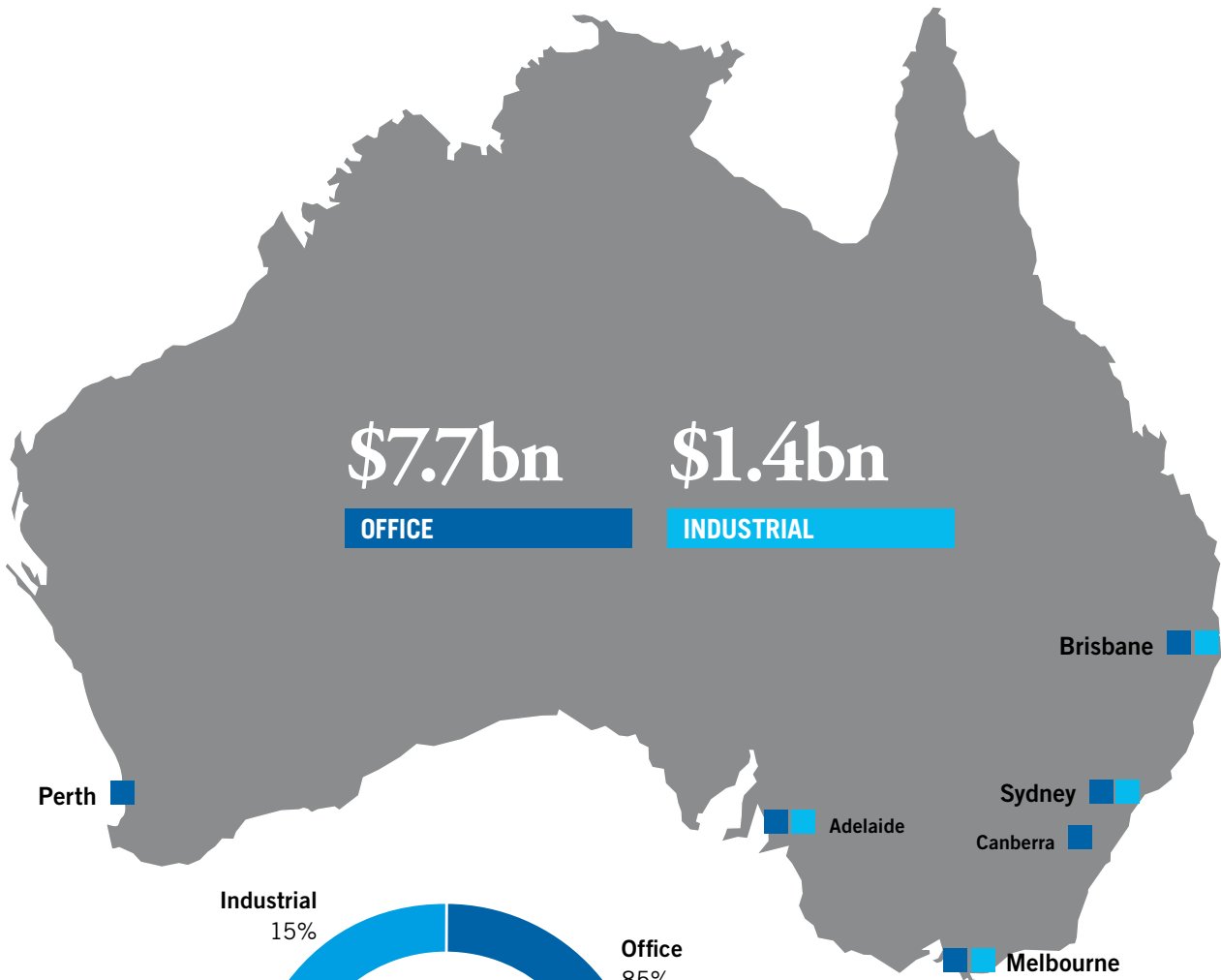
DEXUS has a strong track record in leveraging its core capabilities to acquire, develop and actively manage its property portfolio to drive performance and deliver superior risk-adjusted returns to investors.

Key metrics	FY14	FY13	FY12	FY11	FY10
Portfolio value (\$bn)	9.1	7.3	6.9	7.5	7.3
Total properties	103	84 ¹	106 ¹	175	179
Net lettable area (sqm)	2.0m	1.8m ¹	2.5m ¹	4.2m	4.5m
Occupancy by area (%)	94.1²	95.3	93.4	88.7	89.9
Occupancy by income (%)	94.7²	94.9	95.8	93.6	93.2
Lease duration by income (years)	4.7²	4.8	4.7	5.0	5.1
Weighted average capitalisation rate (%)	7.13²	7.47	7.51	7.7	8.0

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

2. Excludes CPA properties.





DEXUS PORTFOLIO

OFFICE

DEXUS is the largest owner of office buildings in Australia with a \$7.7 billion portfolio of high quality office properties, comprising 88% of prime grade space.

Key metrics	FY14 (post CPA)	FY14 (pre CPA)	FY13	FY12	FY11	FY10
Portfolio value (\$bn)	7.7	5.9	5.7	4.7	4.5	4.1
Total properties	53	34	36	28	28	28
Net lettable area (sqm)	926,606	657,678	682,207	596,111	558,000	542,400
Net operating income (\$m)	394.9	350.7	309.2	289.9	255.2	245.1
Like-for-like income growth (%)	n/a	3.6	1.8	5.4	3.3	0.4
Occupancy by area (%)	94.3	95.7	94.4	97.1	96.2	95.7
Occupancy by income (%)	94.6	95.2	94.6	96.8	95.3	96.2
Lease duration by income (years)	4.7	4.9	5.0	4.9	5.3	5.4
Weighted average capitalisation rate (%)	n/a	6.87	7.17	7.30	7.4	7.6
1 year total return (%)	n/a	9.2	10.6	9.5	9.0	6.9
Tenant retention (%)	n/a	61	72	66	53	56

9.2%

PORTFOLIO TOTAL RETURN

3.6%

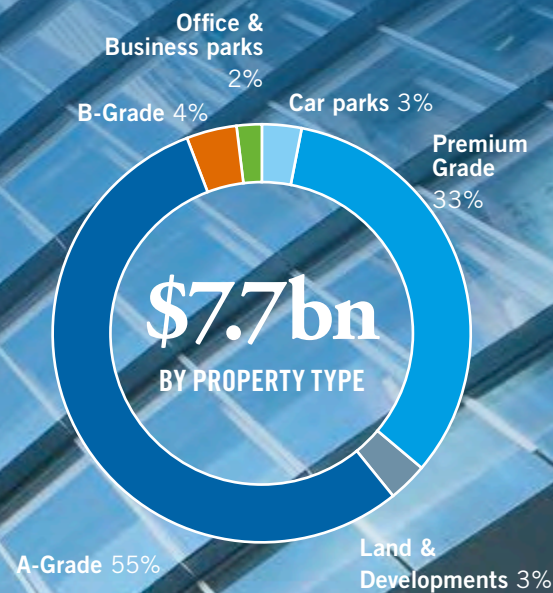
LIKE-FOR-LIKE NOI GROWTH

174,109sqm

LEASED

191

LEASES SECURED



Demonstrating leadership in office

DEXUS advanced its strategic objective of being the leading owner and manager of Australian office through the CPA transaction, achieving scale in key CBD office markets.

DEXUS is now the largest owner of office buildings in the Sydney CBD, Australia's largest office market, owning a portfolio of 53 quality office properties and the Group manages 24% of the prime grade market.

DEXUS aims to demonstrate leadership through proactively driving leasing outcomes, delivering the best customer service and building a quality portfolio through access to transactional opportunities.

Key FY14 achievements included:

- Takeover of the \$3.4 billion CPA office portfolio, adding interests in 21 properties to DEXUS's portfolio
- Leasing over 174,000 square metres on a weighted average lease term of 7.2 years
- Securing \$155.3 million uplift in property valuations, contributing to the DEXUS office portfolio one year total return of 9.2%

With a focus on the selective divestment of non-strategic properties when supported by investment fundamentals, DEXUS completed the sale of two properties including 14 Moore Street in Canberra and 40–50 Talavera Road, Macquarie Park for proceeds of \$51.2 million.

Australian office market

The office market is still in a state of transition between positive signs and an actual improvement in leasing demand. Overall sentiment has increased with businesses making decisions. Achieving momentum in leasing activity, and improvement in incentives and rents, generally trails leading market indicators.

The level of market incentives and the willingness of landlords to take on lease tail liabilities are allowing tenants to genuinely consider their options well ahead of lease expiry.

While much of the tenant activity is non-expansionary and possibly incentive-led, tenants appear more certain about their short to medium term prospects and are therefore willing to make decisions about their office accommodation.

Over the next 12 months, these lead market indicators are pointing to improving office market conditions including increased business confidence in response to low interest rates, strengthening employment growth and continued migration of tenants to CBD markets.

Focused leasing approach – strengthening tenant relationships

The office team focused on driving leasing performance in the portfolio, reducing future expiries and leveraging tenant relationships.

In FY14, DEXUS leased 174,109 square metres (2013: 156,024 square metres) across 191 transactions, representing 18.8% of the portfolio, on average lease terms of 7.2 years. Tenant incentives averaged across all deals were 18.6% (2013: 12.2%), still well below market.

DEXUS's strong tenant relationships resulted in 59 existing tenants renewing lease terms on average 12.7 months prior to lease expiry, contributing to a tenant retention rate of 61%. A further 127 leases were signed with new tenants in the office portfolio, leasing over 77,000 square metres of space.

DEXUS OFFICE

DELIVERING ENHANCED PROPERTY SOLUTIONS

DEXUS continued to work with tenants to provide property solutions, successfully securing a long term lease commitment from existing tenant Powercor at 40 Market Street in Melbourne, 15 months after the property's acquisition and well ahead of lease expiry.

The lease with Powercor is for the entire building across 11,615 square metres for 15 years. Prior to the commencement of the new lease in mid 2015, DEXUS will undertake high quality base building upgrades including new lifts, lobby enhancements, upgraded plant and equipment, new end-of-trip facilities and refurbished toilets and amenities in line with Powercor's requirements.

Kevin George said: "We are pleased to have been able to deliver a property solution for Powercor at 40 Market Street. The leasing together with the property improvements will reposition 40 Market Street, enhancing returns for investors."

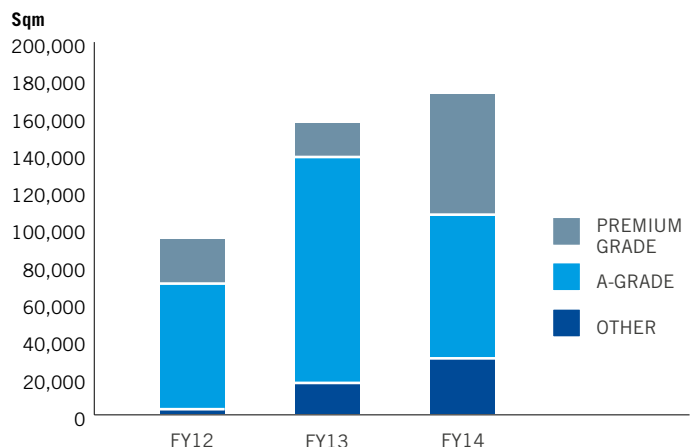
Key leasing highlights included:

- Governor Macquarie Tower, 1 Farrer Place, Sydney: secured a new long term lease over approximately 9,500 square metres with leading law firm Minter Ellison, pre-committing to half of the space from the impending State Government vacancy in FY15
- Governor Phillip Tower, 1 Farrer Place, Sydney: secured long term lease with existing tenant King & Wood Mallesons across 11,982 square metres commencing in 2016
- Southgate, Melbourne: extended IBM's lease over 11,485 square metres
- 40 Market Street, Melbourne: extended lease to Powercor across entire building, representing 11,615 square metres for 15 years
- Lumley Centre, Auckland: extended leases to Simpson Grierson and Lumley General Insurance, increasing the property's occupancy to 99% and WALE to 7.4 years
- 201 Elizabeth Street, Sydney: secured 15 new leases totalling 11,006 square metres representing 28% of the building's total area
- 39 Martin Place, Sydney: signed 10 new leases totalling 2,577 square metres increasing occupancy to 97.5%, up from 74% at acquisition in February 2013

Occupancy for the office portfolio remained stable at 94.6% following the integration of the CPA portfolio and the weighted average lease duration reduced marginally to 4.7 years.

Strong leasing in premium grade space

The Sydney and Melbourne CBD markets are seeing an improvement in net absorption reflecting positive signs in the finance sector and strengthening business conditions and confidence. This was reflected in a 12% increase in total leasing across DEXUS's office portfolio during FY14 with premium grade space representing 38% of all leasing completed (2013: 11%).



DEXUS's strong Blue Chip office tenant base

Top 10 tenants	S&P rating
Woodside Energy	BBB+ positive
Commonwealth of Australia	AAA stable
Wilson Parking	Not rated
Commonwealth Bank of Australia	AA-
Rio Tinto	A- negative
State of NSW	AAA negative
Deloitte Services	Not rated
Lend Lease Management Services	BBB- stable
IBM Australia Limited	AA- stable
State of Victoria	AAA stable

\$7.7bn

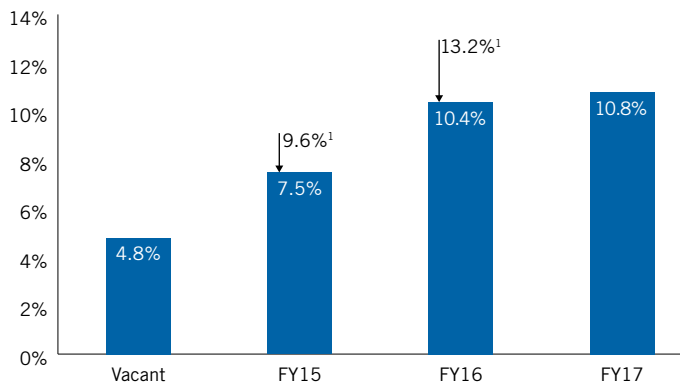
DEXUS OFFICE PORTFOLIO



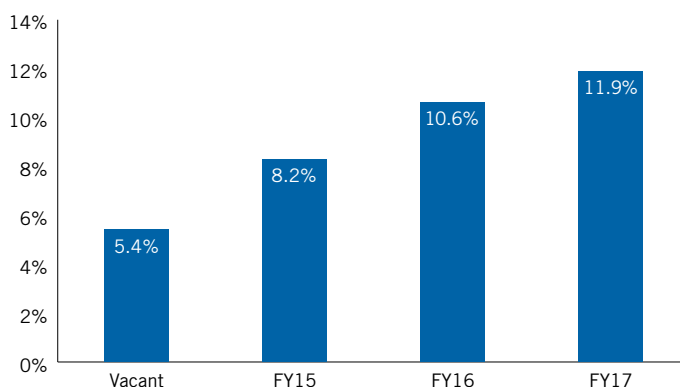
Strong forward leasing

With a focus on forward leasing, FY15 and FY16 lease expiries were reduced significantly during the year, from 9.6% and 13.2% respectively at 30 June 2013 to 7.5% and 10.4% at 30 June 2014.

DEXUS office portfolio lease expiry (excluding CPA)



DEXUS office portfolio lease expiry (including CPA)



1. 30 June 2013.

Operational performance

A continued proactive approach to asset management to drive performance delivered solid operational performance for DEXUS's office portfolio. Net operating income of \$394.9 million, up 27.7% from \$309.2 million in 2013, was underpinned by 3.6% growth in like-for-like NOI together with income from properties acquired through the CPA transaction.

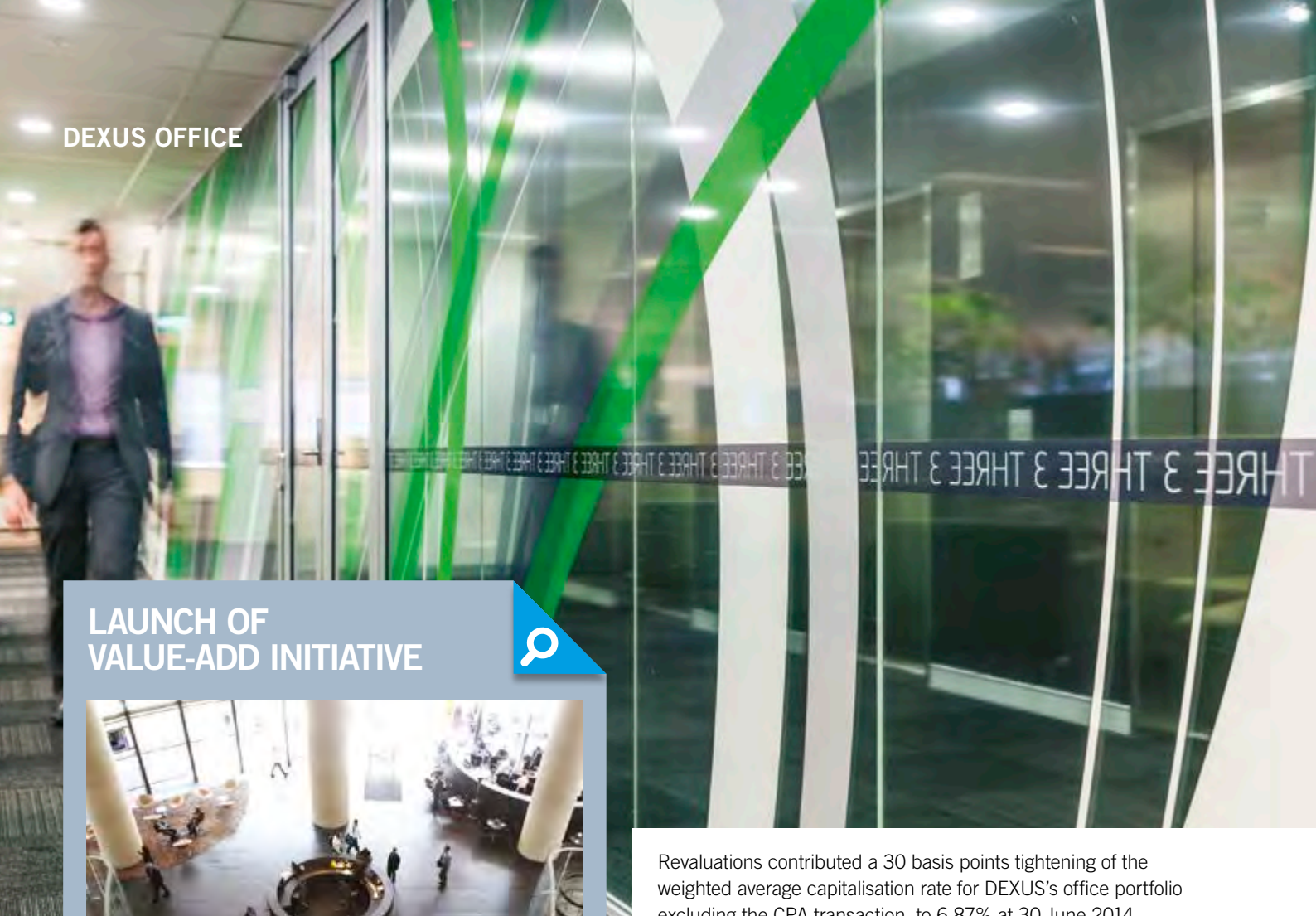
DEXUS's office portfolio delivered a one year total return of 9.2% (2013: 10.6%) driven by underlying rental growth and improved property values.

Valuations

The combination of leasing success, the weight of capital seeking quality Australian office property and strong tenant covenants have contributed to a \$155.3 million uplift in valuations on prior book values across DEXUS's office portfolio.

Key revaluations included:

- Southgate Plaza, Melbourne achieved a \$25.2 million or 5.8% uplift following the lease renewal with IBM in October 2013 which contributed to a 30 basis point tightening in the property's capitalisation rate
- Woodside Plaza, Perth achieved a \$20.8 million or 4.3% increase in value driven by Woodside exercising a new five-year lease option across 4,281 square metres. This leasing contributed to a 25 basis point tightening in the property's capitalisation rate
- 44 Market Street, Sydney increased by \$17.2 million or 7.1% driven by strong retention and 99% occupancy
- 45 Clarence Street, Sydney increased \$15.8 million, up 6.1% following leasing successes over the past 12 months



LAUNCH OF VALUE-ADD INITIATIVE



PLATFORM

BY DEXUS

PLATFORM by DEXUS is a new initiative launched during the year which focuses on delivering a positive experience for tenants/customers through health and well-being campaigns, increased convenience and social networking activities.

This initiative involves sourcing revenue from digital screens, car park signage and lift wrap advertising, office foyer brand awareness campaigns and pop-up stores.

Adopting a leasing approach similar to that of casual mall leasing in a shopping centre, PLATFORM by DEXUS enables new revenue streams to be generated while at the same time utilising space not typically considered lettable area.

Revaluations contributed a 30 basis points tightening of the weighted average capitalisation rate for DEXUS's office portfolio excluding the CPA transaction, to 6.87% at 30 June 2014.

Active portfolio management through divestment

DEXUS demonstrated its ability to actively manage the portfolio through progressing leasing at the Lumley Centre in Auckland and 50 Carrington Street in Sydney, maximising the properties' values in preparation for divestment.

DEXUS's remaining offshore property, the Lumley Centre in Auckland, sold for NZ\$146.0 million in August 2014 following improvement in the property's fundamentals including occupancy and weighted average lease expiry. The property is expected to settle in September 2014.

DEXUS successfully repositioned 50 Carrington Street, Sydney for sale following a targeted leasing campaign and refurbishment program. The property sold in July 2014 for \$88 million ahead of the feasibility forecasts generating \$12 million of trading profits for FY15. Refer to page 47 for more information.

Tenant/customer engagement

The launch of a number of initiatives to enhance the tenant experience has resulted in an increase in tenants' satisfaction relating to DEXUS's level of service.

Tenants have benefited through upgrades to end of trip facilities, enhanced concierge services and the introduction of PLATFORM by DEXUS initiatives.

DEXUS achieved a satisfaction with service score of 8 out of 10 in its FY14 tenant survey across the Group's office portfolio. DEXUS will continue to provide service excellence and implement initiatives to further enhance the customer experience.

Achieving environmental outcomes for a sustainable portfolio

Continuing its commitment to improving the sustainability of its office properties, DEXUS achieved an average 4.6 star NABERS Energy rating across the DEXUS office portfolio, while reducing the amount of purchased GreenPower. On a like-for-like basis, a 4.8 star rating was achieved, exceeding the 4.5 star target. Highlights included 123 Albert Street, Brisbane which secured a 5.5 star NABERS Energy rating and DEXUS's head office at Australia Square in Sydney achieving its 4.5 star target rating.

DEXUS continued to deliver energy savings with a focus on maximising operational efficiencies from recently completed retrofit projects.

Over the past two years, energy consumption has reduced by 10.8% in the office portfolio on a like-for-like basis, contributing significantly towards progress against the 10% energy reduction target across the Group.

30 THE BOND – TRAILBLAZER STANDS THE TEST OF TIME



30 The Bond in Sydney achieved a 5.5 star NABERS Energy rating and a 4.0 star NABERS Water rating in FY14, delivering a 10 year track record of leadership in sustainability.

Innovative technologies and a considered approach to design have enhanced the quality of the indoor environment at Sydney's first 5 star Green Star office building. Optimised resource consumption has reduced greenhouse gas emissions and operating costs.

30 The Bond was the first large scale commercial building in Australia to adopt chilled beam technology. Today chilled beams are widely adopted in new buildings to significantly improve air-conditioning efficiency and tenant comfort, while increasing the building's usable space.

Other key sustainability features include:

- Natural ventilation and sunrooms providing fresh air to the workspace
- A façade incorporating operable shadings to maximise views and the impact of afternoon sun
- Electricity, water and gas sub-metering allowing on-site building management to track, identify and rectify negative building consumption trends and anomalies

Since the building's opening in 2005, DEXUS has continued to implement operational improvements and efficiencies, ensuring 30 The Bond remains one of Sydney's most appealing office environments with 100% occupancy at 30 June 2014.

GENERATING RETURNS FROM ENERGY SAVINGS CERTIFICATES

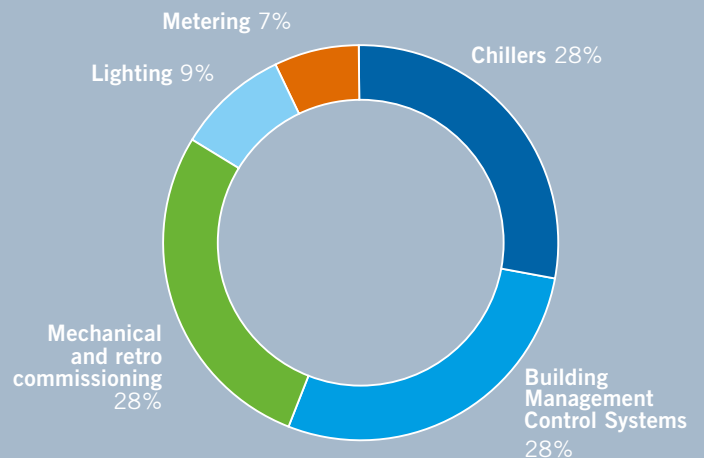
An active approach to asset performance management has enabled the Group to create and transact \$470,379 in Energy Savings Certificates (ESCs) through its first year of participation in the NSW Energy Savings Scheme.

The government scheme is administered by the NSW Independent Pricing and Regulatory Tribunal, which aims to reduce electricity consumption by creating financial incentives for businesses to invest in energy saving projects. Participants create and transact ESCs based on each megawatt/hours of electricity saved.

DEXUS has generated ESCs through the implementation of energy efficiency measures including upgrades to building services plant and equipment and proactive management of building operations.

The annual income from ESCs is in addition to the \$5.3 million in energy savings already achieved across the Group office portfolio through the NABERS program. The Group expects to claim further savings annually until the scheme concludes in 2020.

Energy saving activities that contributed to Energy Savings Certificates



36.7%

ENERGY INTENSITY

Since base year FY08



21.8%

WATER INTENSITY



39.4%

GHG EMISSIONS

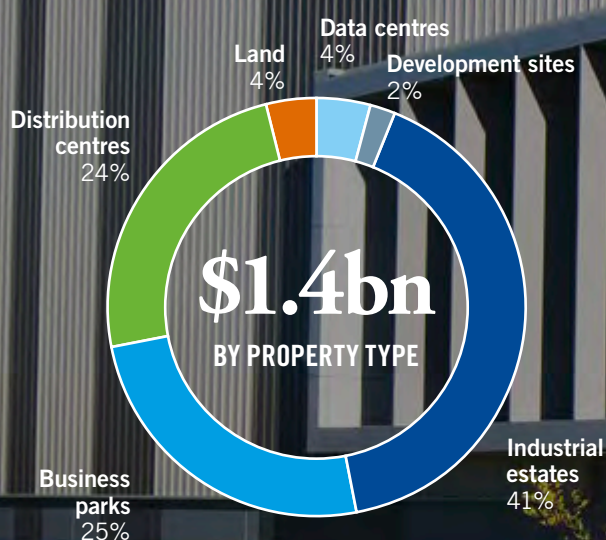
FY15 FOCUS

- Proactively manage and drive the performance of the office portfolio while enhancing the value of newly acquired properties
- Focus on reducing lease expiries and maintaining >95% occupancy in the DEXUS office portfolio
- Focus on reducing incentives and undertaking effective leasing deals

DEXUS PORTFOLIO

INDUSTRIAL

DEXUS is a key player in Australian industrial markets with a strong track record in delivering high quality industrial product to the market and actively managing its industrial properties to ensure the best possible returns for investors and capital partners.



Key metrics	FY14	FY13	FY12	FY11	FY10
Portfolio value (\$bn)	1.4	1.6	1.7	1.6	1.5
Total properties	50	48	45	35	34
Net lettable area (sqm)	1,067,123	1,093,267	1,194,309	1,125,300	1,175,200
NOI (\$m)	117.3	112.3	120.0	116.4	109.9
Like-for-like income growth (%)	1.5	1.1	(1.6)	1.1	1.6
Occupancy by area (%)	93.1	95.9	91.7	96.2	98.4
Occupancy by income (%)	93.0	96.1	92.8	95.1	97.9
Lease duration by income (years)	4.0	4.1	4.4	4.7	4.9
Weighted average capitalisation rate (%)	8.32	8.55	8.59	8.6	8.8
1 year total return (%)	9.0	8.8	8.0	9.4	7.9
Tenant retention (%)	41	70	59	61	80



9.0%

PORTFOLIO TOTAL RETURN
↑ 0.2% ON FY13

1.5%

LIKE-FOR-LIKE
NOI GROWTH

139,716sqm

LEASED

74

LEASES SECURED

DEXUS Property Group is one of the largest listed owners and managers of Australian industrial property with high quality industrial facilities located across the key metropolitan markets of Sydney, Melbourne and Brisbane.

DEXUS's \$1.4 billion industrial portfolio is one of the largest listed portfolios in Australia with 50 quality properties located primarily in the key growth markets of Sydney and Melbourne. DEXUS's strategy is to invest in modern functional high quality facilities located in key transport corridors that deliver superior risk-adjusted returns to investors.

The Group manages a significant \$2.5 billion industrial platform of 71 properties and has created two separate industrial sector-specific capital partnerships to develop best-in-class industrial facilities at prime industrial estates on both a pre-leased and speculative basis.

DEXUS has developed strong tenant relationships and has demonstrated capability in securing long term leasing with high calibre tenants.

Driving operational performance

Proactively pursuing all operational targets, DEXUS secured solid investor returns achieving an increased portfolio total return in line with through-the-cycle performance targets.

Net operating income for the year of \$117.3 million was underpinned by like-for-like NOI growth of 1.5% and the commencement of rental income following the completion of new industrial facilities at Greystanes, offset by the sale of five non-strategic properties.

Achieving leasing in a challenging market

Despite a subdued leasing market, growth conditions in the broader economy resulted in DEXUS experiencing some recovery in demand for high quality facilities particularly from logistics providers seeking well-located modern facilities serviced by major road networks and ports infrastructure.

A flight to quality generated the strongest leasing results within DEXUS's recently completed developments and newer facilities. Elsewhere, leasing demand was also heightened in the small to medium sized tenancies.

Key lease deals secured included:

- Signing new tenant Reece Plumbing across 24,236 square metres at Pound Road West, Dandenong on a long term lease
- Renewing Pelikan Artline across 7,674 square metres at Kings Park nine months ahead of lease expiry
- Renewing Allied Pickfords across 8,672 square metres for a further long term lease at 1 Foundation Place, Greystanes
- Leasing over 15,500 square metres at Axxess Corporate Park, comprising 18 lease renewals and 12 new leases

DEXUS successfully secured leasing across 139,716 square metres, resulting in portfolio occupancy of 93% at 30 June 2014, down 3.1% from the prior year due to the timing of expiries at Quarry at Greystanes, Rosebery, Auburn and Spotless vacating at Gladesville.

Retention of 41% was primarily impacted by intended vacancies which have enabled DEXUS to investigate potential repositioning opportunities in order to maximise investor returns.

DEXUS INDUSTRIAL

Property divestments

In favourable market conditions DEXUS sold five secondary, non-core properties for a total consideration of \$111.2 million including Rydalmere, West End Brisbane, Belrose, Blacktown and Silverwater. These transactions improve the overall quality of DEXUS's industrial portfolio.

Delivering developments and securing new tenants

During the year DEXUS completed six new industrial developments providing 90,214 square metres of new product to the market and exceeding its 75,000 square metre development target. Completed developments include:

- Quarry at Greystanes – three facilities offering 47,444 square metres
- DEXUS Industrial Estate, Laverton North – two warehouses providing 30,524 square metres
- Wacol Industrial Estate, South Brisbane – 12,246 square metres

DEXUS secured 41,034 square metres of development leasing including a prelease for 7,900 square metres with Supply Network at the remaining Quarry at Greystanes development, due to commence construction in 2015. Other key leases included:

- Quarry at Greystanes – Consortium Group for 15,516 square metres
- Wacol Industrial Estate – Cotton On for 12,246 square metres
- 57–65 Templar Road, Erskine Park – Icehouse Logistics for 5,372 square metres

Capitalisation rates drive valuations increase

Underpinned by investment demand for new quality facilities, capitalisation rates for DEXUS's industrial portfolio tightened from 8.55% at 30 June 2013 to 8.32% at 30 June 2014, resulting in a modest uplift in valuations of \$10.2 million on prior book values, with well leased industrial properties being the primary contributors.

LEASING SUCCESS WITH NO DOWNTIME



DEXUS used its diverse partnership networks to secure a tenant at a major industrial facility at Pound Road West, Dandenong following an impending vacancy as a result of L'Oreal Australia's lease expiring on 30 June 2014.

Leveraging existing relationships to proactively target potential tenants, DEXUS was able to secure Reece Plumbing as a new long term tenant under favourable terms for the 24,236 square metre high quality facility in advance of vacancy, successfully maintaining income and avoiding downtime.



Tenant customer engagement

DEXUS's customer service approach, together with the benefits of scale delivered through the Group's substantial industry leading procurement platform, was reflected in the results of DEXUS's annual tenant satisfaction survey, where the satisfaction with service score increased to 7 out of 10.

DEXUS aims to implement a tenant loyalty networking initiative in early FY15 which will expand its tenant network and generate new enquiry.

Active CR&S delivery

DEXUS continued to embed sustainability practices within industrial estate master planning for new developments and through targeted technology and controls upgrades. Master planning initiatives aim to reduce water and energy use including the use of solar hot water, rainwater for irrigation and toilets use and native landscaping.

Lighting is a key focus for new projects with properties benefitting from high efficiency LED or T5 fluorescent fixtures in external areas and car parks. The new lighting has the added benefit of producing a light that is more suitable to the tenant's amenity. Lighting controls based on agreed operating hours or ambient light also reduce energy levels. Water efficient cisterns and fixtures are being fitted in bathrooms to enhance water efficiency.

LEVERAGING SUCCESS AT GREYSTANES

DEXUS leveraged its success at Quarry at Greystanes to attract a new industrial partner to commit to developing 'Quarrywest' in Greystanes, positioning this unique precinct to become one of Australia's largest premier estates.

DEXUS acquired a new industrial development land bank site called Quarrywest in partnership with the Future Fund, in June 2014. The 25.6 hectare site is located on Reconciliation Road opposite DEXUS's Quarry at Greystanes industrial estate.

This investment opportunity leverages the success of the Quarry at Greystanes development where DEXUS has the opportunity to produce a further 115,000 square metres of prime grade space and continue its development momentum.

Development at Quarrywest will commence during FY15 with delivery of the new, high quality industrial facilities expected over three years from FY16 to FY18.

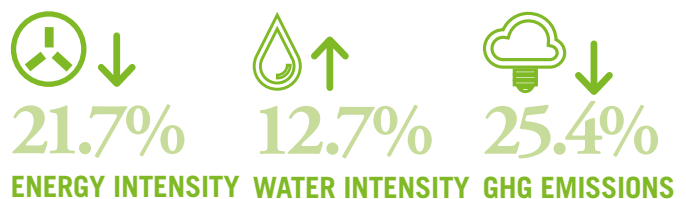


QUARRY AT GREYSTANES ATTRACTS MAJOR LONG TERM INDUSTRIAL TENANTS

The DEXUS development at Quarry at Greystanes has a strong brand attraction and has created an industry clustering, securing a diverse group of high calibre tenants to anchor the estate.

DEXUS has successfully developed and secured pre-commitments for 89% of the total 190,000 square metre masterplanned industrial estate, developing major metropolitan distribution centres for UPS, Roche Diagnostics and Symbion Healthcare.

DEXUS remains on track to complete the staged development by the third quarter of 2015, with strong enquiry for the balance.



Since base year FY08

FY15 FOCUS

- Active asset management of the industrial portfolio to deliver attractive income returns
- Pursuing change of use repositioning opportunities within the existing portfolio
- Creating core new industrial product for DEXUS and its capital partners
- Securing strategic investment opportunities and development land for future value adding activities

DEVELOPMENTS

90,214sqm **\$3.3bn**

DEVELOPMENTS
COMPLETED FY14

GROUP
DEVELOPMENT
PIPELINE

DEXUS's development expertise has delivered best-in-class premium office buildings and a significant platform of prime industrial facilities, improving portfolio quality and enhancing investor returns.

DEXUS allocates up to 15% of funds under management across its listed portfolio to development and value-add activities in order to provide earnings accretion and enhanced total return.

DEXUS utilises its specialist development capability to enhance investor returns through:

- Improving portfolio age and quality
- Introducing new tenants and increasing the portfolio's average lease terms
- Providing joint venture opportunities with new and existing capital partners
- Generating trading profits through the sale of land, completed developments or repositioned properties

2011

1 Bligh Street, Sydney

DEXUS 33%
DWPF 33%
Cbus 33%

Sydney's first 6 Star Green Star rated building

An internationally recognised, environmentally innovative premium grade office tower developed with Cbus Property.



2000 TRACK RECORD

2014

2003



↑ **Woodside Plaza, Perth**

DEXUS 100%

One of eight buildings in Australia awarded a 5 star NABERS Indoor Environment rating

2004

30 The Bond, Sydney

DEXUS 100%

Australia's first 5 star Green Star – As Built rated office building

5.5 star NABERS Energy rated multi-award winning building.



2011



↑ **123 Albert Street, Brisbane**

DEXUS 100%

Awarded best office development, Australia at Asia Pacific Property Awards 2011

The Group's development pipeline of \$3.3 billion comprises \$1.3 billion in the DEXUS portfolio and \$2.0 billion in the Third Party Funds Management portfolio.

In FY14, DEXUS continued to progress its development pipeline utilising its core capabilities to:

- Complete six industrial developments valued at \$111.2 million
- Progress development on its office fund-through developments at 480 Queen Street, Brisbane and Kings Square in Perth, jointly owned with DWPF
- Complete the refurbishment at 50 Carrington Street, Sydney, repositioning the property for sale
- Commence high quality base building upgrades at 40 Market Street, Melbourne for long term tenant, Powercor and reposition this trading property

- Drive industrial and retail developments on behalf of third party capital partners, contributing to the growth of the third party platform
- Identify office and industrial repositioning opportunities, including the potential for rezoning for alternate use, to enhance returns to investors

FY15 FOCUS

- Deliver the office development at Kings Square in Perth and progress the development at 5 Martin Place, Sydney and 480 Queen Street, Brisbane
- Commence a three year development program at Quarrywest at Greystanes
- Utilise development expertise to reposition trading opportunities



2015

FUTURE VALUE FROM DEVELOPMENTS

2018



↑ Kings Square, Perth

DEXUS 50%/DWPF 50%

55% committed to quality long term tenants

Three A-grade office buildings offering over 52,000sqm of combined office and retail space, located in an emerging urban renewal development project.



↑ 480 Queen Street, Brisbane

DEXUS 50%/DWPF 50%

62% committed to high calibre tenants

A 31 level premium grade office development targeting 6 Star Green Star and 5 star NABERS Energy rating.



↑ Westfield Miranda, Sydney

DWPF 50%

A transformational project undertaken by Westfield as a co-owner repositioning the centre as the leading super regional shopping centre in the southern suburbs of Sydney.

TRADING



DEXUS actively identifies trading opportunities and applies its capabilities in transactions, development and leasing to maximise property values and deliver superior returns for investors.

Drawing on its diverse capabilities and multi-sector expertise, DEXUS has the expertise to drive a project from identification of opportunity through to divestment.

Over the past two years DEXUS has established a robust trading portfolio which will result in DEXUS being able to consistently deliver profits from this area of the business. This will assist in achieving DEXUS's PCA FFO growth target. Under the revised strategy launched in FY12, DEXUS's target for trading profits was \$4–5 million each year. However a concentrated focus on this capability, together with the identification of future opportunities within the portfolio, has positioned DEXUS to deliver consistently higher profits in coming years.

Recognising the value-add potential in its existing portfolio as well as the opportunity to acquire trading assets in the marketplace, DEXUS utilises its development, leasing and asset management capabilities to reposition properties and leverage its transaction team to efficiently divest properties and deliver trading profits.

Repositioning opportunities include:

- Securing new tenants or renewing existing leases to increase occupancy and extend lease duration
- Improving the quality, amenity and efficiency of a property through refurbishment
- Identifying alternate uses for properties such as the rezoning of industrial estates for use as residential, retail or mixed use

DELIVERING TRADING PROFITS THROUGH INTEGRATED ASSET MANAGEMENT



DEXUS applied its integrated asset management capabilities to reposition two well-located industrial trading properties in Brisbane's south west and successfully transacted their sale, delivering its FY14 trading profit target.

57–101 Balham Road, Archerfield

- Acquired in November 2010 – a 24,421 square metre industrial estate with a short term lease profile and strong repositioning opportunities
- Applied leasing capability to attract two new tenants, improving the property's WALE and repositioning it for sale

Wacol Industrial Estate

- Acquired a 4.8 hectare industrial development site in November 2011
- Completed three warehouse developments and substantially leased the estate ready for sale

DEXUS sold the two properties in March 2014 for a total consideration of \$62.5 million, reinforcing the DEXUS's ability to deliver on its value-add and trading opportunities in order to achieve the FY14 trading profit target of \$4–5 million.

In FY14, DEXUS delivered trading profits of \$4.3 million through efficiently executing the sale of two Queensland industrial properties at Archerfield and Wacol.



Delivering FY15 trading profits

Trading will be a substantial earnings driver for DEXUS in FY15. Post 30 June 2014, DEXUS sold 30 Distribution Drive in Laverton North, exchanged contracts to sell 50 Carrington Street, Sydney, 5-13 Rosebery Avenue and 25-55 Rothschild Avenue in Rosebery and 154 O’Riordan Street in Mascot. The sale of these identified trading properties are expected to contribute to the FY15 trading profit target of approximately \$40 million and to FY16/17 trading profits of approximately \$90 million pre-tax. In addition DEXUS progressed the sale of 40 Market Street in Melbourne which is expected to contribute to FY15 trading profits.

DEXUS has identified a number of properties within its existing portfolio as potential opportunities for repositioning and trading.



LEVERAGING CORE CAPABILITIES TO DRIVE TRADING PERFORMANCE

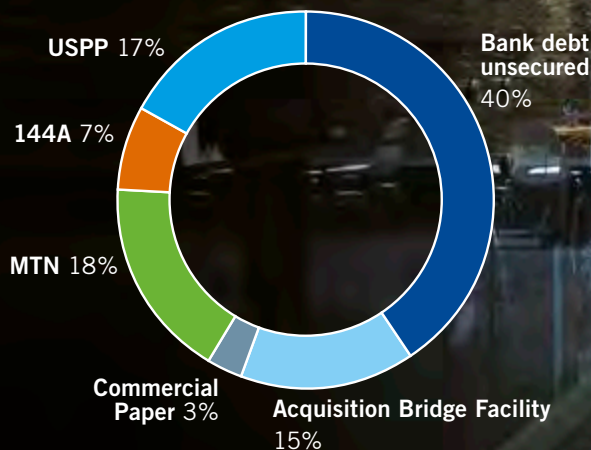


DEXUS secured trading profits early in FY15 through the sale of 50 Carrington Street in Sydney, an identified trading property acquired for its value-add potential.

- Acquired the B-grade property for \$58.5 million (excluding costs) in November 2012 which was well below replacement value and represented an acquisition capitalisation rate of 8.0%
- Added significant value over an 18 month period through refurbishment and a targeted leasing campaign, successfully increasing the property’s occupancy from 61% at acquisition to 99% and the property’s WALE from 2.2 years to 4.1 years
- Achieved a 4.5 star NABERS Energy rating in April 2014, increasing the property’s rating from 3.0 stars at acquisition following refurbishment which included sustainability upgrades
- Exchanged contracts in July 2014 to sell the property for \$88 million, generating trading profits of \$12 million
- A targeted leasing campaign combined with property improvements successfully repositioned 50 Carrington Street and, in turn, enhanced investor returns, demonstrating DEXUS’s ability to leverage its core capabilities to deliver trading profits

CAPITAL MANAGEMENT

Diversified mix of debt facilities²



DEXUS has a proud record of maintaining a prudent and conservative balance sheet and delivering consistent capital management outcomes.

Since its inception DEXUS has employed strong discipline in developing its capital management and risk framework, setting long term objectives while remaining responsive to changing market conditions and opportunities.

DEXUS is recognised for its strong governance and institutional rigour. The Group has garnered continued support from debt investors and has strong bank relationships enabling successful execution of capital management activities.

Key FY14 achievements included:

- Reduced average cost of debt by 50 basis points to 5.4%
- Maintained debt duration above five years
- Maintained a solid balance sheet with gearing at 33.7% within DEXUS's target gearing range of 30–40%
- Completed over \$1.7 billion of new funding, including \$1.3 billion of acquisition funding for the CPA transaction and US\$200 million in the US private placement market

- Bought back over 73.7 million securities (\$75.3 million) at an average price of \$1.02 per security representing an 8.1% discount to the 30 June 2014 trading price of \$1.11

DEXUS's Standard & Poor's (S&P) and Moody's credit ratings were upgraded during the year to A– and A3 respectively, recognising the quality of DEXUS's portfolio following an active period of transactional activity, together with consistent performance. DEXUS remains inside all of its debt covenant limits and target ranges.

Refinancing debt and hedging

Over the past year DEXUS completed over \$1.7 billion of new funding equivalent to over 46% of its current borrowings. This debt was refinanced at competitive margins, which contributed to a reduction in the cost of debt. DEXUS maintained the average duration of debt above five years.

DEXUS positioned its hedging to benefit from low floating interest rates during the year by maintaining a position at the low end of the policy range. Taking into consideration potential for increasing interest rates beyond 2014, DEXUS reduced its exposure to floating interest rates by increasing forward hedging, particularly in the period from 2016 to 2018.

Key metrics	FY14	FY13	FY12	FY11	FY10
Cost of debt	5.4%	5.9%	6.1%	6.6%	6.6%
Duration of debt	5.2 years	5.4 years	4.2 years	4.2 years	3.2 years
Hedged debt ¹	60%	64%	73%	82%	90%
Gearing (look-through) ²	33.7%	29.0%	27.2%	28.4%	29.8%
S&P/Moody's credit rating	A–/A3	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1

1. Average hedge rate during the period.

2. Includes debt in an equity accounted investment.

DEXUS CAPITAL MANAGEMENT RECOGNISED BY CREDIT RATING AGENCIES

Strong track record, active capital management and a high quality investment portfolio have ensured DEXUS has maintained healthy credit ratings since its first rating by S&P in 2006.

In March 2014 S&P upgraded its credit rating for DEXUS to A– from BBB+ and in May 2014, Moody's upgraded its rating to A3 from Baa1. These upgrades are testament to:

- A solid balance sheet and capital management track record
- Consistent operating performance from a high quality property portfolio
- Diligent and consistent management of DEXUS's business and credit metrics
- DEXUS senior management's constant and consistent communication with ratings agencies
- The success of the CPA transaction which strengthened DEXUS's business profile and enhanced the scope and offer of an expanded office portfolio

The upgraded credit ratings provided immediate savings for DEXUS's bank debt and will provide additional savings for future capital markets debt issues, improving investor returns.

Further issuance of US Private Placement debt

Responding to demand in the US Private Placement market, DEXUS further increased its debt duration and diversification of debt sources by issuing US\$200 million of long-dated notes in December 2013. The issuance was well supported by USPP investors despite the uncertainty associated with the CPA transaction at that time, demonstrating DEXUS's track record and strong investor support.

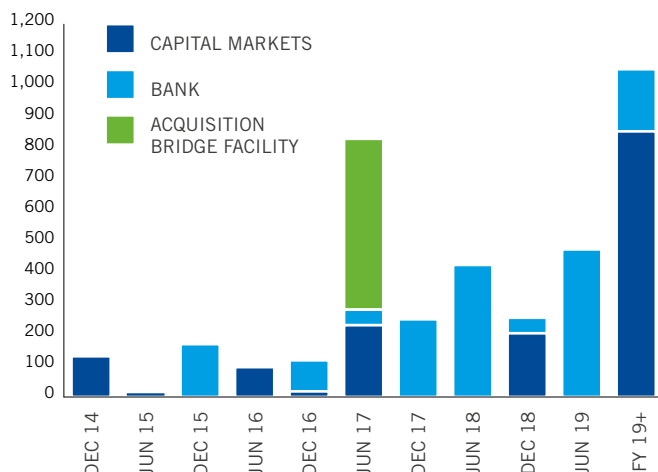
Active MTN strategy

DEXUS completed a partial buy back of its July 2014 Medium Term Notes (MTNs), buying back \$105 million of MTNs and improving the cost of debt.

On-market securities buy back

As a result of share market volatility, DEXUS reinstated an on-market securities buy back of up to 5% of DEXUS securities on 2 July 2013. DEXUS acquired 73.7 million securities at a weighted average price of \$1.02 per security, representing a discount to NTA and providing accretive investor returns.

Debt maturity profile as at 30 June 2014¹



1. Includes debt in an equity accounted investment.

FY15 FOCUS

- Take advantage of improved credit ratings to reduce cost of debt
- Improve diversification and length of the debt profile
- Maintain gearing at the lower end of the target range of 30–40%

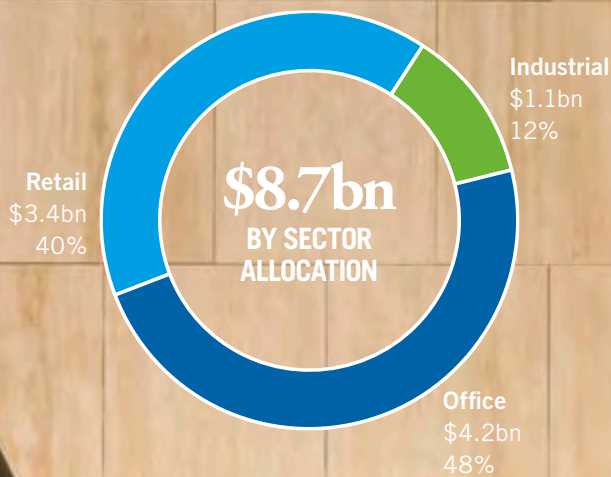
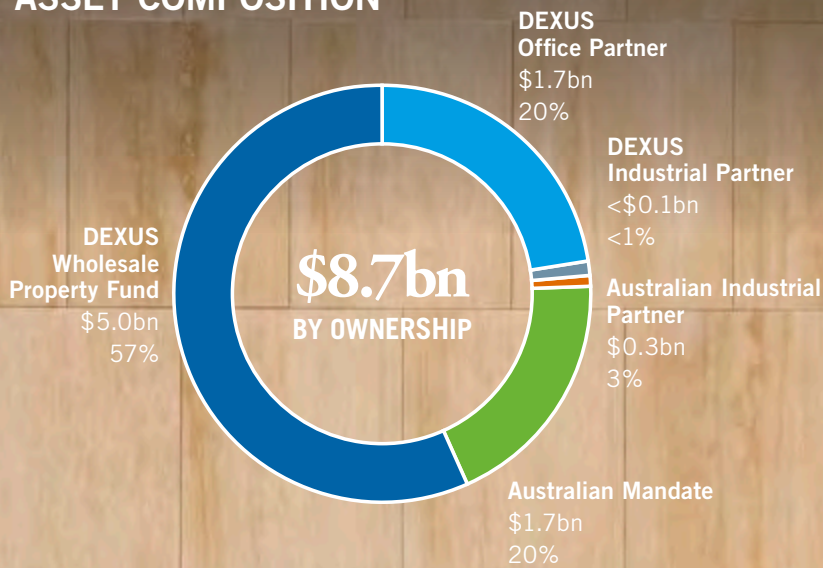


THIRD PARTY FUNDS MANAGEMENT

DEXUS has attracted over \$4.5 billion of third party equity since 2010 from wholesale investors seeking access to quality product and capability to drive portfolio performance.



ASSET COMPOSITION



The Group continued to grow its Third Party Funds Management business in FY14, demonstrating its ability to attract high quality capital partners.

The Third Party Funds Management business represents almost half of the Group's \$17.8 billion funds under management and is one of the key drivers of investor returns.

Over the past two years, DEXUS has established partnerships with three major groups and DEXUS Wholesale Property Fund (DWPF) has raised over \$1.3 billion of capital. This reflects capital partner support of the Group's transactional capability, strategic asset and development management expertise and best-practice corporate governance principles.

Building on its platform growth following the establishment of the Australian Industrial Partnership in October 2012, DEXUS established two new capital partnerships in FY14. The \$3.4 billion DEXUS Office Partnership and the DEXUS Industrial Partnership further diversifies the Group's long term capital sources.

DEXUS's partnerships provide benefits to the Group through:

- Providing diversity of capital sources to fund future opportunities
- Allowing DEXUS to build scale in key markets, while maintaining balance sheet flexibility
- Increasing Return on Equity with investment management, property management, development management and leasing fees

THIRD PARTY FUNDS MANAGEMENT

DEXUS ATTRACTS NEW OFFICE PARTNER



In October 2013, DEXUS established a partnership with Canada Pension Plan Investment Board (CPPIB) to jointly acquire Commonwealth Property Office Fund (CPA), a \$3.4 billion property fund comprising 21 prime grade office properties located in strategic Australian CBD markets.

CPPIB is a global long term investor with deep investment expertise in the real estate sector. A former investor in DWPF, CPPIB was familiar with DEXUS's integrated model of funds management which provides access to expertise across the DEXUS platform including asset and property management, development, research and transactions.

DEXUS utilised its transactional capability to successfully complete the off-market takeover of CPA in April 2014 and will utilise its expertise to drive performance in the portfolio.

Delivering on strategies

Over the year, the Group continued to deliver on the investment plans of its existing capital partners:

- The Australian Industrial Partnership acquired one property at Quarry at Greystanes, increasing the portfolio to 19 properties
- DWPF acquired \$317 million of properties, further diversifying its retail, industrial and office portfolios
- DWPF completed a \$350 million pro-rata offer of new equity providing capacity for DWPF to fund its committed developments, fund-through office investments and additional strategic opportunities identified within its investment plan
- Continued to deliver performance for third party clients

Further information on DWPF's achievements and execution of its investment plan is detailed on pages 58–61.

Since its establishment in October 2012, the Australian Industrial Partnership, a 50/50 industrial joint venture with a major global pension fund, has grown by 59% to \$536 million at 30 June 2014, in line with its growth target.



Embedding sustainability practices

DEXUS continues to improve the third party funds portfolio towards Australian best-practice environmental performance through capital improvements and operational efficiency management.

This year the portfolio improved its average NABERS Energy rating to 4.5 stars for third party office properties and 3.7 stars for DEXUS managed retail properties.



ENERGY INTENSITY

Since base year FY08



WATER INTENSITY



GHG EMISSIONS

DEVELOPMENT AND INDUSTRIAL CAPABILITIES DRIVE FORMATION OF NEW PARTNERSHIP



Attracted to the Group's industrial capabilities, the Future Fund partnered with DEXUS to form the DEXUS Industrial Partnership in June 2014.

DEXUS Industrial Partnership's vision is to leverage DEXUS's specialist skills in accessing, developing and actively managing industrial property to deliver attractive risk-adjusted returns. The partnership aims to aggregate a portfolio of quality Australian industrial properties that will generate income from long term high calibre tenants.

The partnership was seeded through the joint investment in industrial land at Greystanes in New South Wales, known as Quarrywest at Greystanes. Situated opposite DEXUS's Quarry at Greystanes Industrial Estate, the development will be delivered progressively from FY16 to FY18, targeting risk adjusted returns.

Quarrywest at Greystanes builds on the success of Quarry at Greystanes where DEXUS has developed 170,000 square metres of high quality industrial facilities and secured a high calibre tenant base to anchor the estate.

Continuing the development momentum, Quarrywest at Greystanes has the potential to offer another 115,000 square metres of prime space to the market and position this unique precinct to become one of Australia's largest premier industrial estates.



RETAIL

The Group's retail capability is utilised to manage a diverse retail portfolio on behalf of capital partners, driving returns for the Third Party Funds Management business.

13

RETAIL CENTRES

762,127sqm

GROSS LETTABLE AREA

\$4.3bn

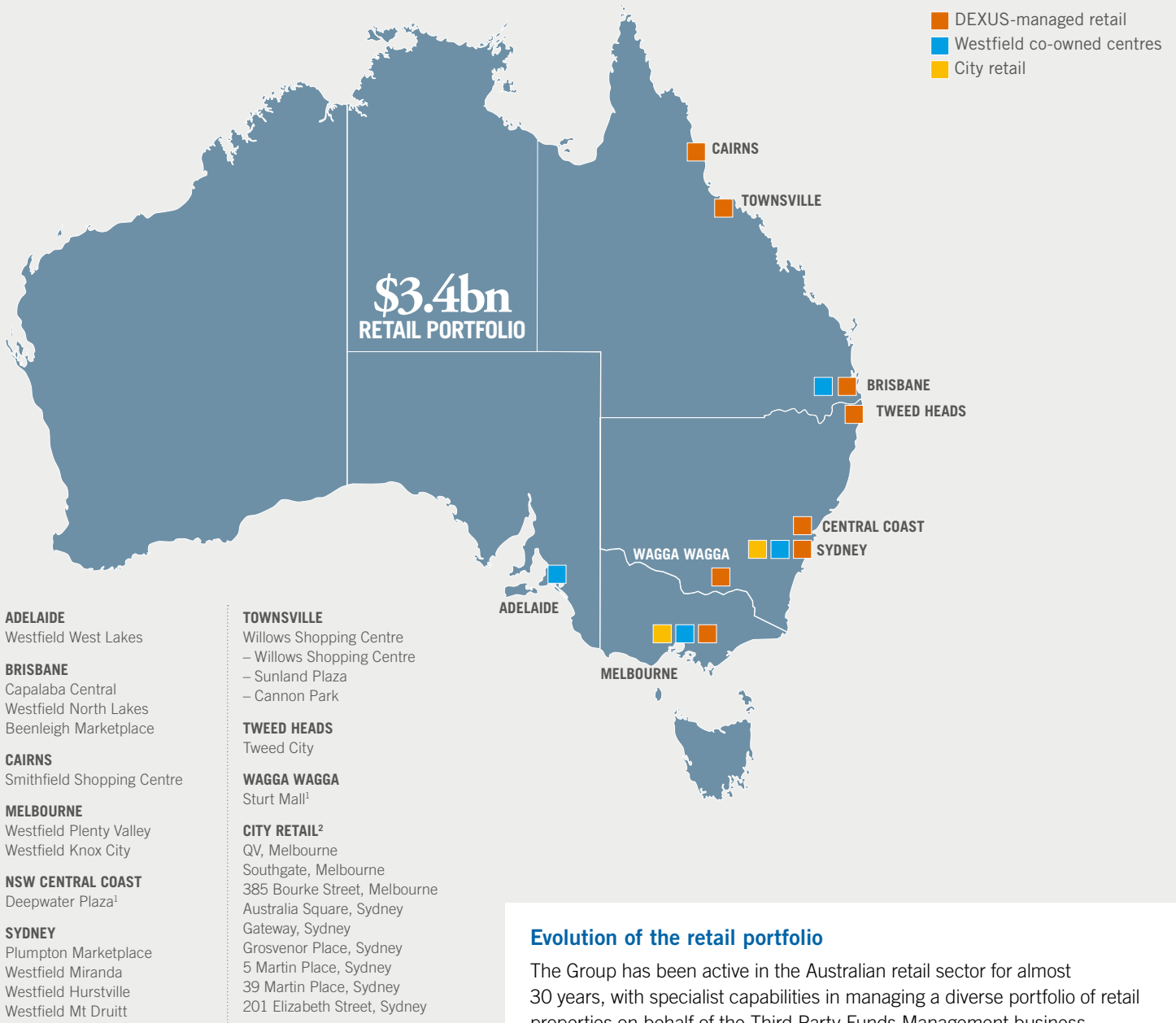
MOVING ANNUAL
TURNOVER (MAT)

\$1.2bn

RETAIL DEVELOPMENT
PIPELINE



Retail is a significant driver of returns in the Group's \$8.7 billion Third Party Funds Management business.



1. Acquired July 2014.
 2. Not included in \$3.4bn portfolio value.

Evolution of the retail portfolio

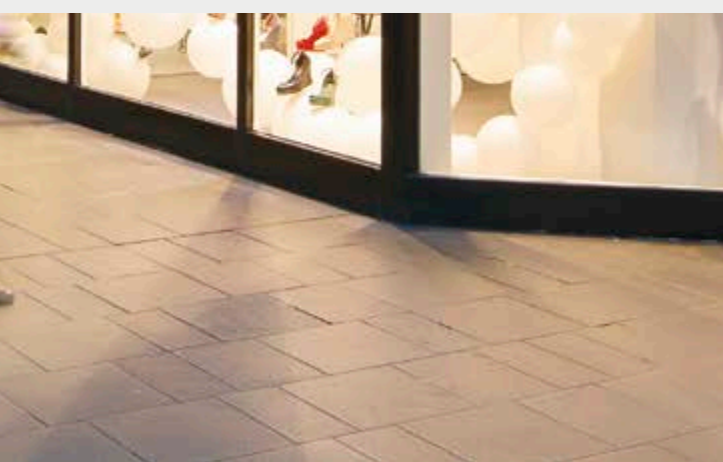
The Group has been active in the Australian retail sector for almost 30 years, with specialist capabilities in managing a diverse portfolio of retail properties on behalf of the Third Party Funds Management business.

DEXUS's integrated model of property management provides the third party business with expertise across the Group platform including capability in asset management, development, research and transactions which is utilised to drive the retail portfolio.

Retail represents 40% of the Group's \$8.7 billion third party funds under management including:

- Six sub-regional shopping centres
- Interests in seven Westfield managed shopping centres

In addition, the Group owns nine significant city retail precincts connected to prime grade CBD office properties managed by DEXUS.



RETAIL

Revitalised retail management team

DEXUS has developed a strong retail team of almost 100 people to actively manage its growing retail portfolio, including centre management teams which are based at shopping centres around Australia.

Over the year the Group made key appointments to its retail leadership team, strengthening expertise in asset and investment management, development management, marketing, leasing and centre management and ensuring the team is well placed to drive returns for the Third Party Funds Management business.

Expanding the Group's retail footprint

In FY14, the Group utilised its transactional capability to acquire three retail centres. In July 2014, DWPF successfully acquired two sub-regional centres in Wagga Wagga and Woy Woy, strengthening DWPF's sub-regional presence.

ACTIVE RETAIL CENTRE MANAGEMENT ENHANCES INVESTOR RETURNS



DWPF's acquisition of Beenleigh Marketplace in December 2013 delivered on the Fund's strategy of investing in high quality shopping centres. These centres have the ability to dominate their main trade areas, leverage off the trade area demographics, have a bias to non-discretionary expenditure and the ability to add value via redevelopment.

Beenleigh Marketplace provided attractive property metrics and opportunity for enhanced returns:

- Acquired for \$88.4 million at a capitalisation rate of 7.50% and an initial yield of 7.67%
- Strong occupancy and long term anchor tenants
- Moving annual turnover growth up 3.6% for 12 months
- Recently achieved 100% occupancy for the first time in three years

Since acquisition, the Group's retail team has commenced a repositioning strategy which will enhance the customer experience and improve the retail offering, capturing trade area growth and driving valuation uplift.

DECEMBER 2013



Beenleigh Marketplace, Beenleigh

A 17,590 square metre sub-regional shopping centre, located in a growth area south of the Brisbane CBD

A dominant retail centre within its main trade area and a core investment opportunity for DWPF that increases the Fund's allocation to centres that have strong non-discretionary expenditure.

APRIL 2014

QV, 180–222 Lonsdale Street, Melbourne

A unique retail centre in the heart of the Melbourne CBD

Acquired as part of the CPA office portfolio with significant potential to improve returns through active leasing and asset management programs.



APRIL 2014



Galleria, 385 Bourke Street, Melbourne

One of Melbourne's most convenient and prominent retail spaces

Acquired as part of the CPA portfolio with the potential for refurbishment to enhance the customer experience and achieve leasing upside.

JULY 2014



Sturt Mall, Wagga Wagga Deepwater Plaza, Woy Woy

Sub-regional shopping centres with strong non-discretionary retail offerings

Two core investment opportunities for DWPF, improving portfolio diversification and with an opportunity to add value through active asset management and redevelopment.

Leveraging DEXUS's development capability

The Group is taking an active approach in response to changing consumer expectations and demand for a shopping 'experience' and to service the needs of its growing shopping centre trade areas.

In line with DWPF's investment plan an 11,800 square metre expansion at Westfield West Lakes Shopping Centre undertaken by Westfield as co-owner was completed in October 2013, diversifying the retail mix. The substantial redevelopment at Westfield Miranda continues to progress, with the first stage on target for completion in late 2014.

Repositioning city retail

The Group is aiming to enhance tenant satisfaction and improve tenant retention in its CBD office portfolio by repositioning and improving the retail offer in its assets under management. This focus will ultimately result in high quality, complementary retail throughout the Group's CBD office portfolio.

The development of the landmark 5 Martin Place in Sydney with Cbus Property includes a significant retail component and development approval has been achieved for Galleria at 385 Bourke Street in Melbourne. The Group is seeking development approval for the redevelopment of retail space at other office properties including Southgate and Australia Square.

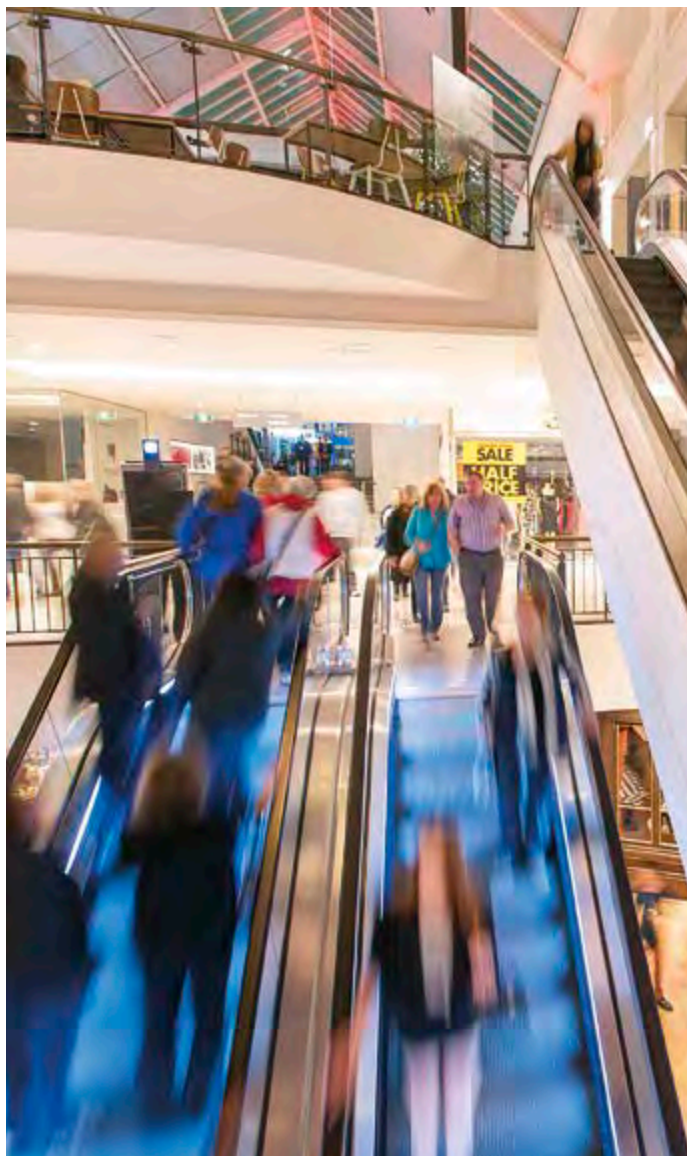
UNDERWAY

Westfield Miranda, Sydney

22,400sqm retail extension approx \$230m cost (50%) FY13–FY16

A transformational redevelopment being undertaken by Westfield as co-owner that will firmly position the centre as the leading super regional shopping centre in the southern suburbs of Sydney.

- Commenced construction in June 2013
- Finalising leasing to international mini-majors
- Stage 1 development expected to be completed in late 2014



FY15 FOCUS

- Specialty store leasing renewals and retention
- Actively manage the retail portfolio to deliver enhanced returns
- Progress the \$1.2 billion retail development pipeline to enable future growth
- Deliver on capital partner's transactional requirements



DEXUS WHOLESALE PROPERTY FUND

DEXUS Wholesale Property Fund (DWPF) leverages the Group's core capabilities to deliver on its investment plan and consistently outperform its benchmark.



Key DWPF statistics	FY14	FY13	FY12
Total properties	37	34	30
Total portfolio value (\$bn)	5.0	4.3	3.8
Lease duration by income (years)	3.6	3.8	3.9
Occupancy by area (%)	95.9	95.9	96.6
Weighted average capitalisation rate (%)	6.74	6.87	6.97

DWPF is one of the highest quality, diversified wholesale funds in Australia with properties located in key office, industrial and retail markets across Australia.

DWPF had a successful year, fulfilling the strategic objectives set out in its investment plan to enhance portfolio quality and diversity through strategic acquisitions, delivering on the performance in its existing portfolio and activating its substantial development pipeline.

Support from existing and new investors

DWPF continued to receive strong support from its unitholders throughout the year. A \$350 million offer of new equity was oversubscribed by existing unitholders and there was a high level of interest from new investors seeking to enter the Fund, a strong endorsement of the Fund's Investment Strategy. The Fund also raised \$172 million from its distribution reinvestment plan.

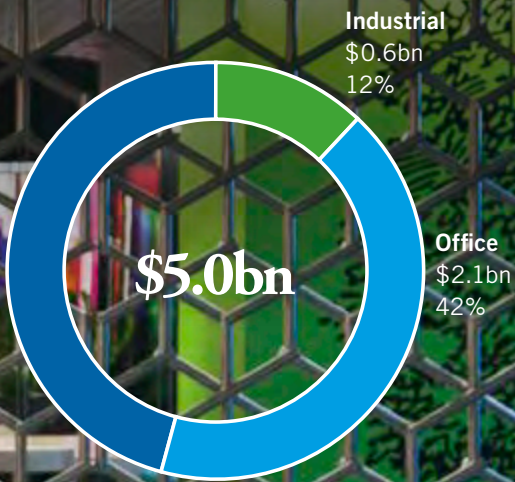
DWPF has built a solid track record of investor support, attracting over \$2.7 billion of capital since 2010 from domestic and offshore investors.

After more than eight years as DWPF's Fund Manager, Graham Pearson will be moving to a new role within DEXUS Property Group, managing the Group's capital partnerships, mandates and new business. Graham has made a valuable contribution in managing and repositioning DWPF, developing it from a \$1.6 billion to a \$5.0 billion high quality portfolio. Penny Ransom, who has been responsible for growing the Group's capital partnerships since 2011, has been appointed to the DWPF Fund Manager role to lead the Fund through an active phase in its Investment Plan.

The Fund's investment objectives are underpinned by:

- A high quality property portfolio with \$5.0 billion of office, industrial and retail properties
- An active \$1.2 billion development pipeline
- An active investment strategy to enhance returns to investors
- Adherence to best practice corporate governance
- Consistent delivery of long term top quartile performance including enhanced return activity

DWPF BY ASSET ALLOCATION



STRATEGIC BRISBANE TRADE COAST ACQUISITIONS

DWPF acquired two industrial properties located in Brisbane's highly desirable Trade Coast precinct, in Hendra and Hemmant. The acquisitions align with the Fund's strategy to build a diversified industrial portfolio of quality buildings in core markets anchored by employment hubs with access to key infrastructure.

The Brisbane Trade Coast is within close proximity to the Brisbane CBD, the Brisbane Airport and the Port of Brisbane, the fastest growing port in Australia. There is strong demand from logistics operators, retailers and wholesalers that are attracted to the Trade Coast's accessibility.

The area will further benefit over the long term from significant infrastructure investment, including the Brisbane Airport upgrade and future port expansion at Fisherman Islands.

Strategic acquisitions

RETAIL

Well located sub-regional shopping centres with a strong component of non-discretionary expenditure and with the ability to enhance returns through active asset management have diversified the Fund's portfolio composition.

December 2013
Beenleigh Marketplace
 Beenleigh, QLD



INDUSTRIAL

Providing additional exposure to one of the Fund's preferred industrial locations, the Trade Coast in Queensland.

October 2013
441 Nudgee Road,
 Hendra, QLD



December 2013
1439 Lytton Road,
 Hemmant, QLD



OFFICE

A core investment opportunity acquired on attractive pricing and metrics which improves DWPF's office portfolio's geographic diversity in a market with significant growth potential over the medium to long term. The new building is fully leased.



January 2014
AM60,
 60 Albert Street,
 Brisbane, QLD

DEXUS WHOLESALE PROPERTY FUND

Delivering and progressing developments



RETAIL

Westfield Miranda, Sydney NSW
22,400sqm
2013–2016

A transformational project being undertaken by Westfield as co-owner which will firmly position the centre as the leading super regional shopping centre in the southern suburbs of Sydney and enhance its status as one of the strongest performing centres in Australia.



INDUSTRIAL

DRIVE Industrial Estate, Richlands, QLD

75,000sqm
2013–2016

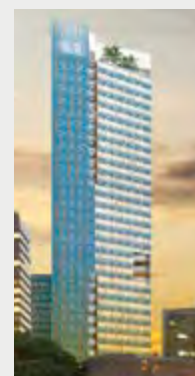
A prime industrial estate development with excellent access to the Brisbane arterial road network servicing the port, airport and CBD. The facilities will appeal to progressive logistics and warehousing companies as well as research and development businesses.



OFFICE

Kings Square, Perth, WA
52,800sqm 2013–2015

Fund-through investments jointly owned (50/50) with DEXUS. Significant construction progress has been achieved, with the projects on program and achieving solid leasing pre-commitments of 55% (Kings Square) and 62% (480 Queen Street) in challenging markets. The Kings Square project has a five-year rental guarantee and 480 Queen Street has a two-year rental guarantee provided on any remaining vacancy at completion.



480 Queen Street, Brisbane, QLD
56,000sqm
2013–2016

Strong capital management position enables strategic property acquisitions

DWPF's successful equity raising placed the Fund in a strong capital management position, enabling it to deliver its objective of increasing its exposure to key retail, office and industrial markets through strategic acquisitions.

The Fund also actively managed its portfolio through the divestment of 104 Vanessa Street, Kingsgrove, a non-core investment within the portfolio.

Delivering and progressing developments

Opening in October 2013, the 11,800 square metre expansion of Westfield West Lakes Shopping Centre provided a centre remix to meet community demand, delivering on the Fund's development pipeline. The retail and industrial developments and fund-through office investments currently underway, remain on track for completion within the next three years.

Debt capital management

DWPF's Standard & Poor's A (Stable) rating was reaffirmed in May 2014 and the Fund's gearing remains at the lower end of its target range of 10–20%.

Sustainability commitment

DWPF's commitment to optimising environmental performance has seen continual investment in building upgrades to improve the energy and water efficiency of its portfolio. During the year, Gateway and 1 Bligh Street in Sydney were awarded 5.0 star NABERS Energy Ratings, with 1 Bligh Street achieving its target in its first rating.

DWPF is one of the world's top ranking performers on sustainability. In a field of 542 global real estate property companies and funds, DWPF was among the top quartile of all respondents in the 2013 Global Real Estate Sustainability Benchmark (GRESB) survey.



INVESTING IN ENERGY EFFICIENCY ACHIEVES 5 STAR RATING



The completion of a program of sustainability upgrades at Gateway in Sydney achieved energy efficiency outcomes that reduced the impact on the environment and decreased operating expenses.

A number of environmental sustainability initiatives were implemented at the property over a four year period, including:

- A fully integrated Building Management and Control System
- A lighting system upgrade
- Retro-commissioning and rebalancing of air and water systems
- Thermal metering of chillers for retail tenants
- Carbon dioxide sensors
- A car park ventilation co-monitoring system
- A water heating system upgrade
- Lift upgrades

Since the inception of the program in 2010, Gateway's NABERS Energy rating increased from 3.0 stars to 5.0 stars and its NABERS Water rating improved from 2.5 stars to 3.0 stars.

Energy efficiency improvements have reduced Gateway's electricity consumption by approximately 27% and gas consumption by 78%, resulting in a 30% saving in total energy expenses and improving tenant appeal.

Continued strong performance

DWPF maintained its track record of delivering superior performance, outperforming its benchmark over the one, three and five year periods and achieving top quartile performance over the three and five year periods.

Performance

To 30 June 2014	1 year %	3 years %	5 years %
Fund return	9.26	9.16	8.94
Benchmark return ¹	8.78	8.62	7.75
Variance	0.48	0.54	1.19

1. Mercer IPD Australian Pooled Property Fund Index (Net returns, Net Asset weighted).

FY15 FOCUS

- Active portfolio management, including leasing vacancies
- Focus on leasing at Kings Square in Perth and 480 Queen Street in Brisbane
- Selectively undertake acquisitions and divestments in line with portfolio objectives
- Progress substantial \$1.2 billion development pipeline¹

1. Includes enhanced return activity.

 ↓ 43.4%

ENERGY INTENSITY

Since base year FY08

 ↓ 34.6%

WATER INTENSITY

 ↓ 45.1%

GHG EMISSIONS

FINANCIAL HIGHLIGHTS

7.6%
INCREASE IN FFO
PER SECURITY

6.26
CENTS
DISTRIBUTION
PER SECURITY

9.9%
TOTAL SHAREHOLDER
RETURN FOR THE
12 MONTHS ENDED
30 JUNE 2014

↑4.3%

DEXUS delivered strong financial performance for the year ended 30 June 2014.

A focus on leasing, capital management initiatives and the takeover of CPA have driven a strong financial result together with improved operational performance and solid property revaluations. DEXUS delivered a net profit after tax of \$406.6 million and achieved Funds from Operations¹ (FFO) per security growth of 7.6%. Distributions per security grew by 4.3% to 6.26 cents.

In accordance with Australian Accounting Standards, net profit includes a number of non-cash adjustments including fair value movements in asset and liability values. FFO is a global financial measure of real estate operating performance after finance costs and taxes, and is adjusted for certain non-cash items.

The Directors consider FFO to be a measure that reflects the underlying performance of the Group. The following table reconciles between profit attributable to stapled security holders, FFO and distributions paid to stapled security holders.

	30 June 2014 (\$m)	30 June 2013 (\$m)
Net profit for the year attributable to stapled security holders	406.6	514.5
Net fair value gain of investment properties ²	(165.5)	(220.6)
Net fair value loss of derivatives	52.9	17.7
Net loss on sale of investment properties ²	8.3	3.6
CPA transaction costs	76.7	–
Finance break costs attributable to sales transactions	4.5	18.8
Foreign currency translation reserve transfer on disposal of foreign operations	(0.8)	21.5
Incentive amortisation and rent straight-line ^{2,3}	22.4	30.5
Deferred tax and other	5.5	(20.6)
Funds from Operations (FFO)	410.6	365.4
Retained earnings ⁴	(95.2)	(83.3)
Distributions	315.4	282.1
FFO per security (cents)	8.34	7.75
Distribution per security (cents)	6.26	6.00
Net tangible asset backing per security (\$)	1.06	1.05

1. DEXUS's FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs.

2. Including DEXUS's share of equity accounted investments.

3. Including cash and fit-out incentives amortisation.

4. Based on payout ratio of 75.1% in FY14 and 77.4% in FY13. DEXUS's FY14 distribution policy was to distribute 70–80% of FFO, in line with free cash flow.

Net profit after tax was \$406.6 million or 8.26 cents per security, a decrease of \$107.9 million from the prior year (2013: \$514.5 million). The key drivers of this decrease included:

- Net revaluation gains of investment properties, including equity accounted investments, of \$165.5 million (2013: \$220.6 million)
- Transaction costs relating to the CPA takeover of \$76.7 million (refer note 34 of the Notes to the Financial Statements)
- Net fair value losses of \$40.6 million (2013: \$17.7 million) as a result of mark-to-market losses on derivatives (2014: \$52.9 million; 2013: \$17.7 million) and gains on interest bearing liabilities (2014: \$12.3 million; 2013: nil)
- The reversal in FY14 of a previous impairments of management rights of \$7.3 million (2013: \$20.5 million)

Refer to note 34(b) of the Notes to the Financial Statements for further details.

Operationally, FFO increased 12.4% to \$410.6 million (2013: \$365.4 million) resulting in FFO per security of 8.34 cents (2013: 7.75 cents), an increase of 7.6%.

Key drivers included:

- Office NOI of \$394.9 million, up 27.7% from \$309.2 million in 2013, was underpinned by 3.6% growth in like-for-like NOI together with income from the 21 properties acquired through the CPA transaction which completed in April 2014
- Industrial NOI of \$117.3 million, an increase of 4.5% (2013: \$112.3 million), was underpinned by like-for-like NOI growth of 1.5%
- Finance costs net of interest revenue of \$139.4 million were \$28.2 million higher than the prior year (2013: \$111.2 million) reflecting the funding of the CPA transaction and the on-market securities buy back. Average cost of debt reduced from 5.9% to 5.4%.

Distribution policy and FY15 guidance

Distributions per security for the year were 6.26 cents per security, representing a 4.3% increase from the prior year (2013: 6.0 cents). The payout ratio for the year to 30 June 2014 was 75% in accordance with DEXUS's FY14 payout policy to distribute 70–80% of FFO, in line with free cash flow.

As foreshadowed 12 months ago, DEXUS will adopt the Property Council of Australia's (PCA) recommended approach for calculating FFO from 1 July 2014.

Barring unforeseen changes to operating conditions, DEXUS's guidance for PCA FFO for the 12 months ending 30 June 2015 is 9.84 cents per security, reflecting an 8.5% increase from FY14 PCA FFO of 9.07 cents per security.

DEXUS is targeting a payout in line with free cash flow for FY15 which is expected to deliver a distribution of 6.79 cents per security reflecting 8.5% growth from FY14.

	2010 \$m	2011 \$m	2012 \$m	2013 \$m	2014 \$m
Consolidated Statement of Comprehensive Income					
Profit and loss					
Property revenue	663.1	629.1	535.7	546.6	572.3
Management fees	51.6	50.6	50.3	48.5	58.0
Proceeds from sale of inventory	–	3.3	49.8	24.4	69.3
Property revaluations	–	148.4	43.0	185.9	145.7
Reversal of previous impairment	13.3	–	–	20.5	7.3
Contribution from equity accounted investments	(26.2)	34.1	13.8	37.9	58.3
Net fair value gain of interest bearing liabilities	–	–	–	–	12.3
Other income	10.1	5.5	1.7	1.2	0.2
Total income	711.9	871.0	694.3	865.0	923.4
Property expenses	(169.8)	(151.9)	(133.5)	(134.9)	(141.4)
Cost of sale of inventory	–	(3.4)	(44.0)	(22.9)	(65.3)
Finance costs	(190.7)	(52.7)	(118.0)	(98.6)	(190.0)
Net gain/(loss) on sale of investment properties	(53.3)	7.1	–	(3.7)	(7.7)
Property devaluations and impairments	(209.4)	–	(14.9)	(2.2)	–
Other expenses	(87.1)	(93.7)	(76.4)	(79.5)	(100.7)
Total expenses	(710.3)	(294.6)	(386.8)	(341.8)	(505.1)
Profit before tax	1.6	576.4	307.5	523.2	418.3
Income and withholding tax benefit/(expense)	30.0	(21.3)	18.9	(1.7)	(12.5)
Profit after tax from continuing operations	31.6	555.1	326.4	521.5	405.8
Profit/(loss) from discontinued operations	–	–	(143.5)	(7.0)	0.8
Net profit	31.6	555.1	182.9	514.5	406.6
Other non-controlling interests (including RENTS)	(0.2)	(2.1)	(1.8)	–	–
Net profit to stapled security holders	31.4	553.0	181.1	514.5	406.6
Funds from operations (cents per security)	7.30	7.40	7.65	7.75	8.34
Distributions (cents per security) ¹	5.10	5.18	5.35	6.00	6.26
Consolidated Statement of Financial Position					
Cash and receivables	89.4	109.9	90.0	54.7	125.7
Property assets ²	7,306.6	7,487.1	6,922.7	7,258.4	9,129.4
Other (including derivative financial instruments and intangibles)	475.0	390.7	351.4	439.5	495.8
Total assets	7,871.0	7,987.7	7,364.1	7,752.6	9,750.9
Payables and provisions	281.2	274.3	277.0	275.8	314.5
Interest bearing liabilities	2,240.1	2,215.1	1,940.8	2,167.1	2,931.6
Other (including financial instruments)	343.3	191.4	139.0	118.0	451.5
Total liabilities	2,864.6	2,680.8	2,356.8	2,560.9	3,697.6
Net assets	5,006.4	5,306.9	5,007.3	5,191.7	6,053.3
Minority interest	205.2	204.0	–	–	–
Net assets (after non-controlling interest)	4,801.2	5,102.9	5,007.3	5,191.7	6,053.3
NTA per security (\$)	0.95	1.01	1.00	1.05	1.06
Gearing ratio ³ (%)	29.8	28.4	27.2	29.0	33.7
Consolidated Statement of Changes in Equity					
Total equity at the beginning of the year	5,146.2	5,006.4	5,306.9	5,007.3	5,191.7
Net profit	31.6	555.1	182.9	514.5	406.6
Other comprehensive income/(loss)	(7.0)	(4.9)	41.8	29.7	(4.8)
Issue of additional equity, net of transaction costs	90.3	14.6	–	–	850.4
Buy back of contributed equity, net of transaction costs	–	–	(51.0)	(77.5)	(75.3)
Acquisition of non-controlling interest	–	–	(204.0)	–	–
Distributions provided for or paid	(244.4)	(250.7)	(257.4)	(282.1)	(315.4)
Other transactions with equity holders	–	–	0.1	(0.2)	0.1
Other non-controlling interest movements during the year	(10.3)	(13.6)	(12.0)	–	–
Total equity at the end of the year	5,006.4	5,306.9	5,007.3	5,191.7	6,053.3
Consolidated Statement of Cash Flows					
Net cash inflow from operating activities	340.2	239.3	348.4	193.5	418.3
Net cash inflow/(outflow) from investing activities	90.6	(227.0)	659.6	(84.9)	(1,100.5)
Net cash inflow/(outflow) from financing activities	(444.4)	4.9	(1,019.9)	(155.6)	681.2
Net increase/(decrease) in cash and cash equivalents	(13.6)	17.2	(11.9)	(47.0)	(1.0)
Cash and cash equivalents at the beginning of the year	84.8	64.4	73.7	59.2	14.9
Effects of exchange rate changes on cash and cash equivalents	(6.8)	(7.9)	(2.6)	2.7	0.2
Cash and cash equivalents at the end of the year	64.4	73.7	59.2	14.9	14.1

1. 75.1% of FFO in FY14.

2. Property assets include investment properties, non-current assets held for sale, inventories and investment properties accounted for using the equity method.

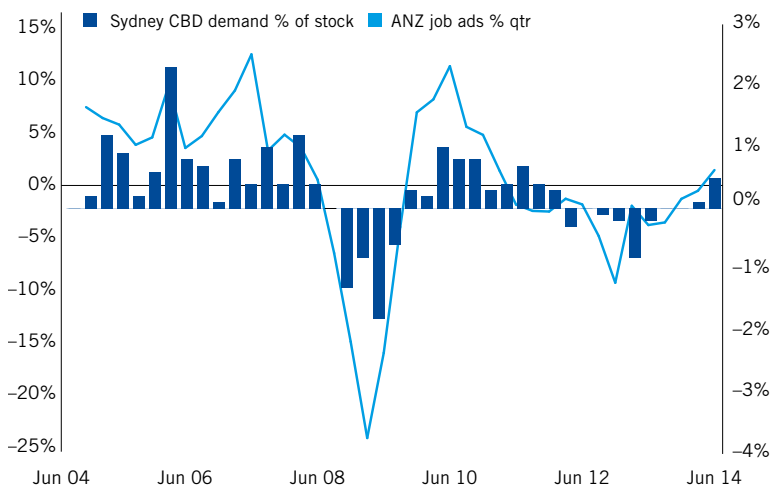
3. Includes cash and on a look-through basis.

MARKET OUTLOOK

INVESTMENT CLIMATE

The Australian economy continues to rebalance as growth in the housing sector and non-mining sectors partly offsets a decline in investment. The economy is forecast to grow by 2.8% in FY15. While consumer confidence is subdued, business confidence is positive. Consequently employment growth is strengthening, which will underpin leasing demand for commercial real estate over the next year or two. Investment demand for real estate is expected to remain strong in the short term due to expansion in superannuation funds and as a wide range of buyers seek the secure income returns offered by well-leased property. Pricing is firming, leading to positive revaluations for most markets and property types.

Sydney CBD office demand & ANZ job advertisements



Source: JLL Research, ANZ

INDUSTRIAL MARKETS

Tenant demand is strengthening across the major industrial markets as the Australian economy experiences increased retail spending and residential construction activity. In addition demand for new stock is benefiting from outsourcing of logistics contracts and consolidation in the retail supply chain. Lead indicators such as import growth and business confidence are pointing to an improvement in leasing conditions.

In outer west Sydney, tenant demand and enquiry for pre-lease space have improved, particularly from transport and logistics providers. In Melbourne, supply is expected to be mildly above average in FY15, mainly due to an increase in pre-lease development. Prime vacancy is relatively low in South West Brisbane as tenants seek new generation stock serviced by the motorway network.

OFFICE MARKETS

Why will office demand improve?

Demand for office space in Australia's major CBD is expected to improve in FY15 as the economy responds to low interest rates, employment growth strengthens further, business confidence remains positive and tenants migrate into CBD areas. The labour market is showing signs of improvement with the ANZ job advertisement index up 5.8% in the past six months. In the same period 110,770 jobs were added to the economy.



61%
OF DEXUS OFFICE
PORTFOLIO

SYDNEY

Demand is improving with net absorption rising to more than 25,000sqm in FY14 and vacancy falling below 10%. Sydney's short term growth outlook is mild given that new supply, including Barangaroo, will add to the stock available for lease. However, high quality buildings are expected to benefit as tenants migrate from lower grades. Withdrawals of older stock and migration of tenants into the market should be stabilising factors.

12 MONTH OUTLOOK

Vacancy	↘
Rents	→
Incentives	→
Yields	↘



14%
OF DEXUS OFFICE
PORTFOLIO

MELBOURNE

Demand is slowly improving after a subdued 2013, however vacancy increased mildly to 11% in FY14 after the completion of a large building in Docklands. The construction pipeline remains active with 140,000sqm to be completed in the next 24 months. After that the office market is expected to benefit from employment growth of 1.3% pa over the next three years.

12 MONTH OUTLOOK

Vacancy	↗
Rents	→
Incentives	→
Yields	↘



11%
OF DEXUS OFFICE
PORTFOLIO

BRISBANE

The Brisbane CBD office market has felt the effects of consolidation in the government and mining sectors. A two-tier market has emerged as tenants move from secondary space (vacancy 20.3%) to prime space (vacancy 11.9%). While three new buildings will add to supply over the next three years, withdrawals will remove some older stock from the market. Demand for office space has substantial upside over the next three years as Queensland's robust economic drivers re-exert themselves.

12 MONTH OUTLOOK

Vacancy	↘
Rents	↘
Incentives	→
Yields	↘



9%
OF DEXUS OFFICE
PORTFOLIO

PERTH

The Perth CBD office market is slowing as the mining sector transitions from investment phase to production. Vacancy is likely to rise with around 130,000sqm of new supply to be completed in the next 24 months. While cyclically slow, demand has upside in the medium to longer term from population growth and employment growth forecasts which are above the national average.

12 MONTH OUTLOOK

Vacancy	↗
Rents	↘
Incentives	↗
Yields	→

The remaining 5% of DEXUS's office portfolio is located in Adelaide, Canberra and Auckland.

RETAIL MARKETS

Retail turnover growth increased to 5.3% per annum in the final months of FY14 after a subdued period. Conditions for spending are expected to be favourable through FY15 due to low interest rates, less focus on household savings and continuing strength in the housing market.

Firming turnover growth should feed through to retailer margins and take some pressure off occupancy costs in the year ahead. While discretionary spending has improved, non-discretionary spending,

including food and groceries will be the more stable component, a factor supporting investment demand for sub-regional and neighbourhood centres.

The retail spend by office workers in Australian CBDs is surprisingly high. Tenants are looking beyond office space requirements to the various amenities within their buildings. A great retail offer enhances tenant satisfaction and retention and consequently the Group is assessing and improving the retail offering within its buildings.

BOARD OF DIRECTORS

At 30 June 2014 the Board comprised nine members including seven Non-Executive Directors, the Chief Executive Officer and the Executive Director, Finance and Chief Operating Officer.



L to R: Richard Sheppard, Elizabeth Alexander, Peter St George, Craig Mitchell, Darren Steinberg, Chris Beare, Penny Bingham-Hall, Tonianna Dwyer and John Conde.



Chris Beare

BSc, BE (Hons), MBA, PhD, FAICD
Chair and Non-Executive Director

Chris Beare is both the Chair and a Non-Executive Director of DEXUS Funds Management Limited. He is also a member of the Board Nomination, Remuneration & Governance, Board Finance and Board Audit, Risk & Sustainability Committees. Chris has significant experience in international business, technology, strategy, finance and management. Chris is also the Chair of Flexigroup Limited, an ASX listed company.

Elizabeth A Alexander AM

BComm, FCA, FAICD, FCPA
Non-Executive Director

Elizabeth Alexander is a Non-Executive Director of DEXUS Funds Management Limited, Chair of DEXUS Wholesale Property Limited and a member of the Board Audit, Risk and Sustainability Committee. Elizabeth brings to the Board extensive experience in accounting, finance, corporate governance and risk management and was formerly a partner with PricewaterhouseCoopers.

Penny Bingham-Hall

BA (Industrial Design), FAICD, SF Fin
Non-Executive Director

Penny Bingham-Hall is a Non-Executive Director of DEXUS Funds Management Limited, appointed to the Board on 10 June 2014. Penny has extensive experience in business strategy and planning and corporate affairs, having spent more than 20 years in a variety of senior management roles in the construction and infrastructure sectors.

John C Conde AO

BSc, BE (Hons), MBA
Non-Executive Director

John Conde is a Non-Executive Director of DEXUS Funds Management Limited, and is the Chair of the Board Nomination, Remuneration & Governance Committee. John brings to the Board extensive experience across diverse sectors including commerce, industry and government.

Tonianne Dwyer

BJuris (Hons), LLB (Hons)
Non-Executive Director

Tonianne Dwyer is a Non-Executive Director of DEXUS Funds Management Limited and DEXUS Wholesale Property Limited, and a member of the Board Compliance and Board Nomination, Remuneration & Governance Committees. Tonianne brings to the Board significant experience as a company director and executive working in listed property, funds management and corporate strategy across a variety of international markets.

Craig D Mitchell

BComm, MBA (Exec), FCPA,
HBS (AMP)

Craig Mitchell is Executive Director Finance and Chief Operating Officer (COO) of DEXUS Property Group and an Executive Director of DEXUS Funds Management Limited. Craig is responsible for operational and strategic finance, accounting, tax, treasury and IT and is responsible for Third Party Funds Management and DEXUS's retail property portfolio. Craig has more than 20 years of financial management and accounting experience, with over 15 years specialising in the property industry.

Richard Sheppard

BEc Hons, FAICD
Non-Executive Director

Richard Sheppard is a Non-Executive Director of DEXUS Funds Management Limited, the Chair of the Board Audit, Risk & Sustainability Committee and a member of the Board Finance Committee. Richard brings to the DEXUS Board extensive experience in banking and finance and as a director and Chairman of listed and unlisted property trusts.

Darren J Steinberg

BEc, FRICS, FAPI
Chief Executive Officer and Executive Director

Darren Steinberg is the CEO of DEXUS Property Group and an Executive Director of DEXUS Funds Management Limited. Darren has overall responsibility for the operations of DEXUS. Darren has over 25 years experience in the property and funds management industry with an extensive background in office, industrial and retail property investment and development.

Peter B St George

CA(SA), MBA
Non-Executive Director

Peter St George is a Non-Executive Director of DEXUS Funds Management Limited and the Chair of the Board Finance Committee. Peter has more than 20 years experience in senior corporate advisory and finance roles within NatWest Markets and Hill Samuel & Co in London.



L to R:
John Easy
Deborah Coakley
Darren Steinberg
Craig Mitchell
Ross Du Vernet
David Yates
Kevin George

GROUP MANAGEMENT COMMITTEE

The Group Management Committee (GMC) is the leadership team responsible for delivering the strategic direction of the business.

Darren Steinberg
Chief Executive Officer
and Executive Director

Darren has overall responsibility for the operations of DEXUS. Darren has over 25 years experience in the property and funds management industry with an extensive background in office, industrial and retail property investment and development.

Deborah Coakley
Executive General Manager
People & Property Services

Deborah is responsible for the human resources strategy, people development, culture and engagement and providing innovative and customer oriented property services solutions for the asset management teams. Deborah is an experienced business coach and has 18 years experience in human resources and recruitment including the development of human resources operations from initial concept, and implementing improvement changes and processes to existing business units.



Ross Du Vernet

Executive General Manager
Strategy, Transactions & Research

Ross is responsible for corporate strategic planning and execution, corporate and property transactions and property research across the Group. Ross has more than 10 years experience in real estate funds management, capital management and mergers and acquisitions in Australia and abroad.

John Easy

General Counsel

John is responsible for the legal function and compliance, risk and governance systems and practices across the Group, as well as company secretarial services. John's career spans over 25 years with the majority of this time in the property and funds management industry. John has experience in the establishment and public listing of trusts and property portfolio acquisition.

Kevin George

Executive General Manager
Office & Industrial

Kevin is responsible for the performance of property, asset and development management across the Group's office and industrial portfolios. Kevin has over 25 years real estate experience with extensive knowledge of the Australian office market. Kevin has a strong track record for implementing plans focused on sustainable revenue growth and driving best practice initiatives both in Australia and globally.

Craig Mitchell

Executive Director Finance
& Chief Operating Officer

Craig is responsible for operational and strategic finance, accounting, tax treasury and IT and is responsible for Third Party Funds Management and the Group's retail property portfolio. Craig has more than 20 years of financial and accounting experience with over 15 years specialising in the property industry.

David Yates

Executive General Manager, Investor
Relations, Marketing & Communications

David is responsible for the investor relations, marketing and communications function across the Group combined with managing the relationships and information flow to the investment community. David has more than 15 years of investor relations and communications experience specifically in the Australian commercial property industry.

CORPORATE GOVERNANCE

DEXUS strives to meet the highest ethical, efficiency and governance standards through continually reviewing its processes to deliver enhanced performance and benefits to its stakeholders.

Leading practice corporate governance

DEXUS believes that good corporate governance benefits not only its investors and the broader community but also its employees. Good corporate governance requires transparency and the right people making the best decisions based on quality information. DEXUS ensures its people are involved in upholding the highest standards of corporate responsibility.

ASX Corporate Governance Principles and recommendations	Complies	DEXUS Annual Report
Principle 1 Lay solid foundations for management and oversight	✓	Pages 7–8
Principle 2 Structure of the Board to add value	✓	Pages 8–12
Principle 3 Promote ethical and responsible decision making	✓	Pages 12–13
Principle 4 Safeguard integrity in financial reporting	✓	Pages 14–15
Principle 5 Make timely and balanced disclosure	✓	Page 16
Principle 6 Respect the rights of shareholders	✓	Pages 16–17
Principle 7 Recognise and manage risk	✓	Pages 17–18
Principle 8 Remunerate fairly and responsibly	✓	Page 18

Board performance

During the year, the Board undertook a review of the DEXUS Board Committee structure. Having regard to regulatory requirements, the current DEXUS management structure and the overall responsibilities of DXFM, a streamlined Board Committee structure was adopted (effective 1 September 2014) comprising four board committees as follows:

- Audit Committee
- Risk Committee
- People & Remuneration Committee
- Nomination Committee

The responsibilities of the Board Compliance Committee will be assumed by the reconstituted Risk Committee.

The functions of the Board Finance Committee will be assumed by the Risk Committee, the Audit Committee and the Board of DXFM.

Changes to the Board of Directors

During the year, Penny Bingham-Hall was appointed to the Board as a Non-Executive Director. Ms Bingham-Hall has broad industry experience having spent more than 20 years in a variety of senior management roles with Leighton Holdings Limited. Ms Bingham-Hall is a Non-Executive Director of BlueScope Steel Limited, Port Authority of NSW, SCEGGS Darlinghurst Limited and Taronga Conservation Society Australia.

Ms Bingham-Hall recently retired as a director of Australia Postal Corporation. She also served as the inaugural Chair of Advocacy Services Australia Limited (a not-for-profit organisation promoting the interests of the Australian tourism, transport, infrastructure and related industries) from 2008 to 2011, and is a former Director of The Global Foundation (a member-based organisation promoting high-level thinking within Australia and cooperation between Australia and the world).

On 29 October 2013, Barry Brownjohn and Stewart Ewen resigned from the Board.

At 30 June 2014, the Board comprised nine members including seven Non-Executive Directors, the Chief Executive Officer and the Executive Director Finance & COO.

During 2014, DEXUS focused on the induction program for newly appointed Non-Executive Directors. A detailed review was also undertaken of the definition of 'independence' as it relates to Non-Executive Directors.

Executive and Board Trading

The Board has determined that a minimum holding of 50,000 DEXUS securities should be acquired by each Non-Executive Director by 30 June 2015. Newly appointed Non-Executive Directors are required to purchase 50,000 DEXUS securities within three years of their appointment.

At 30 June 2014, Non-Executive Directors' holdings in DEXUS securities were as follows:

Name	Securities
Chris Beare	100,000
Elizabeth Alexander	100,000
Penny Bingham-Hall ¹	0
John Conde	100,000
Tonianne Dwyer	100,000
Peter St George	104,000
Richard Sheppard	420,537

1. Appointed 10 June 2014 and unable to acquire securities until a trading window occurs.

Darren Steinberg (Executive Director) has been awarded the following:

2013	453,417 Performance Rights granted under the Transitional Plan
2014	414,771 Performance Rights granted under the STI Rights Plan (reducing to 207,385 Performance Rights post vesting on 1 July 2014) 1,128,176 Performance Rights granted under the LTI Rights Plan

On 1 July 2014, Darren Steinberg was issued with 218,774 securities which comprised:

- 207,386 securities (vesting of 207,386 Performance Rights being 50% of the Performance Rights granted under the 2013 STI Rights Plan)
- 11,388 securities (being securities with a value equal to the distributions paid on 207,386 securities during the life of the vested Performance Rights)

Craig Mitchell (Executive Director) has been awarded the following:

2013	539,782 Performance Rights granted under the Transitional Plan
2014	177,759 Performance Rights granted under the STI Rights Plan (reducing to 88,879 Performance Rights post vesting on 1 July 2014) 355,518 Performance Rights granted under the LTI Rights Plan

On 1 July 2014, Craig Mitchell was issued with 93,760 securities which comprised:

- 88,880 securities (vesting of 88,880 Performance Rights being 50% of the Performance Rights granted under the 2013 STI Rights Plan)
- 4,880 securities (being securities with a value equal to the distributions paid on 88,880 securities during the life of the vested Performance Rights)

Group Management Committee responsibilities

The Board has appointed a Group Management Committee responsible for achieving the Group's goals and objectives, including the prudent financial and risk management of the Group. The Group Management Committee generally meets weekly.

Members of the Group Management Committee during 2014 were:

- Chief Executive Officer (and Executive Director)
- Executive Director – Finance & COO
- Executive General Manager – Investor Relations, Marketing & Communications
- Executive General Manager – Office & Industrial
- Executive General Manager – People & Property Services
- Executive General Manager – Property Services & COO¹
- Executive General Manager – Strategy, Transactions & Research
- General Counsel & Company Secretary

1. The Executive General Manager – Property Services & COO resigned effective 5 June 2014. The functions of this role have been re-allocated among Group Management Committee members.

CORPORATE GOVERNANCE

DEXUS Funds Management committees and policies

DEXUS has a number of Board and Management committees that are responsible for the overall corporate governance function of the Group. These committees monitor the performance of their respective parts of the business.

Board Committees

Audit, Risk & Sustainability Committee
Compliance Committee
Finance Committee
Nomination, Remuneration & Governance Committee

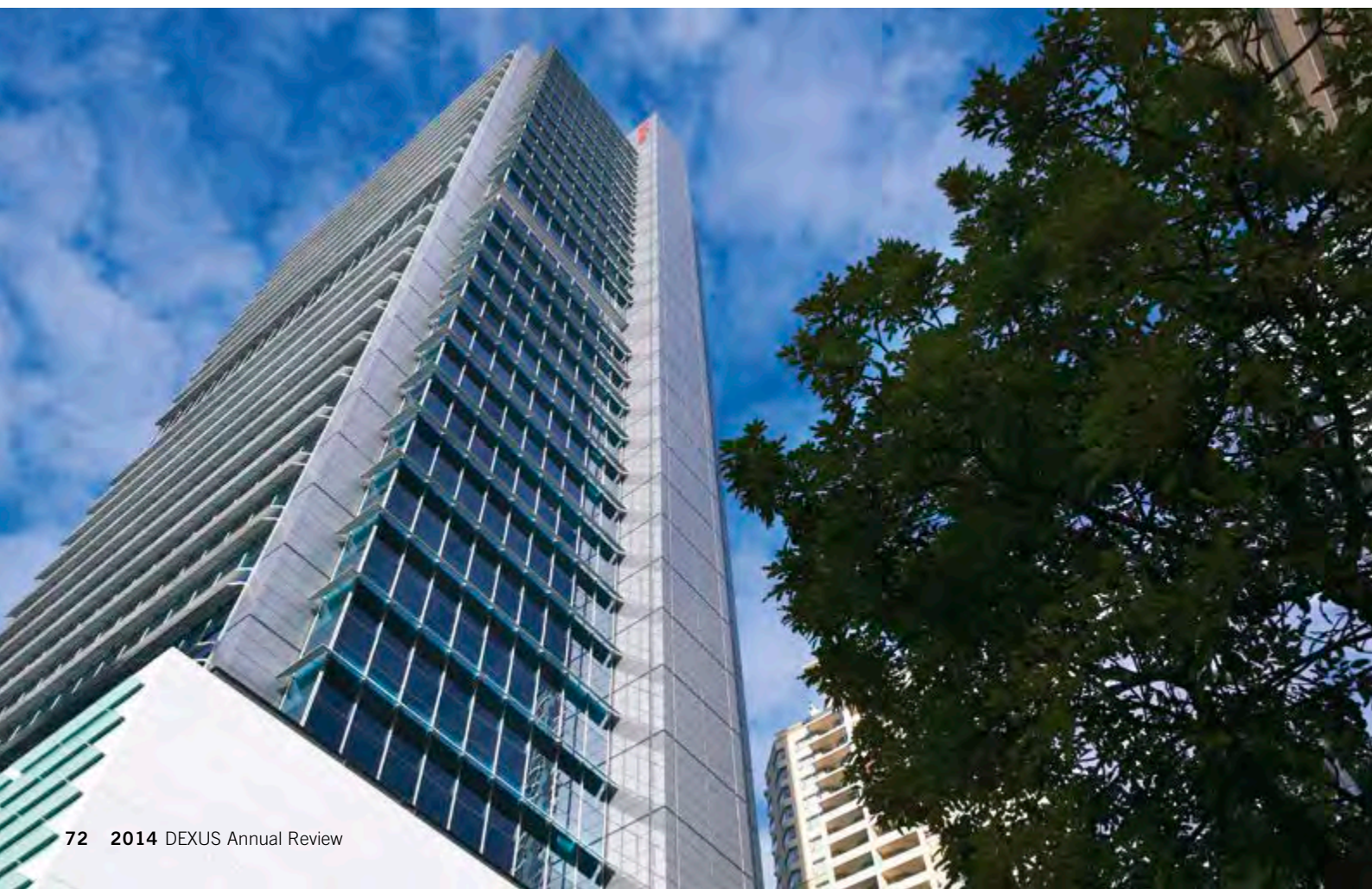
Management Committees

Group Management Committee
Capital Markets Committee
Compliance, Risk, Ethics & Sustainability Committee
Continuous Disclosure Committee
Corporate Responsibility, Inclusion and Diversity Committee
Investment Committee
Project Prioritisation Committee

Key risk and governance policies

Selection and appointment of new Directors
Performance evaluation
Directors' code of conduct
Diversity policy (including targets)
Employees' code of conduct
Good faith reporting
Securities trading (including Insider Information)
Communications
Continuous disclosure
Selection and appointment of external auditor
Auditor independence
Risk management
Environmental management
Workplace health and safety
Anti-bribery

DEXUS's board committee terms of reference and governance policies are available at www.dexus.com/corporategovernance





Risk management

DEXUS actively reviews and manages risks faced by its business over the short, medium and long term, overseen by the Board Audit, Risk & Sustainability Committee.

In 2014, DEXUS's focus was on fraud risk, including the risk of bribery and corruption as part of the DEXUS Code of Conduct.

Key risk	Management strategy
Investment	<p>DEXUS's high quality portfolio is maintained and improved through appropriate quality guidelines and a clear and focused investment strategy</p> <p>Property market returns are achieved through an effective portfolio diversification strategy together with conservative use of debt capital</p> <p>Risk is managed through portfolio diversification, including sector and geographic targets, and by effectively managing the development activity within the portfolio</p> <p>All investment decisions (over \$20 million) are endorsed by the Investment Committee and approved by the Board</p>
Leasing	<p>Leasing risk is managed by the Office & Industrial Leadership team and monitored weekly by the Group Management Committee</p>
Liquidity	<p>DEXUS has broad capital sources that include domestic and international debt capital markets, as well as local and international financial institutions. DEXUS adheres to minimum liquidity requirements under a Board approved treasury policy</p> <p>DEXUS has maintained its debt duration of greater than five years</p> <p>Liquidity management practices are reviewed quarterly by the Capital Markets Committee</p>
Health, safety & environment	<p>DEXUS has in place comprehensive programs outlining its obligations and expectations in relation to workplace health and safety, and environmental management</p> <p>These programs are subject to annual external audit and improvement plans are monitored by the Office & Industrial Leadership team and the Compliance, Risk and Governance team</p> <p>Health, Safety and Environment is also overseen by the Board Audit, Risk & Sustainability Committee and the Board</p>
Talent	<p>To ensure effective talent management DEXUS undertakes a semi-annual review of employee performance and corresponding development plans</p> <p>DEXUS reviews annually its remuneration framework and compensation to market</p> <p>An Employee Opinion Survey is undertaken annually to assess employee engagement and organisation culture and succession plans are in place for all senior executives</p> <p>Talent management is owned by the Group Management Committee and overseen by the Board Nomination, Remuneration & Governance Committee</p>
Regulatory risk	<p>DEXUS has a dedicated team responsible for the identification of legislation and regulations that may affect its operations</p> <p>Policies are developed and employees trained</p> <p>Monitoring of compliance with key obligations including Code of Conduct is undertaken internally and by independent experts</p> <p>The Compliance, Risk, Ethics & Sustainability Committee monitors these programs and the Board Audit, Risk & Sustainability Committee and the Board Compliance Committee oversee their effectiveness</p>

Executive remuneration – actual cash received

In line with best practice recommendations, the amounts shown in the table below provide a summary of actual remuneration received during the year ended 30 June 2014. The STI and DDPP cash payments were received for performance in the 2013 and 2010 financial years respectively.

Executive	Cash Salary \$	Pension & Super Benefits ¹ \$	Other Short-Term Benefits ² \$	Earned in Prior Financial Year		Total \$
				STI Cash Payment ³ \$	DDPP Cash Payment ⁴ \$	
Darren J Steinberg	1,382,225	17,775	500,000	1,312,500	–	3,212,500
Craig D Mitchell	751,300	23,700	–	562,500	598,440	1,935,940
Kevin L George	602,425	22,575	170,000	247,500	–	1,042,500
Ross G Du Vernet	482,225	17,775	–	288,750	–	788,750

1. Includes employer contributions to superannuation under the superannuation guarantee legislation and salary sacrifice amounts.

2. Mr Steinberg's sign-on conditions included access to an additional \$500,000 subject to performance in FY13, which he was paid in full.

Mr George received a cash payment of \$170,000 as compensation for foregone remuneration during the year.

In FY14, expenses of \$401,341 were paid in relation to Mr George's relocation, including stamp duty and legal fees. Such expenses are not considered remuneration, but are footnoted here for transparency.

3. Cash payment made in August 2013 with respect to the 2013 STI Plan (i.e. annual performance payment for the prior financial year).

4. Cash payment made in August 2013 with respect to the 2010 DDPP award that vested on 1 July 2013 (i.e. realisation of three year deferred performance payment).



Non-Executive Directors statutory accounting table

The amounts shown in this table are prepared in accordance with AASB 124 Related Party Disclosures.

The table is a summary of the actual cash and benefits received by each Non-Executive Director for the year ended 30 June 2014.

Executive	Year	Short-Term Benefits \$	Post-Employment Benefits \$	Other Long-Term Benefits \$	Total \$
Christopher T Beare	2014	332,225	17,775	–	350,000
	2013	333,530	16,470	–	350,000
Elizabeth A Alexander, AM	2014	178,490	16,510	–	195,000
	2013	178,899	16,101	–	195,000
Penelope Bingham-Hall ¹	2014	7,921	733	–	8,654
	2013	–	–	–	–
Barry R Brownjohn ²	2014	54,920	5,080	–	60,000
	2013	165,138	14,862	–	180,000
John C Conde, AO	2014	164,760	15,240	–	180,000
	2013	165,138	14,862	–	180,000
Tonianne Dwyer	2014	165,798	15,337	–	181,135
	2013	158,257	14,243	–	172,500
Stewart F Ewen, OAM ³	2014	47,644	7,356	–	55,000
	2013	141,000	24,000	–	165,000
W Richard Sheppard	2014	167,206	15,467	–	182,673
	2013	158,257	14,243	–	172,500
Peter B St George	2014	151,030	13,970	–	165,000
	2013	151,376	13,624	–	165,000
Total	2014	1,269,994	107,468	–	1,377,462
	2013	1,451,595	128,405	–	1,580,000

1. Ms Bingham-Hall was appointed on 10 June 2014.

2. Mr Brownjohn did not stand for re-election at the 2013 AGM and effectively resigned from the Board on 29 October 2013.

3. Mr Ewen did not stand for re-election at the 2013 AGM and effectively resigned from the Board on 29 October 2013.

INVESTOR RELATIONS

DEXUS is one of the largest real estate groups listed on the Australian Securities Exchange. DEXUS's Investor Relations team drives and facilitates communication with existing and potential institutional investors, sell-side analysts and retail investors.

The team, alongside DEXUS senior management, maintains strong rapport with the investment community through proactive and regular investor engagement initiatives.

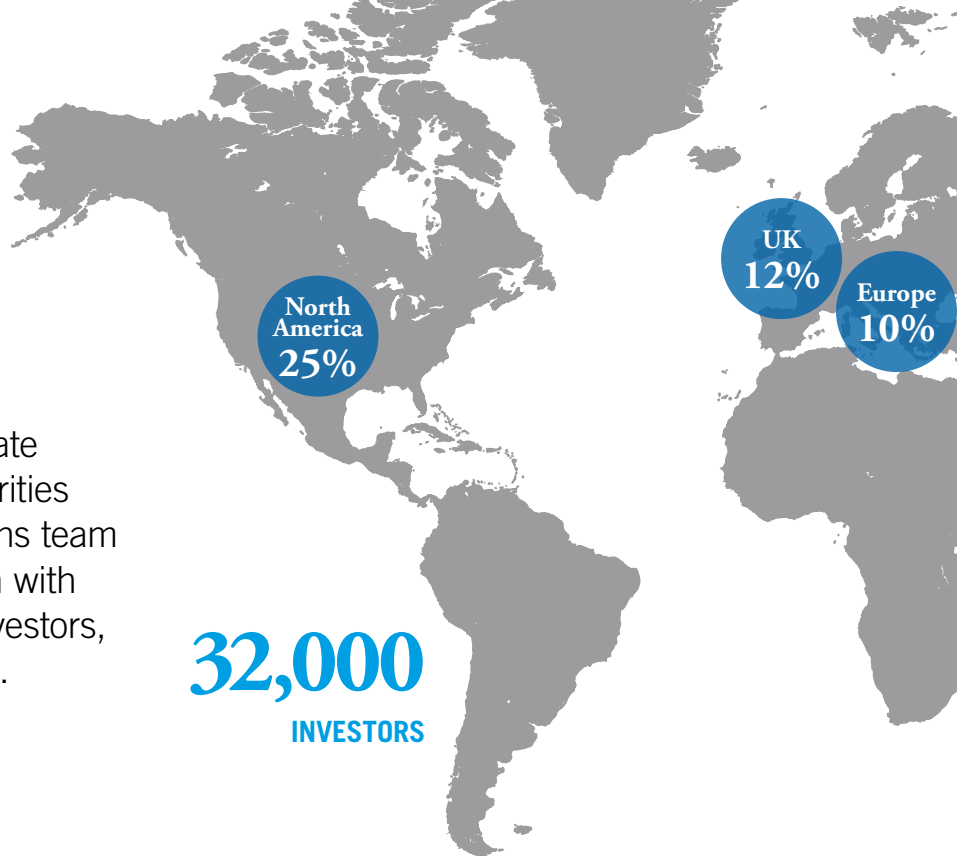
DEXUS is committed to delivering high levels of transparency and disclosure by:

- Releasing accurate and relevant information to investors to ensure they can make informed investment decisions
- Providing regular access to senior management through meetings, presentations, property tours, conferences, dedicated investor roadshows, conference calls and webcasts.

DEXUS adopts strong corporate governance including a policy that ensures a minimum of two DEXUS representatives participate in any investor or sell-side analyst meeting and that a record of the meeting is maintained on an internal customer relationship management database.

During FY14, DEXUS senior management together with the Investor Relations (IR) team held 300 meetings to discuss the Group's business strategy, and operational and financial performance. DEXUS participated in investor conferences and roadshows in Australia, Singapore, Hong Kong, London, New York and Japan. These conferences and roadshows enabled access to potential new investors and assisted with strengthening existing relationships with long term investors. The IR team arranged tours of DEXUS's properties with investors and sell-side analysts to increase awareness of the quality of the portfolio and DEXUS's active asset management approach.

Twice a year, DEXUS commissions an independent investor perception study to gather feedback from the institutional investment community. The study involves an independent consultant conducting interviews with institutional investors and sell-side analysts to gauge investor thoughts on a number of attributes and report on the findings. The results help DEXUS's Board and Executive team understand the investment community's perceptions and concerns and assists in the development of DEXUS's communications and enhancing the effectiveness of the Group's IR efforts.



Annual General Meeting

On Wednesday, 29 October 2014, DEXUS's Annual General Meeting (AGM) will be held at DEXUS's Head Office, Level 25 Australia Square, 264 George Street, Sydney commencing at 2.00pm. Investors are encouraged to attend the AGM in person to meet the Board of Directors and the Executive team. The AGM will be webcast at www.dexus.com for investors who are unable to attend in person.

Distribution payments

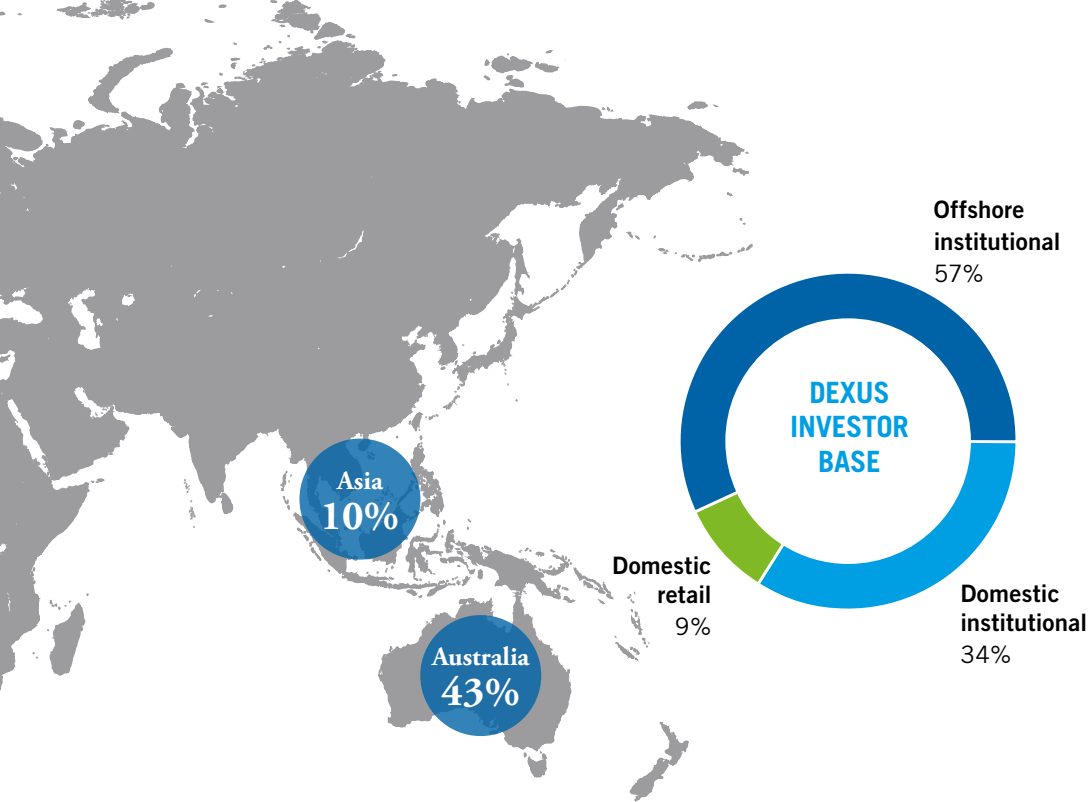
DEXUS's FY14 payout policy is to distribute between 70–80% of Funds From Operations (FFO), in line with free cash flow, with the expectation that the average payout ratio will be 75% of FFO. Distributions are paid for the six month period to 31 December and 30 June each year. Distribution statements are available in print and electronic formats and distributions are paid via direct credit into nominated bank accounts or by cheque. To change the method of receiving distributions, please use the investor login facility at www.dexus.com/update

Unclaimed distribution income

Unpresented cheques or unclaimed distribution income can be claimed by contacting the DEXUS Infoline on +61 1800 819 675. For monies outstanding greater than seven years, please contact the NSW Office of State Revenue on +61 1300 366 016, use its search facility at osr.nsw.gov.au or email unclaimedmoney@osr.nsw.gov.au

2015 REPORTING CALENDAR

2014 Annual General Meeting	29 October 2014
2015 Half year results	18 February 2015
2015 Annual results	12 August 2015
2015 Annual General Meeting	28 October 2015



Annual taxation statements

An annual taxation statement is sent to investors in August each year. The statement summarises distributions provided during the financial year and includes information required to complete your tax return. Annual taxation statements are also available online at www.dexus.com/update via the investor login facility.

Making contact

If you have any questions regarding your security holding or wish to update your personal or distribution payment details, please contact the Registry by calling the DEXUS Infoline on **+61 1800 819 675**.

This service is available from 8.30am to 5.30pm (Sydney time) on all business days.

All correspondence should be addressed to:

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

DEXUS is committed to delivering a high level of service to all investors. If you feel DEXUS could improve its service or would like to make a suggestion or a complaint, your feedback is appreciated. DEXUS's contact details are:

Investor Relations
DEXUS Property Group
PO Box R1822
Royal Exchange NSW 1225
ir@dexus.com

DEXUS Funds Management Limited is a member of the Financial Ombudsman Service (FOS), an independent dispute resolution scheme. If you are not satisfied with the resolution of your complaint by DEXUS, you may refer your complaint to FOS.

2015 DISTRIBUTION CALENDAR

Period end	ASX announcement	Ex-distribution date	Record date	Payment date
31 Dec 2014	22 Dec 2014	29 Dec 2014	31 Dec 2014	27 Feb 2015
30 Jun 2015	23 Jun 2015	26 Jun 2015	30 Jun 2015	31 Aug 2015

Please note that these dates are indicative and are subject to change without prior notice. Any changes in our key dates will be published on our website.

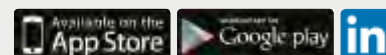
Investor Communications

DEXUS is committed to ensuring all investors have equal access to information about its investment activities. In line with the Group's commitment to long term integration of sustainable business practices, investor communications are provided via various electronic methods including:

- **DEXUS's website**
www.dexus.com provides a wide range of information, including a two minute corporate video, ASX announcements, investor information and reports. In 2014, the Group released a suite of capability profiles, strategic case studies and videos all available at www.dexus.com/news

Other investor tools available include:

- **Online enquiry**
easy to complete online enquiry form
- **Investor login**
enables investors to update their details and download statements
- **Subscribe to alerts**
enables investors to receive DEXUS communications immediately after release
- **Create your own property or leasing reports**
select and download information on our property portfolio and space available
- **Events calendar**
notifies investors of key events and reporting dates
- **DEXUS IR App**
provides users access to DEXUS's investor communications and security price – download for free from Apple's App Store or Google Play
- **LinkedIn**
DEXUS now engages with its followers via LinkedIn. To receive DEXUS LinkedIn communications, visit our Investor Centre at www.dexus.com/investors and click on DEXUS on LinkedIn – Follow us.

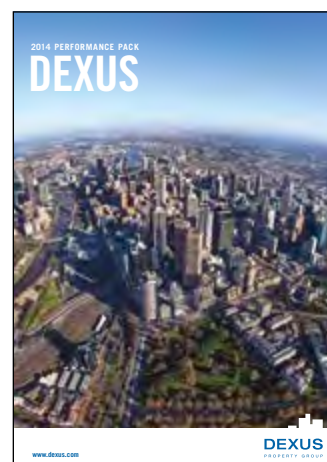


GLOSSARY

TERM	MEANING
144A	A US debt capital market bond
A3, Baa1 rating	Moody's credit ratings
A-, BBB+ rating	Standard & Poor's credit ratings
AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
AIFRS	Australian International Financial Reporting Standards
A-REIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange Limited
Australian Industrial Partnership (AIP)	A capital partnership between DEXUS Property Group and a major global pension fund
Australian Mandate	A diverse Australian property management mandate on behalf of an Australian institutional investors
Brisbane's trade coast	An 8,000 hectare trade and industry region six kilometres from the Brisbane CBD
Buy-back	The repurchase of stock by the company that issued it
Capitalisation rate (cap rate)	A ratio between the net operating income produced by an asset and its capital cost
Carbon neutral	Achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset
CBD	Central Business District
CEO	Chief Executive Officer
CMIL	Commonwealth Managed Investments Limited
CO ₂	Carbon Dioxide
Commercial Paper	An unsecured promissory note with a fixed maturity of no more than 270 days
COO	Chief Operating Officer
CPA	Commonwealth Property Office Fund
CPI	Consumer Price Index
CPPIB	Canada Pension Plan Investment Board
CR&S	Corporate Responsibility and Sustainability
DEXUS Industrial Partnership	A capital partnership between DEXUS Property Group and the Future Fund
DEXUS Offer	The takeover bid of Commonwealth Property Office Fund
DEXUS Office Partnership	A capital partnership between DEXUS Property Group and Canada Pension Plan Investment Board
DEXUS Property Group, Group portfolio, the Group, we, us and our	Relates to DEXUS Property Group comprising the ASX listed entity and the third party funds management business
DEXUS, DEXUS portfolio or the Trusts	Relates specifically to the ASX listed entity, its direct property portfolio and four Trusts that comprise DEXUS stapled securities: DEXUS Diversified Trust (DDF), DEXUS Industrial Trust (DIT), DEXUS Office Trust (DOT) and DEXUS Operations Trust (DXO)
DJSI	Dow Jones Sustainability Indexes: which track the stock performance of the world's leading companies in terms of economic, environmental and social criteria
DRP	Distribution Reinvestment Plan
Duration of debt or Debt Duration	The average term to maturity of all amounts drawn down under debt facilities
DWPF	DEXUS Wholesale Property Fund
DXFM	DEXUS Funds Management Limited, the Responsible Entity for each of the four Trusts that comprise DEXUS
EBIT	Earnings Before Interest and Tax
Effective rent	The rental rate of a lease taking into account tenant fit-out incentives, cash incentives and rent free periods
EGM	Executive General Manager
ESG	Environmental, Social and Governance
FEW	Flexible working environment
FFO	Funds From Operations: FFO is often used as a measure of real estate operating performance after finance costs and taxes. DEXUS's FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of certain tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs
FOS	Financial Ombudsman Service, an independent dispute resolution scheme
Future Fund	An Australian sovereign wealth fund
FX	Foreign exchange rate
FY12/FY13/FY14/FY15/FY16	Financial years to 30 June 2012, 30 June 2013, 30 June 2014, 30 June 2015 and 30 June 2016
Gearing	Represented by Interest Bearing Liabilities (excluding deferred borrowing costs and including the fair value of cross currency swaps) less cash divided by Total Tangible Assets (excluding derivatives and deferred tax assets) less cash. Covenant gearing is the same definition but not adjusted for cash
Gearing (look through)	Represents gearing defined above adjusted to include debt in equity accounted investments

TERM	MEANING
GMC	Group Management Committee
Green lease	Clauses inserted into a lease reporting both parties to minimise their impact upon the environment and their use of resources
Green Star	A comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings and communities
Green Star – Office As Built v2	A rating tool that assesses the delivery of the same environmental design criteria as in Green Star – Office Design v2, but at construction completion
GreenPower	GreenPower is a government accreditation program that enables energy providers to purchase renewable energy on the consumer's behalf
GRESB	Global Real Estate Sustainability Benchmark survey
GRI	Global Reporting Initiative: a non-profit organisation that promotes economic sustainability. It produces standards for sustainability reporting by corporations
GRI G4	Global Reporting Initiative G4 protocol
Heads of Agreement	An agreement between tenant and landlord of the commercial terms and conditions of a lease
Hedged debt	The amount of drawn debt subject to a contracted fixed or capped interest rate (this includes fixed rate bonds and bank debt not converted by interest rate swaps to floating rate debt)
Intensity	Graph data is provided on an 'intensity per square metre' basis which enables like-for-like comparisons year-on-year, excluding property acquisitions, disposals and developments during the period. Note: all environmental data includes only properties under our operational control as defined under NGERs
Internal Rate of Return (IRR)	A rate of return used in capital budgeting to measure and compare the profitability of investments
IPD	Investment Property Databank, a world leader in performance analysis for owners, investors, managers and occupiers of real estate
KMP	Key Management Personnel
KPI	Key Performance Indicators
Lease duration	The remaining term to expiry of a lease
Like-for-like	A comparison using a consistent group of properties
LSI Tool	Human Synergistics Lifestyle Inventory Tool
LTI	Long term incentive
MAT	Moving Annual Turnover
Megajoule	A measurement of energy
Moody's	Moody's Investor Service credit rating agency
MTN	Medium Term Notes
NABERS	National Australian Built Environment Rating System
NGERS	National Greenhouse and Energy Reporting System
NLA	Net lettable area
NOI	Net operating income
NTA	Net tangible assets
Operational control	A company is deemed to have operational control of premises when it has the authority to introduce and implement operating, health and safety and/or environmental policies
PCA FFO	Calculated in accordance with guidelines provided by the Property Council of Australia (PCA). Under DEXUS's application of PCA FFO for FY15, this measure represents FFO defined adjusted to include rent free amortisation
Pre-lease	To obtain lease commitments in a building or complex prior to it being available for occupancy
Premium/A-grade/B-grade etc	A quality rating, developed by the Property Council of Australia for office buildings
REIT	Real Estate Investment Trust
Responsible entity	An Australian public company holding an Australian Financial Services Licence who holds the dual role of trustee and manager of a managed investment scheme, as prescribed by the Commonwealth Corporations Act (2001)
ROE	Return on Equity
S&P	Standard & Poor's credit rating agency
Sector(s)	Property investment sectors, specifically office, industrial and retail
Sqm	Square metres
STI	Short term incentive
Tenant incentive	A property industry standard practice. Tenants may be offered incentives by property owners who pay a given amount towards the tenant's fit-out and/or a rent free period at commencement of the lease
Tenant Net Promotion Score	A customer loyalty metric
The Consortium	DEXUS Funds Management Limited and Canada Pension Plan Investment Board
UNPRI	United Nations Principles for Responsible Investment, a network of international investors working together to put the six Principles for Responsible Investment into practice
USPP	US Private Placement
WALE	Weighted Average Lease Expiry: the weighted average lease term remaining to expire across a portfolio, weighted by rental income
Yield	The annualised rents of a property expressed as a percentage of the property value

2014 ANNUAL REPORTING SUITE



DEXUS Property Group presents its 2014 Annual Reporting Suite and supporting material for the year ended 30 June 2014:

1. This 2014 DEXUS Annual Review – an integrated report summarising financial, operational and Corporate Responsibility and Sustainability (CR&S) performance.
2. The 2014 DEXUS Annual Report – provides DEXUS's Consolidated Financial Statements, Corporate Governance Statement and Board of Directors information. This document should be read in conjunction with the 2014 DEXUS Annual Review.
3. The 2014 DEXUS Combined Financial Statements – the Financial Statements of DEXUS Industrial Trust, DEXUS Office Trust and DEXUS Operations Trust. This document should be read in conjunction with the 2014 DEXUS Annual Report and Annual Review.
4. The 2014 DEXUS Performance Pack – provides the data and detailed information supporting the results outlined in the 2014 DEXUS Annual Review available in the online Annual Reporting Suite.

In these reports, DEXUS demonstrates how it manages its financial and non-financial performance in line with its strategy. Further CR&S information can be found on the website at www.dexus.com/crs

The Annual Reporting Suite is available in hard copy by email request to ir@dexus.com or by calling +61 1800 819 675. The online Annual Reporting Suite is available at www.dexus.com

Report scope

The Annual Review covers financial performance at all locations. Environmental data only includes properties under the Group's operational control as defined under the National Greenhouse and Energy Reporting System (NGER Act). All resource performance figures in this report display consumption and GHG emissions on an intensity (per square metre) basis. Absolute consumption and additional information is provided in the Performance Pack available from the online reporting suite at www.dexus.com

Independent assurance

In addition to auditing DEXUS's Financial Statements, PricewaterhouseCoopers (PwC) has provided limited assurance over select data from Australia and New Zealand within the integrated online reporting suite. This covers the 12 months to 30 June 2014 in accordance with reporting criteria (www.dexus.com/crs). The assurance statement, the GRI verification report and associated reporting criteria documents will be available from the online reporting suite in early September 2014.

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

AFSL 238163

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Elizabeth A Alexander AM

Penny Bingham-Hall

John C Conde AO

Tonianna Dwyer

Craig D Mitchell, CFO

W Richard Sheppard

Darren J Steinberg, CEO

Peter B St George

Secretaries of the Responsible Entity

John C Easy

Scott D Mahony

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

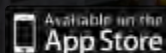
For enquiries regarding security holdings, contact the security registry, or access security holding details at www.dexus.com using the Investor login link

Australian Securities Exchange

ASX Code: DXS

IR App

Download the DEXUS IR App to gain instant access to the latest DXS stock price, ASX announcements, presentations, reports, webcasts and more.



Property expertise.
Institutional rigour.
Entrepreneurial spirit.